# ADDITIONAL ITEMS

| | |
|---|---|
| **6.** | **STATUTORY MATTERS** |

| | |
|---|---|
| **6.6** | **MID-YEAR ADJUSTMENTS BUDGET FOR 2024/2025** |

**Collaborator No:**
**IDP KPA Ref No:** **Good Governance and Compliance**
**Meeting Date:** **22 January 2026**

**1. SUBJECT: MID-YEAR ADJUSTMENTS BUDGET FOR 2024/2025**

**2. PURPOSE**

To table the adjustments budget as envisaged by section 28 of the Municipal Finance Management Act ( Act No.56 of 2003), for the 2025/2026 financial year, for approval.

**3. DELEGATED AUTHORITY**

Approval is required by the Municipal Council.

**4. EXECUTIVE SUMMARY**

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

**5. RECOMMENDATIONS**

(a) that the Adjustments Budget for 2025/2026 as set out in **APPENDIX 1**, be approved;

(b) that the list of capital projects be adjusted over the MTREF (2025/2026), as set out in **APPENDIX 1**.

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

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

## 6. DISCUSSION / CONTENTS

### 6.1. Background/ Legislative Framework

**In terms of section 28 (2) (a), (b), (d) and (f) of the Municipal Finance Management Act:**

*"(2) An adjustments budget—*

*(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*

*(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*

*(d) may authorise the utilisation of projected savings in one vote towards spending under another vote;*

*(f) may correct any errors in the annual budget;…".*

**According to regulation 23 (1) and (3) of the Municipal Budget and Reporting Regulations:**

*"23. (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tables in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.*

*(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 25(2)(b) of the Act in the municipal council to appropriate these additional revenues"*

### 6.2 Discussion

**Capital Adjustments Budget**

During the mid-year budget and performance assessment process, inclusive of taking into account actual spending as at 31 December 2025, it was identified that the approved capital budget had to be adjusted to make necessary amendments to various projects in order to accelerate progress on the priorities identified. Refer to **Appendix 1** for detail.

**Operational Adjustment Budget**

With the process followed during the mid-year budget and performance assessment, taking into consideration projected spending or projected billed revenue versus what was actually processed, it was identified that the approved operational budget should be adjusted accordingly. Refer to **APPENDIX 1** for detail.

**Material changes to the operating budget:**

**Operational Income Budget**

There are line items where we anticipate underperformance or overperformance.

The income line items that will have to be adjusted accordingly are:

- **Electricity Service Charges:**The municipality has billed R21 066 122 more electricity charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R93 066 219, was written back to the previous financial year. Considering the consumption over the past 6 months of the current financial year, the actual electricity revenue billed over the past three financial years as well as the tariff increase of 9.95%, it is recommended that the current budget of R1 215 948 763 be increased during the during the Mid-year adjustment process with approximately R25 000 000.

- **Water Service Charges:** The municipality has billed R2 971 511 less water charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R24 895 324, was written back to the previous financial year. Considering the monthly average billing (R12 322 123) as well as the tariff increase of 6.0%, it is recommended that the budget be increased during the Mid-year adjustment budget process with approximately R12 500 000.

- **Waste Management Service Charges:** The municipality has billed R3 651 850 more refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R9 945 703), annual consumption over the past three financial years (R95 866 674) as well as the tariff increase of 6.90%, it is recommended that the budget be increased with R5 000 000 during the Mid-year adjustment budget process.

- **Interest earned from Current and Non-Current Assets:** An underperformance was noted for interest earned on external investments to the amount of R5 502 201. The variance is attributed to decreases in the primary interest rate. It is recommended that the budget be decreased with R11 million during the Mid-year adjustment budget process.

- **Property Rates: Property** rates and service charges water are billed monthly. However, some consumers applied to have their property rates and service charges to be billed annually. This has resulted in an overperformance of R29 076 301 for property rates when compared to the year-to-date budget projections. Based on the latest interim valuation and additional properties added to the valuation roll, it is recommended that the budget be increased with R6 million during the Mid-year adjustment budget process.

- **Sales of Goods and Rendering of Services:** Building Plan Approval. An over performance of R7 493 860 has been noted. Considering the monthly average over the past 6 months of R1 872 798 it renders the current budget amounting to R7 815 227 as insufficient based on historical trends.

  It is recommended that the budget be increased with approximately R7million during the Mid-year adjustment budget process.

- **Transfers and subsidies :** The transfers and subsidies will be amended during the Mid-year Adjustment budget process as per published Gazette. The gazette for the grants has not been issued.

**Operational Expenditure Budget**

Various line items were adjusted (detail included in **APPENDIX 1**) due to requests received from user departments and operational pressure to increase efficiency.

There are line items where we noted an overspending when compared to the year-to-date budget and we anticipate that additional funds will be required, over and above those already included and approved in the annual budget.

**Material changes to the operational expenditure budget:**

- **Bulk purchases – Electricity:** An underperformance of R25 514 404 is noted for bulk purchases. The underperformance is a result of a decrease in consumption. However, considering the actual expenditure incurred in the first half of the financial year amounting to R377 048 420 with an average of R62 841 403 and historical trends depicting an increase in the last 6 months of the financial year as a result of seasonal changes. It is recommended that the budget be increased by approximately R70 million during the Mid-year adjustment budget process.

- **Contracted Services: Contractors: Maintenance of Unspecified Assets:** An underperformance is noted to the amount of R2 539 534. Considering the actual expenditure incurred in the first half of the financial year amounting to R17 543 218 with a monthly average of R2 923 870. It is recommended that the budget be reduced by R1 203 356 during the Mid-year adjustment budget process due to funds required for additional operational needs.

- **Contracted Services: Contractors: Maintenance of Equipment:** An underperformance is noted to the amount of R5 891 198. Considering the actual expenditure incurred in the first half of the financial year amounting to R4 190 386 with a monthly average of R698 397. It is recommended that the budget be reduced by R3 116 635 during the Mid-year adjustment budget process.

- **Contracted Services: Contractors: Maintenance of Buildings and Facilities:** An underperformance is noted to the amount of R1 069 799. Considering the actual expenditure incurred in the first half of the financial year amounting to R4 720 629 with a monthly average of R608 471. It is recommended that the budget be reduced by R3 500 000 during the Mid-year adjustment budget process.

- **Contracted Services: Outsourced Services: Security Services:** An underperformance is noted to the amount of R10 114 005. Considering the actual expenditure incurred in the first half of the financial year amounting to R20 145 995 with a monthly average of R3 357 666. However, additional security is required on critical infrastructure sites. It is therefore recommended that the budget be increased by R10 000 000 during the Mid-year adjustment budget process.

- **Operational Costs:** An overperformance was noted to the amount of R3 520 581. Considering the actual expenditure incurred in the first half of the financial year amounting to R96 71 108 with a monthly average of R16 028 518. It is recommended that the budget be increased by approximately R21 238 148. The largest increase is attributable to the Provision for the rehabilitation of the landfill site, that must increase with approximately R13 million based on the report from the expert. Operating leases budget will increase by approximately R2 million based on the lease agreements.

- **Finance Charges:** An underperformance of R7 011 620 is noted against the year-to-date budget projections. The variance is attributable to the following two items:
    - Interest cost non-current provisions – it is recommended based on the actuarial report report received from the expert that budget must be reduced with R3 539 474.
    - Long service awards – it is recommended that the budget be reduced with R3 158 000 based on the latest actuarial valuation report. It is recommended that the budget be decreased with approximately R6 697 474 during the mid-year adjustment budget process.

- **Irrecoverable debt written off:** Material Impairments: The municipality provided for the impairment of receivables from exchange transactions for consumer receivables of R263,2 million (2023-24: R268,7 million) and other receivables from exchange transactions for property rental debtors of R32,4 million (2023-24: R32,4 million).

  The irrecoverable debt written off budget will be increased based on the year-to-date actual amounts and historical trends. It is recommended that the budget be increased with R147 438 903 to write off debt older than 5 years, as well as Indigent debt during the Mid-year adjustment budget process.

**6.4 Legal Implications**

The item is compliant with the relevant legislative framework.

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

Adjustments Budget (roll-over) 2025/2026 – 28 August 2025.

**6.7 Risk Implications**

None.

**6.8 Comments from Senior Management:**

Inputs from all Directorates were incorporated into the adjustments budget.

## Attachments

Appendix 1 - Budget documentation
Appendix 2 - Adjustments budget 25/26 (B-schedule)
Appendix 3 - Quality certificate

## FOR FURTHER DETAILS CONTACT:

| | |
|---|---|
| *NAME* | **MONIQUE STEYL** |
| *POSITION* | ***SENIOR MANAGER: FINANCIAL MANGEMENT SERVICES*** |
| *DIRECTORATE* | ***FINANCIAL SERVICES*** |
| *CONTACT NUMBERS* | ***021 808 8512*** |
| *E-MAIL ADDRESS* | ***Monique.Steyl@stellenbosch.gov.za*** |
| *REPORT DATE* | ***19 January 2026*** |

# APPENDIX 1

**APPENDIX 1**

**STELLENBOSCH**

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

# STELLENBOSCH MUNICIPALITY

## MID-YEAR ADJUSTMENTS BUDGET DOCUMENTATION

## JANUARY 2026

## Contents

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# ADJUSTMENTS BUDGET

## PART 1

### 1. Mayor's Report

In terms of section 72 of the MFMA, the municipality should assess its performance for the first half of the financial year. If necessary, this assessment then warrants an adjustment to the municipality's budget to revise projections of revenue and expenditure.

Changes to the approved budget are herein presented.

This adjustments budget is presented in terms of section 28 of the Municipal Finance Management Act (Act No.56 of 2003) (MFMA).

### 2. Resolutions

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

(b) that the following capital projects be adjusted over the MTREF (2025-2028) as follows:

| Project | 2025/2026 | 2026/2027 | 2027/2028 |
|---|---|---|---|
| Landfill Gas To Energy | | - | - |
| Major Drop-Offs: Construction - Franschoek | | 1 000 000 | 5 000 000 |
| Major Drop-offs: Construction - Klapmuts | | 7 141 917 | - |
| Plant and Vehicles: Solid Waste | | 4 500 000 | 3 500 000 |
| Turnkey - EPC of Hybrid inverter with Battery Storage Systems at Stellenbosch Community Buildings | | 3 210 185 | - |
| Uninterupted Power Supply for buildings | | 2 000 000 | - |
| Bulk Water Upgrades Franschoek | | 500 000 | - |
| Chlorination Installation: Upgrade | | 500 000 | - |
| New Reservoir & Pipeline: Vlottenburg | | 23 985 498 | 10 000 000 |
| Uniepark & Helshoogte Storage and Supply scheme | | 3 250 000 | - |
| Upgrade of IdasValley WTP | | 11 500 000 | 40 000 000 |
| Update Water Masterplan | | 2 250 000 | 1 500 000 |

| Project | 2025/2026 | 2026/2027 | 2027/2028 |
|---|---|---|---|
| Water Telemetry Upgrade | | 3 500 000 | 1 500 000 |
| Compilation of Water Service Development Plan (tri-annually) | | 1 000 000 | 815 000 |
| Dorp Street Bulk Sewer Upgrade | | 2 500 000 | - |
| Extention Of WWTW: Stellenbosch | | 35 750 000 | 46 200 000 |
| Pond rehabilitation and pond pumping systems construction WWTW | | 2 350 000 | 2 000 000 |
| Refurbish Plant & Equipment - Raithby WWTW | | 9 000 000 | - |
| Sewer Pumpstation & Telemetry Upgrade | | 3 750 000 | 1 500 000 |
| Specialized Vehicles: Sanitation | | 3 000 000 | 6 000 000 |
| Update Sewer Masterplan | | 1 750 000 | 750 000 |
| Upgrade of WWTW: Klapmuts | | 71 000 020 | 1 000 000 |
| Vlottenburg Outfall Sewer: Construction of Digteby Sewerpipe | | 504 146 | - |
| Bridge Assessment and Design - Stiebeuel River Pedestrian Bridges | | 700 000 | - |
| Bridge Assessment and Design Stellenbosch and surrounding | | 3 000 000 | - |
| River Rehabilitation Implementation | | 3 600 000 | 1 000 000 |
| Wilderbosch Extension to Trumali | | 1 500 000 | - |
| Wilderbosch Extention to Technopark | | - | 2 000 000 |
| Jamestown Transport Network - School Street | | 16 000 000 | - |
| Main road intersection improvements: Helshoogte rd/La Colline | | 5 500 000 | - |
| Main Road Intersection Improvements: R44 / Merriman Street | | 3 000 000 | 5 000 000 |
| Main Road Intersection Improvements: Strand / Adam Tas / Alexander | | 17 000 000 | 24 943 007 |
| Adam Tas - Corridor Transport | | 2 100 000 | 1 000 000 |
| Adam Tas - Technopark Link Road | | 3 998 047 | 20 000 000 |
| Bicycle Lockup Facilities | | 750 000 | - |
| Park and Ride (Transport Interchange) | | 3 924 376 | 2 000 000 |
| Re-design of Bergzicht Public Transport Facility | | 1 000 000 | - |
| Upgrading: Admin Building and Community Halll | | 2 250 000 | 250 000 |
| Structural Maintenance/Upgrade: Beltana | | 34 500 000 | 5 000 000 |
| Upgrading of New Office Space: Ryneveld Street | | 2 800 000 | 500 000 |
| Calcatta Memorial Park | 56 820 550 | 3 500 000 | - |
| Fire Station - Jamestown | | 20 826 675 | 3 650 000 |
| Specialized Vehicles: Traffic | | 6 500 000 | 3 000 000 |

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

## 3. Executive Summary

The amendments in funds have been adjusted in terms of section 28 (2) (a) of the Municipal Finance Management Act (Act 56 of 2003) and regulation 23 (1) of the Municipal Budget & Reporting Regulations (17 April 2009).

This adjustments budget is presented in terms of section 28 of the Municipal Finance Management Act (Act No.56 of 2003) (MFMA).

### Mid-year performance assessment

Following the annual mid-year performance assessment, Stellenbosch Municipality recognized the necessity to adjust its' budget as per section 28 (2) of the MFMA.

On a high level, the combined Operational- and Capital adjustments budget is as follows:

| Directorate | Total Approved Budget (R ) | % | Total Adjustments Budget (R ) | % |
|---|---|---|---|---|
| **Municipal Manager** | 23 793 262 | 1% | 24 754 689 | 1% |
| **Planning and Economic Development** | 174 317 491 | 5% | 177 027 554 | 5% |
| **Infrastructure Services** | 2 123 113 543 | 62% | 2 110 293 450 | 62% |
| **Corporate Services** | 288 815 308 | 8% | 270 244 287 | 8% |
| **Community and Protection Services** | 667 211 042 | 19% | 696 260 681 | 20% |
| **Financial Services** | 148 883 175 | 4% | 152 186 195 | 4% |
| **TOTALS** | **3 426 133 821** | | **3 430 766 856** | |

## Capital Adjustments Budget for 2025/2026

Approved Capital Budget:

| Directorate | Budget 2025/2026 | Budget 2026/2027 | Budget 2027/2028 | Total Capital Budget |
|---|---|---|---|---|
| **Municipal Manager** | 100 000 | 60 000 | 60 000 | 220 000 |
| **Planning & Economic Development** | 37 349 558 | 68 475 434 | 55 698 478 | 161 523 470 |
| **Infrastructure Services** | 485 177 392 | 494 506 497 | 400 654 507 | 1 380 338 396 |
| **Corporate Services** | 51 863 619 | 31 250 000 | 13 500 000 | 96 613 619 |
| **Community and Protection Services** | 98 818 255 | 50 500 000 | 47 565 000 | 196 883 255 |
| **Financial Services** | 4 300 000 | 2 400 000 | 1 250 000 | 7 950 000 |
| **Total** | **677 608 824** | **647 191 931** | **518 727 985** | **1 843 528 740** |

Capital Adjustment Budget:

| Directorate | Budget 2025/2026 | Budget 2026/2027 | Budget 2027/2028 | Total Capital Budget |
|---|---|---|---|---|
| **Municipal Manager** | 100 000 | 60 000 | 60 000 | 220 000 |
| **Planning & Economic Development** | 42 219 732 | 68 475 434 | 55 698 478 | 166 393 644 |
| **Infrastructure Services** | 404 059 707 | 581 885 168 | 417 262 514 | 1 403 207 389 |
| **Corporate Services** | 31 663 619 | 52 550 000 | 19 000 000 | 103 213 619 |
| **Community and Protection Services** | 118 737 301 | 57 826 675 | 39 565 000 | 216 128 976 |
| **Financial Services** | 4 300 000 | 2 400 000 | 1 250 000 | 7 950 000 |
| **Total** | **601 080 359** | **763 197 277** | **532 835 992** | **1 897 113 628** |

**PART 2**

## 4. Adjustments Budget Tables

In accordance with the Budget and Reporting Regulations, the following compulsory schedules are attached (Appendix 2) reflecting the composition and detail of the adjustments budget:

| Table name | Table reference |
|---|---|
| Adjustments Budget Summary | B1 |
| Adjustments Budget Financial Performance by standard classification | B2 |
| Adjustments Budget Financial Performance by vote | B3 |
| Adjustments Budget Financial Performance | B4 |
| Adjustments Budget Capital Expenditure by vote and funding | B5 |
| Adjustments Budget Financial Position | B6 |
| Adjustments Budget Cash Flows | B7 |
| Cash backed reserves/ Accumulated surplus reconciliation | B8 |
| Asset Management | B9 |
| Basic Service Delivery Measurement | B10 |

The following other supporting schedules (SB1 – SB19) are attached on Appendix 2. In accordance with the Budget and Reporting Regulations.

| **Table Name** | **Table reference** |
|---|---|
| Supporting detail to 'Budgeted Financial Performance' | SB1 |
| Supporting detail to 'Financial Position Budget' | SB2 |
| Adjustments to the SDBIP | SB3 |
| Adjustments to the budgeted performance indicators & benchmarks | SB4 |
| Social, economic & demographic statistics & assumptions | SB5 |
| Funding measurement | SB6 |
| Transfers & grant receipts | SB7 |
| Expenditure on transfers & grant programme | SB8 |
| Reconciliation of transfers, grant receipts and unspent funds | SB9 |
| Transfers & grants made by the municipality | SB10 |
| Councillor & staff benefits | SB11 |
| Monthly revenue & expenditure (vote) | SB12 |
| Monthly revenue & expenditure (standard classification) | SB13 |
| Monthly revenue & expenditure | SB14 |
| Monthly cash flow | SB15 |
| Monthly capital expenditure (vote) | SB16 |
| Monthly capital expenditure (standard classification) | SB17 |
| Capital expenditure on new assets by asset class | SB18a |
| Capital expenditure on renewal of existing assets by asset class | SB18b |
| Expenditure on repairs & maintenance by asset class | SB18c |
| Depreciation by asset class | SB18d |
| List of capital programmes & projects affected by the adjusted budget | SB19 |

## 5. Adjustments Budget Assumptions

This adjustments budget is based on the following assumption/s:

All non-multi-year capital expenditure projects will be completed in the current financial year.

## 6. Adjustments Budget Funding

The financing sources of the capital adjustments budget are as follows:

| Funding | 2025/2026 Approved Budget | % | 2025/2026 Adjustments Budget | % |
|---|---|---|---|---|
| **Own Funding** | | | | |
| Capital Replacement Reserve | 358 534 266 | 53% | 335 601 308 | 56% |
| Development Contribution | 33 530 919 | 5% | 18 999 793 | 3% |
| **External Funding** | | | | |
| External Loans | 198 019 488 | 29% | 155 509 386 | 26% |
| National Grants | 63 693 288 | 9% | 63 693 288 | 11% |
| Provincial Grants | 23 830 863 | 4% | 27 276 584 | 5% |
| | **677 608 824** | | **601 080 359** | |

## 7. Adjustments to Capital Budget

The revised capital expenditure budget per vote is as follows:

| Directorate | 2025/2026 Approved Budget | Adjustments | 2025/2026 Adjustments Budget |
|---|---|---|---|
| **Municipal Manager** | 100 000 | - | 100 000 |
| **Planning and Economic Development** | 37 349 558 | 4 870 174 | 42 219 732 |
| **Infrastructure Services** | 485 177 392 | -81 117 685 | 404 059 707 |
| **Corporate Services** | 51 863 619 | -20 200 000 | 31 663 619 |
| **Community and Protection Services** | 98 818 255 | 19 919 046 | 118 737 301 |
| **Financial Services** | 4 300 000 | - | 4 300 000 |
| **TOTALS** | **677 608 824** | **-76 528 465** | **601 080 359** |

The detailed list of the capital adjustments made is as follows:

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| **Planning and Economic Development** | | | **5 960 000** | **4 870 174** | **9 980 174** | |
| **Housing Development** | | | **310 000** | **4 597 174** | **4 057 174** | |
| | Housing projects | CRR | 310 000 | 3 747 174 | 4 057 174 | Adjustment required for multiple housing project needs, including roof replacements and emergency housing. |
| | Klapmuts La Rochelle (100) | CRR | - | 850 000 | 850 000 | Adjustment required due to contractual obligation. |
| **IHS: Informal Settlements** | | | **1 000 000** | **273 000** | **1 273 000** | |
| | Access to Basic Services | CRR | 1 000 000 | 273 000 | 1 273 000 | Adjustment required for Temporary Relocation Areas (TRA) for La Rochelle and Klapmuts. |
| **Housing Administration** | | | **4 650 000** | **-** | **4 650 000** | |
| | Flats: Interior Upgrading - Kayamandi | CRR | 1 650 000 | -1 650 000 | - | Adjustment required for critical upgrades. Funds to be reallocated to the Upgrading of Flats: General capital project. |
| | Upgrading of Flats: General | CRR | 3 000 000 | 1 650 000 | 4 650 000 | Adjustment required for the critical upgrading of the rental flats. Funds reallocated from the Flat: Interior Upgrading: Kayamandi capital project. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| **Infrastructure Services** | | | **302 019 606** | **-81 117 685** | **220 901 921** | |
| **Waste Management: Solid Waste Management** | | | **15 641 917** | **1 858 083** | **17 500 000** | |
| | Expansion of the landfill site (New cells) | Ext Loan | 2 000 000 | 6 000 000 | 8 000 000 | Adjustment required for awarding of Tender BSM 01/26. |
| | Landfill Gas To Energy | CRR | 500 000 | -500 000 | - | Adjustment required due to gas yield being too low to generate energy. Project not feasible. Funds to be reallocated. |
| | Major Drop-offs: Construction - Klapmuts | CRR | 3 141 917 | -3 141 917 | - | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Plant and Vehicles: Solid Waste | CRR | 10 000 000 | -500 000 | 9 500 000 | Adjustment required for procurement of a new truck in the 2026/2027 financial year. Funds to be rolled forward to next financial year. |
| **Electrical Services** | | | **54 821 200** | **11 018 795** | **65 839 995** | |
| | Control Room implementation | CRR | 300 000 | -300 000 | - | The location for the control room must still be secured. Project is delayed. Funds will be reallocated. |
| | Cable replacement 66kV | CRR | 400 000 | -400 000 | - | Project is delayed. Funds will be reallocated. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA | CRR | 4 500 000 | 10 735 112 | 15 235 112 | Adjustment required based on estimated construction value. |
| | Kayamandi new substation 11 kV switching station | Ext Loan | 17 000 000 | 695 060 | 17 695 060 | Adjustment required based on the increase in construction cost labour and material for cable upgrades. |
| | Replace Control Panels 66 kV & Circuit breakers | Ext Loan | 2 000 000 | -2 000 000 | - | Project is delayed. Funds will be reallocated. |
| | Streetlights R304 | CRR | 6 500 000 | 8 133 809 | 14 633 809 | Adjustment required based on estimated construction value. |
| | Switchgear Substation Stone | Ext Loan | 2 250 000 | -2 250 000 | - | Project is delayed. Funds will be reallocated. |
| | Switchgear Substation Curry | Ext Loan | 2 250 000 | -2 250 000 | - | Project is delayed. Funds will be reallocated. |
| | Turnkey - EPC of Hybrid inverter with Battery Storage Systems at Stellenbosch Community Buildings | CRR | 3 700 000 | -3 210 185 | 489 815 | Adjustment due to the delay in the appointment of consultant. Prospective bidders for current tender process were overpriced. Funds to be rolled forward to the 2026/2027 financial year. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Uninterrupted Power Supply for buildings | CRR | 2 000 000 | -2 000 000 | - | Adjustment due to the delay in the appointment of consultant. Prospective bidders for current tender process were overpriced. Funds to be rolled forward to the 2026/2027 financial year. |
| | Upgrade transformers at Main substation 7.5MVA to 20MVA | Ext Loan | 7 571 200 | 2 432 578 | 10 003 778 | Adjustment required based on estimated construction value. |
| | Vehicles: Electrical Services | CRR | 6 350 000 | 1 432 421 | 7 782 421 | Adjustment required for the procurement of additional vehicles for electrical department. |
| **Water and Wastewater Services: Water** | | | **123 022 011** | **-32 797 709** | **90 224 302** | |
| | Bulk Water Supply Pipe and Reservoir: Stellenbosch | Ext Loan | 68 264 868 | -22 137 740 | 46 127 128 | Actual expenditure is less than the budget, therefore significant savings have been identified on project. |
| | Bulk Water Supply Pipe and Reservoir: Stellenbosch | CRR | 8 780 053 | -7 850 000 | 930 053 | Actual expenditure is less than the budget, therefore savings have been identified. Savings to be reallocated to the Waterpipe Replacement project. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Bulk Water Supply Pipe Line & Pumpstations: Franschhoek | CRR | 16 122 200 | 650 000 | 16 772 200 | Adjustment required to use contingencies due to the recent land servitude issues. |
| | Bulk Water Upgrades Franschoek | CRR | 1 000 000 | -500 000 | 500 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Chlorination Installation: Upgrade | CRR | 500 000 | -250 000 | 250 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | New Reservoir & Pipeline: Vlottenburg | CRR | 1 195 073 | -100 000 | 1 095 073 | Multi-year project. Funds to be rolled forward to the 2027/2028 financial year. |
| | New Reservoir & Pipeline: Vlottenburg | DC - Water | 6 309 969 | -6 309 969 | - | Multi-year project. Funds to be rolled forward to the 2027/2028 financial year. |
| | Uniepark & Helshoogte Storage and Supply scheme | CRR | 4 000 000 | -3 250 000 | 750 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Upgrade of IdasValley WTP | CRR | 2 000 000 | -1 500 000 | 500 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Update Water Masterplan | CRR | 500 000 | -400 000 | 100 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Water Conservation & Demand Management | CRR | 2 000 000 | 3 000 000 | 5 000 000 | Adjustment is required for the implementation of additional measures to limit non-revenue water. Work is ready to start on an active tender. |
| | Water Telemetry Upgrade | CRR | 3 250 000 | -2 000 000 | 1 250 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Waterpipe Replacement | CRR | 9 099 848 | 7 850 000 | 16 949 848 | Project is construction ready. Adjustment required due to year-to-date actual expenditure. Savings reallocated from Bulk Water Supply Pipe and Reservoir: Stellenbosch. |
| **Water and Wastewater Services: Sanitation** | | | **55 800 000** | **-33 553 274** | **22 246 726** | |
| | Compilation of Water Service Development Plan (tri-annually) | CRR | 400 000 | -250 000 | 150 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Dorp Street Bulk Sewer Upgrade | CRR | 3 000 000 | -2 500 000 | 500 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Extention Of WWTW: Stellenbosch | CRR | 6 000 000 | -5 750 000 | 250 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Pond rehabilitation and pond pumping systems construction WWTW | CRR | 400 000 | -350 000 | 50 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Refurbish Plant & Equipment - Raithby WWTW | Ext Loan | 8 000 000 | -7 000 000 | 1 000 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Sewer Pumpstation & Telemetry Upgrade | CRR | 2 500 000 | -2 250 000 | 250 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Sewerpipe Replacement | CRR | 7 724 785 | 4 000 000 | 11 724 785 | Multi-year project. Adjustment required for Pniel, Kylemore sewer pipe replacement projects, that is construction ready. |
| | Specialized Vehicles: Sanitation | CRR | 1 275 215 | -1 275 215 | - | Funds to be rolled forward to the 2026/2027 financial year. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Update Sewer Masterplan | CRR | 500 000 | -500 000 | - | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Upgrade of WWTW Wemmershoek | IUDG | - | 4 750 000 | 4 750 000 | Adjustment due to reallocation of IUDG funds. |
| | Upgrade of WWTW: Klapmuts | Ext Loan | 16 000 000 | -16 000 000 | - | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Upgrade of WWTW: Klapmuts | IUDG | 7 826 087 | -4 750 000 | 3 076 087 | Multi-year project. Grant funding to be reallocated due to project delays. |
| | Upgrade of WWTW: Klapmuts | CRR | 1 173 913 | -1 173 913 | - | Adjustment required due to project delays. |
| | Upgrade of Dwarsriver Bulk Sewer network and pump lines | CRR | 1 000 000 | -504 146 | 495 854 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| **Roads and Stormwater** | | | **26 991 304** | **-6 621 157** | **20 370 147** | |
| | Adhoc Reconstruction Of Roads (WC024) | CRR | 3 891 304 | 5 000 000 | 8 891 304 | Multi-year project. Phase 1 is completed. Adjustment required for phase 2 scheduled to commence during February 2026. |
| | Bridge Assessment and Design - Stiebeuel River Pedestrian Bridges | CRR | 1 500 000 | -1 000 000 | 500 000 | Multi-year project. Funds to be rolled forward to the |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | | | | | | 2026/2027 financial year. |
| | Bridge Assessment and Design Stellenbosch and surrounding | CRR | 1 500 000 | -1 000 000 | 500 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Lanquedoc Access road and Bridge | DC - Roads | 18 000 000 | -8 021 157 | 9 978 843 | Project is completed. Savings have been identified. |
| | River Rehabilitation Implementation | CRR | 2 100 000 | -1 600 000 | 500 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| **Traffic Engineering** | | | **18 493 174** | **-15 750 000** | **2 743 174** | |
| | Jamestown Transport Network - School Street | CRR | 14 000 000 | -14 000 000 | - | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Main road intersection improvements: Helshoogte rd/La Colline | CRR | 2 243 174 | -1 500 000 | 743 174 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Main Road Intersection Improvements: R44 / Merriman Street | DC - Roads | 1 500 000 | -1 000 000 | 500 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Nagtegaal street closure | CRR | 750 000 | 750 000 | 1 500 000 | Adjustment required due to year-to-date actual expenditure for the implementation of the Nagtegal road closure. |
| **Transport Planning** | | | **7 250 000** | **-5 272 423** | **1 977 577** | |
| | Adam Tas - Corridor Transport | CRR | 1 500 000 | -1 100 000 | 400 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Adam Tas - Technopark Link Road | CRR | 2 500 000 | -998 047 | 1 501 953 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Bicycle Lockup Facilities | CRR | 250 000 | -250 000 | - | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Park and Ride (Transport Interchange) | CRR | 2 000 000 | -1 924 376 | 75 624 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Re-design of Bergzicht Public Transport Facility | CRR | 1 000 000 | -1 000 000 | - | Multi- year project. Funds to be rolled forward to the 2026/2027 financial year for completion of Phase 2. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| **Corporate Services** | | | **33 510 747** | **-20 200 000** | **13 310 747** | |
| **Properties and Municipal Building Maintenance** | | | **33 510 747** | **-20 200 000** | **13 310 747** | |
| | Upgrading: Municipal Court | CRR | 2 150 000 | -150 000 | 2 000 000 | Construction and Professional services to be completed in the current financial year. Project cost is less than budgeted; therefore, a savings has been identified. |
| | Upgrading: Main Office Complex | CRR | 1 000 000 | -850 000 | 150 000 | Multi-year project. Consultant was appointed. Construction will commence during the next financial year. |
| | Upgrading: Admin Building and Community Halll | CRR | 800 000 | -500 000 | 300 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Structural Maintenance/Upgrade: Beltana | CRR | 25 634 118 | -17 000 000 | 8 634 118 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| | Upgrade Millenium Hall Pniel | CRR | 2 346 629 | -400 000 | 1 946 629 | Construction and Professional services to be completed in the current financial year. Project cost is less than budgeted; therefore, a savings has been identified. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Upgrading of New Office Space: Ryneveld Street | CRR | 1 580 000 | -1 300 000 | 280 000 | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| **Community & Protection Services** | | | **58 528 768** | **19 919 046** | **78 447 814** | |
| **Community Services: Library Services** | | | **3 386 431** | **1 276 809** | **4 663 240** | |
| | Furniture, Tools & Equipment: Pniel Library | CRR | 330 000 | -30 000 | 300 000 | Actual year-to-date expenditure less than budget. Savings identified and to be reallocated to Idas valley library furniture, tools and equipment. |
| | Furniture, Tools and Equipment: Idas Valley | CRR | 20 870 | 30 000 | 50 870 | Adjustment required for the procurement of furniture, tools and equipment. Savings to be reallocated from the Pniel library furniture, tools and equipment. |
| | Upgrade Stellenbosch Library | CRR | 2 635 561 | -1 768 912 | 866 649 | Adjustment due to the reallocation of funding. |
| | Upgrade Stellenbosch Library | LS Grant | - | 3 445 721 | 3 445 721 | Adjust the budget in line with the approved roll-over of unspent amount of the Community Library Service Grant. |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Vehicles | CRR | 400 000 | -400 000 | - | Adjustment required due to year-to-date actual expenditure. |
| **Sports Grounds and Picnic Sites** | | | **7 270 737** | **2 525 000** | **9 795 737** | |
| | Fencing: Sport Grounds (WC024) | DC - Community | 1 673 738 | 800 000 | 2 473 738 | Adjustment required due to additional fencing projects that have been identified. |
| | Upgrade of Sport Facilities | CRR | 5 596 999 | 1 725 000 | 7 321 999 | Adjustment required for the upgrade of sport facilities. |
| **Environmental Management: Implementation** | | | **1 000 000** | **500 000** | **1 500 000** | |
| | Fencing: Urban Forestry | CRR | 1 000 000 | 500 000 | 1 500 000 | Adjustment required due to the cost estimation price coming in higher than the budget. The municipal fencing tender will be used. |
| **Cemeteries** | | | **38 020 072** | **8 000 000** | **46 020 072** | |
| | Calcatta Memorial Park | CRR | 38 020 072 | 8 000 000 | 46 020 072 | Multi-year project. Project is ahead of schedule and progress thus better than anticipated. Funds to be brought forward to 2025/2026 for project completion. |
| **Parks and Cemeteries** | | | **236 088** | **443 912** | **680 000** | |

| *Department* | *Projects* | *Fund* | *Approved Budget* | *Adjustments* | *Adjusted Budget* | *Motivation* |
|---|---|---|---|---|---|---|
| | Vehicle Fleet: Parks & Cemeteries | CRR | 236 088 | 443 912 | 680 000 | Adjustment required for the procurement of vehicle fleet for parks and cemeteries. |
| **Fire Services** | | | **1 350 000** | **-826 675** | **523 325** | |
| | Fire Station - Jamestown | CRR | **1 350 000** | **-826 675** | **523 325** | Multi-year project. Funds to be rolled forward to the 2026/2027 financial year. |
| **Law Enforcement and Security** | | | **5 765 440** | **6 500 000** | **12 265 440** | |
| | Furniture, Tools & Equipment: Law Enforcement | CRR | 68 744 | 500 000 | 568 744 | Adjustment required for the procurement of additional furniture, tools and equipment for the newly established TRU and newly appointed staff. |
| | Install and Upgrade CCTV/ LPR Cameras In WC024 | CRR | 4 016 170 | 3 000 000 | 7 016 170 | Adjustment required for the procurement of CCTV/LPR related equipment and security systems for critical sites identified. |
| | Law Enforcement Tools and Equipment | CRR | 45 935 | 1 500 000 | 1 545 935 | Adjustment required for the procurement of additional law enforcement tools and equipment for the newly established TRU. |

| ***Department*** | ***Projects*** | ***Fund*** | ***Approved Budget*** | ***Adjustments*** | ***Adjusted Budget*** | ***Motivation*** |
|---|---|---|---|---|---|---|
| | Vehicle Fleet: Law Enforcement | CRR | 1 634 591 | 1 500 000 | 3 134 591 | Adjustment required for the procurement of law enforcement vehicle fleet. |
| **Traffic Services** | | | **1 500 000** | **1 500 000** | **3 000 000** | |
| | Traffic Fleet | CRR | 1 500 000 | 1 500 000 | 3 000 000 | Adjustment required for the procurement of traffic fleet. |
| **TOTAL - Capital** | | | **400 019 121** | **-76 528 465** | **322 640 656** | |

## 8. Adjustments to Operational Expenditure

The revised operational expenditure budget per vote is as follows:

| Directorate | 2025/2026 Approved Budget | Adjustments | 2025/2026 Adjustment Budget |
|---|---|---|---|
| **Municipal Manager** | 23 693 262 | 961 427 | 24 654 689 |
| **Planning and Economic Development** | 136 967 933 | -2 160 111 | 134 807 822 |
| **Infrastructure Services** | 1 637 936 151 | 68 297 592 | 1 706 233 743 |
| **Corporate Services** | 236 951 689 | 1 628 979 | 238 580 668 |
| **Community and Protection Services** | 568 392 787 | 9 130 593 | 577 523 380 |
| **Financial Services** | 144 583 175 | 3 303 020 | 147 886 195 |
| **Total Expenditure** | **2 748 524 997** | **81 161 500** | **2 829 686 497** |

The detailed list of the operational expenditure adjustments made is as follows:

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| **Municipal Manager** | | | | | |
| IDP and Strategic Programs | Contracted Services: Consultants and Professional Services: Business and Advisory: Business and Financial Management | 463 527 | 209 468 | 672 995 | Adjustment required for on-site support and monthly fees. |
| IDP and Strategic Programs | Contracted Services: Outsourced Services: Professional Staff | 154 000 | 450 000 | 604 000 | Adjustment required for the voluntary review of the Implementation of Sustainable Development Goals (SDG). |
| Internal Audit | Contracted Services: Outsourced Services: Internal Auditors | 306 000 | 201 959 | 507 959 | Adjustment required for external quality assurance review. |
| Public Participation | Operational Cost: Advertising, Publicity and Marketing: Corporate and Municipal Activities | 100 000 | 100 000 | 200 000 | Adjustment required for advertisements for the remainder of the financial year, based on year-to-date actuals. |
| **Sub Total: Municipal Manager** | | **1 023 527** | **961 427** | **1 984 954** | |
| **Planning & Economic Development** | | | | | |
| Planning and Economic Development: General | Operational Cost: Advertising, Publicity and Marketing: Tenders | 16 320 | -16 320 | - | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Housing Administration | Contracted Services:Contractors:Maintenance of Buildings and Facilities | 5 500 000 | -3 500 000 | 2 000 000 | Actual expenditure is less than the budget, therefore savings have been identified. |
| Housing Administration | Employee Related Cost: Municipal Staff: Salaries, Wages and Allowances: Basic Salary and Wages | 223 977 | 87 104 | 311 081 | Adjustment as per approved amended EPWP Business Plan. |
| Housing Administration | Employee Related Cost: Municipal Staff: Salaries, Wages and Allowances: Basic Salary and Wages | 271 973 | 93 324 | 365 297 | Adjustment as per approved amended EPWP Business Plan. |
| Housing Administration | Irrecoverable Debts Written Off:Exchange:Non-Specific Accounts | 683 734 | 6 353 906 | 7 037 640 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Housing Administration | Operational Cost: Advertising, Publicity and Marketing: Tenders | 25 491 | -10 808 | 14 683 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Housing Administration | Gains and Losses: Reversal of Impairment Loss: Trade and Other Receivables from Exchange Transactions: On Specific Accounts | -684 387 | -6 357 803 | -7 042 190 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Informal Settlements | Contracted Services:Contractors:Management of Informal Settlements | 4 150 000 | 3 850 000 | 8 000 000 | Adjustment required for relocation purposes (wendy houses) of families requiring to be relocated from La Rochelle. |
| Informal Settlements | Operational Cost:Advertising, Publicity and Marketing:Tenders | 30 000 | -5 700 | 24 300 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Local Economic Development | Contracted Services: Consultants and Professional services: Business and Advisory: Project Management | - | 350 000 | 350 000 | Adjustment required for provision of professional services for establishment, implementation, and ongoing monitoring and evaluation of the institutional arrangements for the Adam Tas Corridor (ATC). |
| Local Economic Development | Employee Related Cost: Municipal Staff: Salaries, Wages and Allowances: Basic Salary and Wages | 994 567 | 1 764 | 996 331 | Adjustment as per the approved amended EPWP Business Plan. |
| New Development | Contracted Services: Consultants and Professional services: Business and Advisory: Project Management | 6 000 000 | -3 000 000 | 3 000 000 | Adjust the budget in line with the allocations as per the 2025/2026 Provincial Business Plan. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| New Development | Operational Cost: Advertising, Publicity and Marketing: Tenders | 48 500 | -5 578 | 42 922 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| | | | | | |
| **Sub Total: Planning & Economic Development** | | **17 260 175** | **-2 160 111** | **7 075 764** | |
| | | | | | |
| **Infrastructure Services** | | | | | |
| Infrastructure Services | Operational Cost:Advertising, Publicity and Marketing:Tenders | 112 200 | -48 288 | 63 912 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Cleaning of Streets | Gains and Losses: Impairment Loss:Other Receivables from Non-exchange Revenue:Property Rates | 3 870 097 | -1 219 000 | 2 651 097 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements |
| Composting | Contracted Services:Contractors:Maintenance of Equipment | 122 400 | -122 400 | - | Actual expenditure is less than anticipated. Composting department not fully active yet, therefore savings have been identified. |
| Composting | Contracted Services:Contractors:Maintenance of Unspecified Assets | 510 000 | -510 000 | - | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Dumping Site | Contracted Services:Outsourced Services:Business and Advisory: Accounting and Auditing | 1 000 000 | 1 200 000 | 2 200 000 | Adjustment required for Tender BSM113. |
| Dumping Site | Interest, Dividends and Rent on Land:Interest Paid:Interest costs non-current Provisions | 12 275 155 | -3 539 474 | 8 735 681 | Reduction in budget based on the provision report from expert appointed. |
| Refuse Removal | Service Charges:Waste Management:Refuse Removal | 131 557 220 | 5 000 000 | 136 557 220 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| Dumping Site | Operational Cost:Contribution to Provisions:Decommissioning, Restoration and Similar Liabilities:Landfill Sites | 2 901 900 | 13 000 000 | 15 901 900 | Adjustment required based on the provision as per the actuarial report received from the expert appointed. |
| Electrical Engineering Services | Bulk Purchases:Electricity:ESKOM | 737 452 207 | 70 000 000 | 807 452 207 | Adjustment required based on cost analysis and previous audited actuals. |
| Electrical Engineering Services | Irrecoverable Debts Written Off:Exchange:Electricity | 181 183 | 9 222 972 | 9 404 155 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Electrical Engineering Services | Operational Cost:Advertising, Publicity and Marketing:Tenders | 155 578 | -75 360 | 80 218 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Electrical Engineering Services | Gains and Losses:Reversal of Impairment Loss:Trade and Other | -181 355 | -9 222 800 | -9 404 155 | Adjustment required based on historical trends and assumptions |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| | Receivables from Exchange Transactions:Electricity | | | | implemented with the compilation of the annual financial statements |
| Public Ablution | Contracted Services:Contractors:Maintenance of Equipment | 5 350 | -5 350 | - | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Public Ablution | Contracted Services:Contractors:Sewerage Services | 5 702 832 | 1 200 000 | 6 902 832 | Adjustment required based on the year-to-date actual expenditure and historical trends. |
| Refuse Removal | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 522 615 | -39 997 | 482 618 | Adjustment as per approved amended EPWP Business Plan. |
| Refuse Removal | Irrecoverable Debts Written Off:Exchange:Waste Management | 1 061 603 | 21 720 868 | 22 782 471 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Refuse Removal | Operational Cost:Advertising, Publicity and Marketing:Tenders | 86 700 | -45 329 | 41 371 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Refuse Removal | Gains and Losses: Impairment Loss:Trade and Other Receivables from Exchange Transactions:Waste Management | 10 746 890 | -4 000 000 | 6 746 890 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements |
| Refuse Removal | Gains and Losses:Reversal of Impairment Loss:Trade and Other | -1 062 615 | -21 719 856 | -22 782 471 | Adjustment required based on historical trends and assumptions |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| | Receivables from Exchange Transactions:Waste Management | | | | implemented with the compilation of the annual financial statements. |
| Reservoirs and Supply Lines | Contracted Services:Contractors:Maintenance of Unspecified Assets | 821 468 | 1 200 000 | 2 021 468 | Adjustment required based on the year-to-date actual expenditure and historical trends. |
| Reservoirs and Supply Lines | Inventory Consumed:Materials and Supplies | 1 576 794 | -200 000 | 1 376 794 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Reservoirs and Supply Lines | Operational Cost:Municipal Services | 558 599 | 540 000 | 1 098 599 | Adjustment required based on the year-to-date actual expenditure and historical trends. |
| Sewerage Network General | Inventory Consumed:Materials and Supplies | 131 212 | 250 000 | 381 212 | Adjustment required based on the year-to-date actual expenditure and historical trends. |
| Sewerage Network General | Irrecoverable Debts Written Off:Exchange:Wastewater Management | 917 597 | 17 830 863 | 18 748 460 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Sewerage Network General | Operational Cost:Municipal Services | 2 040 000 | 200 000 | 2 240 000 | Adjustment required based on the year-to-date actual expenditure and historical trends. |
| Sewerage Network General | Operational Cost:Licences:Motor Vehicle Licence and Registrations | 301 704 | -100 000 | 201 704 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Network General | Operational Cost:Uniform and Protective Clothing | 255 000 | 100 000 | 355 000 | Adjustment required based on the year-to-date |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| | | | | | actuals and historical trends. |
| Sewerage Network General | Gains and Losses:Impairment Loss:Trade and Other Receivables from Exchange Transactions:Waste Water Management | 7 244 153 | -2 000 000 | 5 244 153 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Sewerage Network General | Gains and Losses:Reversal of Impairment Loss:Trade and Other Receivables from Exchange Transactions:Waste Water Management | -918 470 | -17 829 990 | -18 748 460 | Amended based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Sewerage Pump Station | Contracted Services:Contractors:Maintenance of Equipment | 1 361 659 | -250 000 | 1 111 659 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Pump Station | Contracted Services:Contractors:Maintenance of Unspecified Assets | 236 356 | -236 356 | - | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Klapmuts | Contracted Services:Contractors:Maintenance of Equipment | 1 224 000 | -238 885 | 985 115 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Klapmuts | Operational Cost:Licences:Motor Vehicle Licence and Registrations | 36 564 | -30 000 | 6 564 | Adjustment required based on year-to-date actual expenditure. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| | | | | | Savings have been identified. |
| Sewerage Purification Pniel | Contracted Services:Contractors:Maintenance of Unspecified Assets | 51 000 | -51 000 | - | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Pniel | Operational Cost:Municipal Services | 2 270 520 | 350 000 | 2 620 520 | Adjustment required based on the year-to-date actuals and historical trends. |
| Sewerage Purification Rural Areas | Contracted Services:Contractors:Maintenance of Equipment | 2 550 000 | -1 000 000 | 1 550 000 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Rural Areas | Contracted Services:Contractors:Maintenance of Unspecified Assets | 255 000 | -255 000 | - | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Rural Areas | Inventory Consumed:Materials and Supplies | 1 530 000 | -200 000 | 1 330 000 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Rural Areas | Operational Cost:Municipal Services | 875 772 | 750 000 | 1 625 772 | Adjustment required based on the year-to-date actuals and historical trends. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Sewerage Purification Stellenbosch | Contracted Services:Outsourced Services:Business and Advisory:Project Management | 6 120 000 | 3 050 000 | 9 170 000 | Adjustment required based on the year-to-date actuals and historical trends. |
| Sewerage Purification Stellenbosch | Contracted Services:Contractors:Maintenance of Equipment | 8 670 000 | -2 000 000 | 6 670 000 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Stellenbosch | Contracted Services:Contractors:Transportation | 6 487 200 | 1 000 000 | 7 487 200 | Adjustment required based on the year-to-date actuals and historical trends. |
| Sewerage Purification Stellenbosch | Operational Cost:Hire Charges | 546 720 | -150 000 | 396 720 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Sewerage Purification Wemmershoek | Contracted Services:Contractors:Maintenance of Equipment | 255 000 | 500 000 | 755 000 | Adjustment required based on the year-to-date actuals and historical trends. |
| Water Filtration: Paradyskloof | Inventory Consumed:Materials and Supplies | 3 978 000 | -1 804 052 | 2 173 948 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Water Filtration: Idas Valley | Contracted Services:Contractors:Maintenance of Unspecified Assets | 137 700 | -100 000 | 37 700 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Water Laboratory | Operational Cost:Samples and Specimens | 1 491 852 | -491 852 | 1 000 000 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Water Network | Contracted Services:Contractors:Maintenance of Unspecified Assets | 2 504 185 | -500 000 | 2 004 185 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Water Network | Contracted Services:Contractors:Maintenance of Unspecified Assets | 2 073 802 | -750 000 | 1 323 802 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Water Network | Inventory Consumed:Consumables:Standard Rated | 122 400 | 100 000 | 222 400 | Adjustment required based on the year-to-date actuals and historical trends. |
| Water Network | Inventory Consumed:Materials and Supplies | 2 162 400 | 750 000 | 2 912 400 | Adjustment required based on the year-to-date actuals and historical trends. |
| Water Network | Inventory Consumed:Water | 17 680 286 | -10 177 200 | 7 503 086 | Adjustment required based on the year-to-date actuals and historical trends. |
| Water Network | Inventory Consumed:Water | 26 223 649 | 10 000 000 | 36 223 649 | Adjustment required based on the year-to-date actuals and historical trends. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Water Network | Irrecoverable Debts Written Off:Exchange:Water | 5 326 980 | 75 295 479 | 80 622 459 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Water Network | Operational Cost:Municipal Services | 5 610 000 | 640 000 | 6 250 000 | Adjustment required based on the year-to-date actuals and historical trends. |
| Water Network | Operational Cost:Hire Charges | 539 373 | -400 000 | 139 373 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Water Network | Gains and Losses: Impairment Loss:Trade and Other Receivables from Exchange Transactions:Water | 16 357 584 | -6 000 000 | 10 357 584 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Water Network | Gains and Losses:Reversal of Impairment Loss:Trade and Other Receivables from Exchange Transactions:Water | -5 332 058 | -75 290 401 | -80 622 459 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| | | | | | |
| **Sub Total: Infrastructure Services** | | **899 736 741** | **68 297 592** | **968 034 333** | |
| | | | | | |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| **Corporate Services** | | | | | |
| Human Resources | Employee Related Cost:Municipal Staff:Post-retirement Benefit:Medical:Current Service Cost | 6 285 000 | 29 000 | 6 314 000 | Adjustment required based on actuarial report as at 30 June 2025. |
| Human Resources | Employee Related Cost:Municipal Staff:Post-retirement Benefit:Medical:Interest Cost | 24 676 000 | -1 543 000 | 23 133 000 | Adjustment required based on actuarial report as at 30 June 2025. |
| Human Resources | Employee Related Cost:Municipal Staff:Post-retirement Benefit:Other Benefits:Leave Gratuity | 6 116 572 | -1 144 548 | 4 972 024 | Adjustment required based on prior years contribution percentage. |
| Human Resources | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Long Service Award: Current Service Cost | - | 2 357 000 | 2 357 000 | Adjustment required due to the correction of mSCOA reclassifications. |
| Human Resources | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Long Service Award: Interest Cost | - | 2 889 000 | 2 889 000 | Adjustment required due to the correction of mSCOA reclassifications. |
| Human Resources | Interest, Dividends and Rent on Land:Interest Paid:Long Service Awards | 3 158 000 | -3 158 000 | - | Adjustment required based on the latest actuarial valuation report received from the expert appointed. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Human Resources | Operational Cost:Bursaries (Employees) | 568 383 | 500 000 | 1 068 383 | Adjustment required for internal bursaries based on cost analysis and to promote and encourage interest in research studies and strategic thinking on management level. |
| Human Resources | Operational Cost:Advertising, Publicity and Marketing:Tenders | 30 365 | -13 949 | 16 416 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Occupational Health and Safety | Employee Related Cost:Municipal Staff:Post-retirement Benefit:Other Benefits:Leave Gratuity | 4 254 212 | -4 254 212 | - | Adjustment required due to the correction of mSCOA reclassifications. |
| Legal Services | Contracted Services:Consultants and Professional Services:Legal Cost:Legal Advice and Litigation | 5 421 678 | 5 000 000 | 10 421 678 | Adjustment required based on the year-to-date actuals and historical trends. |
| Council: General Expense | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 482 272 | -82 312 | 399 960 | Adjustment as per approved amended EPWP Business Plan. |
| Property Management | Contracted Services:Outsourced Services:Cleaning Services | 1 796 836 | -950 000 | 846 836 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Property Management | Operating Leases:Investment Properties | 6 440 082 | 2 000 000 | 8 440 082 | Adjustment required based on the year-to-date actuals and historical trends. |
| | | | | | |
| **Sub Total: Corporate Services** | | **59 229 400** | **1 628 979** | **60 858 379** | |
| | | | | | |
| **Community and Protection Services** | | | | | |
| Community and Protection Services: General | Operational Cost:Advertising, Publicity and Marketing:Tenders | 23 460 | -23 460 | - | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Community Services | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 421 291 | -28 775 | 392 516 | Adjustment as per approved amended EPWP Business Plan. |
| Cemetery: Stellenbosch | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 199 980 | 239 976 | 439 956 | Adjustment as per approved amended EPWP Business Plan. |
| Cloetesville Swimming Pool | Inventory Consumed:Materials and Supplies | 260 000 | 200 000 | 460 000 | Adjustment required based on the year-to-date actuals and historical trends. |
| Commonage and Plantations | Contracted Services:Contractors:Forestry | 1 381 523 | 1 000 000 | 2 381 523 | Adjustment required based on the year-to-date actuals and historical trends. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Commonage and Plantations | Inventory Consumed:Consumables:Zero Rated | 1 189 630 | -500 000 | 689 630 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Community Development | Operational Cost:Advertising, Publicity and Marketing:Tenders | 61 200 | -53 316 | 7 884 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Fire Services | Inventory Consumed:Consumables:Zero Rated | 975 944 | 500 000 | 1 475 944 | Adjustment required from Fleet Department based on the year-to-date actuals and historical trends. |
| Fire Services | Operational Cost:Advertising, Publicity and Marketing:Tenders | 32 613 | -32 613 | - | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Forestry, Parks and Recreation | Operational Cost:Advertising, Publicity and Marketing:Tenders | 41 375 | -25 283 | 16 092 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Jonkershoek Picnic Site | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 239 976 | 15 998 | 255 974 | Adjustment as per approved amended EPWP Business Plan. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Law Enforcement | Contracted Services:Outsourced Services:Security Services | 60 500 000 | 10 000 000 | 70 500 000 | Adjustment required due to an increase in critical sites and the appointment of armed security services. Amendment based on cost analysis and historical trends. |
| Law Enforcement | Contracted Services:Consultants and Professional Services:Business and Advisory:Business and Financial Management | - | 2 200 000 | 2 200 000 | Adjustment required for the appointment of a consultant to conduct an assessment on security services and update all master plans. |
| Law Enforcement | Operational Cost:Advertising, Publicity and Marketing:Tenders | 109 366 | -75 177 | 34 189 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Law Enforcement | Operational Cost:Communication:Radio and TV Transmissions | 2 750 000 | 1 600 000 | 4 350 000 | Adjustment required based on the year-to-date actuals and historical trends. |
| Law Enforcement | Operational Cost:Uniform and Protective Clothing | 1 600 000 | 1 500 000 | 3 100 000 | Adjustment required based on the year-to-date actuals and historical trends. |
| Nursery | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 671 933 | 71 104 | 743 037 | Adjustment as per approved amended EPWP Business Plan. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Parks and Sidewalks: Franschhoek | Contracted Services:Outsourced Services:Clearing and Grass Cutting Services | 918 000 | -780 301 | 137 699 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Parks and Sidewalks: Franschhoek | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 199 980 | 311 080 | 511 060 | Adjustment required based on year-to-date actual expenditure. Savings have been identified. |
| Parks and Sidewalks: Stellenbosch | Contracted Services:Outsourced Services:Clearing and Grass Cutting Services | 1 030 200 | -741 953 | 288 247 | Adjustment as per approved amended EPWP Business Plan. |
| Parks and Sidewalks: Stellenbosch | Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 621 271 | 538 613 | 1 159 884 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| Parks and Sidewalks: Stellenbosch | Operational Cost:Advertising, Publicity and Marketing:Tenders | 15 300 | -15 300 | - | Additional funds requested for the maintenance of transport assets. |
| Sports Grounds: Van Der Stel | Contracted Services:Outsourced Services:Business and Advisory:Project Management | 300 000 | 250 000 | | Additional funds required for Annual Mayoral Youth Day programme. |
| Town Hall: Stellenbosch | Inventory Consumed:Materials and Supplies | 196 676 | 100 000 | 296 676 | Adjustment required based on the year-to-date actuals and historical trends. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Traffic Services: Licensing | Contracted Services:Outsourced Services:Traffic Management | 16 356 600 | 2 000 000 | 18 356 600 | Adjustment required based on the year-to-date actuals, cost analysis and historical trends. |
| Traffic Services: Licensing | Contracted Services:Outsourced Services:Drivers Licence Cards | 969 900 | 100 000 | 1 069 900 | Adjustment required based on the year-to-date actuals and historical trends. |
| Traffic Services: Licensing | Inventory Consumed:Consumables:Zero Rated | 2 155 683 | 750 000 | 2 905 683 | Adjustment required based on the year-to-date actuals and historical trends. |
| Traffic Services: Licensing | Operational Cost:Storage of Files (Archiving) | 53 040 | 30 000 | 83 040 | Adjustment required based on the year-to-date actuals and historical trends. |
| Traffic Services: Traffic Control | Gains and Losses:Impairment Loss:Other Receivables from Non-exchange Revenue:Non Specific Accounts | 160 271 405 | -10 000 000 | 150 271 405 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| | | | | | |
| **Sub Total: Community and Protection Services** | | **253 546 346** | **9 130 593** | **262 126 939** | |
| | | | | | |
| **Financial Services** | | | | | |
| Financial Services: General | Contracted Services:Consultants and Professional Services:Business and Advisory:Business and Financial Management | 2 283 027 | 1 600 000 | 3 883 027 | Adjustment required based on the year-to-date actuals and historical trends. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Financial Services: General | Irrecoverable Debts Written Off:Non-exchange:Property Rates | 2 799 968 | 17 014 815 | 19 814 783 | Property Rates receivables have been amended based on historical trends and assumptions implemented with the compilation of annual financial statements. |
| Financial Services: General | Operational Cost:Insurance Underwriting:Excess Payments | 463 250 | 200 000 | 663 250 | Adjustment required based on the year-to-date actuals and historical trends. |
| Financial Services: General | Operational Cost:Insurance Underwriting:Premiums | 9 923 150 | 900 000 | 10 823 150 | Adjustment required based on the year-to-date actuals and historical trends. |
| Financial Services: General | Gains and Losses:Reversal of Impairment Loss:Other Receivables from Non-exchange Revenue:Property Rates | -2 802 637 | -17 007 596 | -19 810 233 | Adjustment required based on historical trends and assumptions implemented with the compilation of the annual financial statements. |
| Supply Chain Management | Employee Related Cost: Municipal Staff: Salaries, Wages and Allowances: Basic Salary and Wages | - | 149 320 | 149 320 | Adjustment as per approved amended EPWP Business Plan. |
| Supply Chain Management | Operational Cost: Advertising, Publicity and Marketing: Tenders | 38 612 | 515 170 | 553 782 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |

| Department | Item Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Fin Services: Stores | Operational Cost: Advertising, Publicity and Marketing: Tenders | 76 897 | -68 689 | 8 208 | Reallocation of funds to the centralised advertisement for tenders' expenditure item allocated under Supply Chain Management department. |
| | | | | | |
| **Sub Total: Financial Services** | | **12 782 267** | **3 303 020** | **16 085 287** | |
| | | | | | |
| **Total** | | **1 243 578 456** | **81 161 500** | **1 316 165 656** | |

## 9. Adjustments to Operational Revenue

The revised operating income budget per vote is as follows:

| Directorate | 2025/2026 Approved Budget | Adjustments | 2025/2026 Adjustments Budget |
|---|---|---|---|
| **Municipal Manager** | 2 412 150 | - | 2 412 150 |
| **Planning and Economic Development** | 60 158 158 | 4 001 764 | 64 159 922 |
| **Infrastructure Services** | 1 964 055 243 | 42 460 003 | 2 006 515 246 |
| **Corporate Services** | 13 891 229 | -82 312 | 13 808 917 |
| **Community and Protection Services** | 209 811 814 | 3 933 804 | 213 745 618 |
| **Financial Services** | 727 089 522 | -4 738 590 | 722 350 932 |
| **Total Revenue** | **2 977 418 116** | **45 574 669** | **3 022 992 785** |

The detailed list of the operational revenue adjustments made is as follows:

| Department | Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| **Planning & Economic Development** | | | | | |
| Planning and Economic Development: General | Sales of Goods and Rendering of Services: Building Plan Approval | 7 815 227 | 7 000 000 | 14 815 227 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| Local Economic Development | Expanded Public Works Programme Integrated Grant | 994 567 | 1 764 | 996 331 | Adjust the revenue budget in line with the Expanded Public Works Programme Amended Business Plan. |
| New Development | Human Settlements Development Grant | 6 000 000 | -3 000 000 | 996 331 | Adjust the budget in line with the allocations as per the 2025/2026 Provincial Business Plan. |
| | | | | | |
| **Sub Total: Planning & Economic Development** | | **14 809 794** | **4 001 764** | **16 807 889** | |
| | | | | | |
| **Infrastructure Services** | | | | | |
| Electrical Engineering Services | Service Charges:Electricity:Electricity Sales:Domestic High:Prepaid | 148 270 232 | 25 000 000 | 173 270 232 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| Refuse Removal | Service Charges:Waste Management:Refuse Removal | 131 557 220 | 5 000 000 | 136 557 220 | Increase in revenue estimates due to year-to-date actuals and historical trends. |

| Department | Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Refuse Removal | Expanded Public Works Programme Integrated Grant | 522 615 | -39 997 | 482 618 | Adjust the revenue budget in line with the Expanded Public Works Programme Amended Business Plan. |
| Water Network | Service Charges:Water:Sale:Conventional | 145 869 985 | 12 500 000 | 158 369 985 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| | | | | | |
| **Sub Total: Infrastructure Services** | | **426 220 052** | **42 460 003** | **468 680 055** | |
| **Corporate Services** | | | | | |
| Councillors | Expanded Public Works Programme Integrated Grant | 482 272 | -82 312 | 399 960 | Adjust the revenue budget in line with the Expanded Public Works Programme Amended Business Plan. |
| **Sub Total: Corporate Services** | | **482 272** | **-82 312** | **399 960** | |
| | | | | | |
| **Community and Protection Services** | | | | | |
| Community Services | Expanded Public Works Programme Integrated Grant | 421 291 | -28 775 | 392 516 | Adjust the revenue budget in line with the Expanded Public Works Programme Amended Business Plan. |
| Library: Plein Street | Community Library Service Grant | - | 3 962 579 | 3 962 579 | Revenue Recognition of the roll-over of the unspent conditional grant amounts of the Community Library Service Grant. |
| **Sub Total: Community and Protection Services** | | **421 291** | **3 933 804** | **4 355 095** | |
| | | | | | |

| Department | Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| **Financial Services** | | | | | |
| Financial Services: General | Interest, Dividend and Rent on Land:Interest:Current and Non-current Assets:Bank Accounts | 10 326 552 | -1 000 000 | 9 326 552 | The adjustment is attributable to a decrease in the interest rate. |
| Financial Services: General | Interest, Dividend and Rent on Land:Interest:Current and Non-current Assets:Short Term Investments and Call Accounts | 53 653 025 | -10 000 000 | 43 653 025 | The adjustment is attributable to a decrease in the interest rate. |
| Financial Services: General | Property Rates by Usage:Business and Commercial Properties | 209 613 174 | -3 528 117 | 206 085 057 | Decrease in revenue estimates due to year-to-date actuals and historical trends. |
| Financial Services: General | Property Rates by Usage:Residential Properties | 319 133 829 | 9 886 143 | 329 019 972 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| Financial Services: General | Property Rates by Usage:Agricultural Properties | 25 715 808 | 98 780 | 25 814 588 | Increase in revenue estimates due to year-to-date actuals and historical trends. |

| Department | Description | Approved Budget | Adjustment | Adjusted Budget | Motivation |
|---|---|---|---|---|---|
| Financial Services: General | Property Rates by Usage:Public Benefit Organisations | 26 800 | 30 007 | 56 807 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| Financial Services: General | Property Rates by Usage:Public Service Purposes Properties | 12 324 666 | 17 206 | 12 341 872 | Increase in revenue estimates due to year-to-date actuals and historical trends. |
| Financial Services: General | Property Rates by Usage:Vacant Land | 28 149 747 | -391 929 | 27 757 818 | Decrease in revenue estimates due to year-to-date actuals and historical trends. |
| Financial Services: General | Expanded Public Works Programme Integrated Grant | - | 149 320 | 149 320 | Adjust the revenue budget in line with the Expanded Public Works Programme Amended Business Plan |
| | | | | | |
| **Sub Total: Financial Services** | | **658 943 601** | **-4 738 590** | **654 205 011** | |
| | | | | | |
| **Total** | | **1 100 877 010** | **45 574 669** | **1 144 448 010** | |

# APPENDIX 2

**APPENDIX 2**

**STELLENBOSCH**
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# STELLENBOSCH MUNICIPALITY

## ADJUSTMENTS BUDGET TABLES

## 10. Municipal Manager's quality certification

The quality certificate signed by the Accounting Officer is attached on Appendix 3.

# APPENDIX 3

**APPENDIX 3**

# QUALITY CERTIFICATE

I, Geraldine Mettler, municipal manager of Stellenbosch Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality

Signature _____

Date: January 2026

| 6.7 | MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2025/2026 |
|---|---|

**Collaborator No:**
**IDP KPA Ref No:** **Good Governance and Compliance**
**Meeting Date:** **22 January 2026**

## 1. SUBJECT:MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2025/2026

## 2. PURPOSE

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

## 3. DELEGATED AUTHORITY

**FOR NOTICE BY MUNICIPAL COUNCIL**

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

## 4. EXECUTIVE SUMMARY

This report provides the progress made by the Municipality in terms of the Service Delivery Budget and Implementation Plan (SDBIP) for the period 1 July 2025 to 31 December 2025.

## 5. RECOMMENDATIONS

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

(b) that Council take note that an Adjustments Budget will be tabled to Council as a result of the following:
- the appropriation of additional allocations received and increased realistically anticipated revenue during the financial year;
- the reprioritization of projects in line with being completed by the communicated cut-off dates to facilitate year- end preparation;

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

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

## 6. DISCUSSION / CONTENTS

### 6.1 Background

In terms of the Municipal Finance Management Act (MFMA) Section 72(1) the Accounting Officer of the municipality must by 25 January each year assess:

(a) the performance of the municipality during the first half of the financial year; taking into account the following:

(i) the monthly statements referred to in Section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(b) submit a report on such assessment to-

(i) the mayor of the municipality;

(ii) the National Treasury; and

(iii) the relevant Provincial Treasury

Once the Mayor has considered the section 72 report, it must be submitted to Council by the 31st of January of each year in terms of section 54 (1) (f) of the MFMA.

The statements as referred to in section 71 (1) of the MFMA for the first half of the financial year, specifically the sixth month, is incorporated into the mid-year budget and performance assessment in accordance with section 72 (2) of the MFMA.

As part of the review in terms of Section 72 (3) the Accounting Officer must:

(a) make recommendations on whether an adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

### 6.2 Discussion

The Financial Mid-Year Performance is reported on in **APPENDIX 1** (Section 1). This report encapsulates the performance of the first six months of the financial year and places emphasis on the positive as well as the areas of concern.

The condensed comparative statement report for operating revenue and operating expenditure for the period ending 31 December 2025 can be found in the budget performance analysis of the attached report. It should however be noted that the following services included in the Operating Revenue relate to actual levied amounts against consumer accounts and not actual cash received:

- Property Rates
- Property Rates-Penalties imposed and collection charges
- Service Charges
    - Electricity
    - Refuse Removal
    - Sewerage
    - Water
- Interest Earned-Outstanding Debtors

It is important to note that in the past the following services were levied for the full year and minimal movement was seen for the rest of the financial year:

- Property Rates
- Refuse Removal
- Sewerage

Due to the implementation of mSCOA all services are levied on a monthly basis, and consumers must apply if they want annual levies for above services.

**Service charges - electricity revenue**

The municipality has billed R21 066 122 more electricity charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R93 066 219, was written back to the previous financial year.

Considering the consumption over the past 6 months of the current financial year, the actual electricity revenue billed over the past three financial years as well as the tariff increase of 9.95%, the current budget of R1 215 948 763 will be increased with approximately R25 000 000.

**Service charges - water revenue**

The municipality has billed R2 971 511 less water charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R24 895 324, was written back to the previous financial year.

Considering the monthly average billing (R12 322 123) as well as the tariff increase of 6.0%, it is recommended that the budget be increased with the Mid-year adjustment budget with approximately R12 500 000.

**Service charges - Waste Management**

The municipality has billed R3 651 850 more refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R9 945 703), annual consumption over the past three financial years (R95 866 674) as well as the tariff increase of 6.90%, it is recommended that the budget be increased with R5 000 000 during the Mid-year adjustment process.

**Interest earned from Current and Non-Current Assets**

An underperformance was noted for interest earned on external investments to the amount of R5 502 201. The variance is attributed to decreases in the interest rates and less funds being invested. Considering the monthly average over the past 6 months (R4 414 598) it is recommended that the budget be decreased with R11 000 000 during the Mid-year adjustment process.

**Fines, penalties and forfeits**

An overperformance was noted to the amount of R30 707 274. The recognition of traffic fines in terms of iGRAP 1 is done monthly, including the journal processed on the financial system. The budget is deemed to be sufficient. It is recommended that the budget not be adjusted during the mid-year adjustment process.

**Transfers and subsidies**

The Western Cape Provincial Treasury has in principle granted approval, in terms of Section 10 (2) of the Western Cape Appropriation Act, 2024 (Act No. 1 of 2024) to roll-over the unspent amount of R3 962 579 for the Community Services Library Services Grant.

**Sale of Goods and Rendering of Services**

An over performance is noted for other revenue to the amount of R11 604 638. Considering the actual revenue in the first half of the financial year which amounted to R21 994 830 with a monthly average of R3 665 805, the budget is deemed sufficient and attainable.

The adjustment has been necessitated due to the following:

**Sales of Goods and Rendering of Services: Building Plan Approval.**

An over performance of R7 493 860 has been noted. Considering the monthly average over the past 6 months of R1 872 798 it renders the current budget amounting to R7 815 227 as insufficient based on historic trends. It is recommended that the budget be increased with approximately R7million during the mid-year adjustment process.

**Operational expenditure**

The expenditure to date reflects an under spending of R71 631 951 when comparing the financial performance of the first six months to the pro-rata budget.

The budget items that reflect under spending when compared to the year-to-date budget are as follows:

**Finance charges:**

An underperformance of R7 011 620 is noted against the year-to-date budget projections. The variance is attributable to the following two items:

- **Interest cost non-current provisions –** based on the actuarial report received from the expert, the budget must be reduced with R3 539 474.

- **Long service awards** – it is recommended that the budget be reduced with R3 158 000 based on the latest actuarial valuation report.

It is recommended that the budget be decreased with approximately R6 697 474 during the mid-year adjustment budget process.

**Bulk purchases:**

An underperformance of R25 514 404 is noted for bulk purchases. The underperformance is a result of a decrease in consumption. However; considering the actual expenditure incurred in the first half of the financial year amounting to R377 048 420 with an average of R62 841 403 and historical trends depicting an increase in the last 6 months of the financial year as a result of seasonal changes; It is recommended that the budget be increased by approximately R70 000 000 during the mid-year adjustment budget process.

**Contracted Services:**

An underperformance of R7 895 571 is noted against the year-to-date budget projections. Considering the actual expenditure incurred in the first half of the financial year amounting to R105 311 744 with a monthly average of R17 551 957. However, due to additional requirements, it is recommended that the budget be increased by R13 370 182 during the Mid-year adjustment budget process.

The budget items that reflect under spending when compared to the year-to-date budget are as follows:

**Contracted Services:**

**Contractors: Maintenance of Unspecified Assets:**

An underperformance is noted to the amount of R2 539 534. Considering the actual expenditure incurred in the first half of the financial year amounting to R17 543 218 with a monthly average of R2 923 870. It is recommended that the budget be reduced by R1 203 356 during the Mid-year adjustment budget process due to funds required for additional operational needs.

**Contracted Services: Contractors: Maintenance of Equipment:**

An underperformance is noted to the amount of R5 891 198. Considering the actual expenditure incurred in the first half of the financial year amounting to R4 190 386 with a monthly average of R698 397. It is recommended that the budget be reduced by R3 116 635 during the Mid-year adjustment budget process.

**Contracted Services: Contractors: Maintenance of Buildings and Facilities:**

An under performance is noted to the amount of R1 069 799. Considering the actual expenditure incurred in the first half of the financial year amounting to R4 720 629 with a monthly average of R608 471. It is recommended that the budget be reduced by R3 500 000 during the Mid-year adjustment budget process.

**Contracted Services: Outsourced Services: Security Services:**

An under performance is noted to the amount of R10 114 005. Considering the actual expenditure incurred in the first half of the financial year amounting to R20 145 995 with a monthly average of R3 357 666. However, additional security is required on critical infrastructure sites. It is therefore recommended that the budget be increased by R10 000 000 during the Mid-year adjustment budget process.

**Operational Costs:**

An overperformance was noted to the amount of R3 520 581. Considering the actual expenditure incurred in the first half of the financial year amounting to R96 71 108 with a monthly average of R16 028 518. The budget will be increased due to various other line items that have been identified where additional funds are requested due to operational pressure. This will be addressed in the Mid-year adjustments budget and will result in an envisaged budget increase

**Mid-year Non-Financial Performance Assessment**

Non-Financial Mid-Year Performance is reported on in **APPENDIX 2** Section 2). It covers the overall performance of the Municipality on the Key Performance Indicators (KPI's) that are assessed in the period from 1 July 2025 to December 2025. The performance of the first six months of the financial year should be assessed and reported on in terms of Section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustments of KPI's, if necessary.

## 6.3 Financial Implications

The financial implications of this report will be dealt with in the adjustments budget.

## 6.4 Legal Implications

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

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

The previous resolution relevant to this item was made on:

- 28th Council meeting, 29th January 2025, item 8.3

**6.7 Risk Implications**

None.

## ANNEXURES

**Appendix 1: Financial Mid-year Performance**

## FOR FURTHER DETAILS CONTACT:

| | |
|---|---|
| *NAME* | **Kevin Carolus** |
| *POSITION* | ***Chief Financial Officer*** |
| *DIRECTORATE* | ***Financial Services*** |
| *CONTACT NUMBERS* | ***021 – 808 8528*** |
| *E-MAIL ADDRESS* | ***Kevin.Carolus@stellenbosch.gov.za*** |
| *REPORT DATE* | ***January 2026*** |

# APPENDIX 1

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# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

# DECEMBER 2025

**APPENDIX 1 – SECTION 1**

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**PART A**

Operational Revenue
Operational Expenditure
Capital Expenditure
Employee Related Costs
Grant allocations: Received
Grant allocations: Expenditure
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# BUDGET & FINANCIAL PERFORMANCE OF STELLENBOSCH MUNICIPALITY AS AT 31 DECEMBER 2025

## 1. PURPOSE

The mid-year report is used as a management tool to assess the Municipality's performance and financial position against the approved budget by analyzing trends and patterns for the first six months of the 2025/2026 financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

## 2. LEGISLATIVE BACKGROUND

In terms of Section 72 (1) (a) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by the 25th of January of each year assess the performance of the Municipality during the first half of the financial year. A report on such assessment must then be submitted to the Mayor, Provincial Treasury and National Treasury in terms of Section 72 (1) (b) of the Act. Once the Mayor has considered the report in terms of Section 54 (1) (f) of the MFMA, she must table the report with recommendations to Council by 31 January of each year.

## 3. BUDGET PERFORMANCE ANALYSIS

### 3.1 Overview of Operating Revenue and Expenditure performance for the period July to December 2025.

| Description | Adjusted Budget | YearTD Budget | YearTD Actual | YTD Variance | Year-to-date Variance % |
|---|---|---|---|---|---|
| Revenue | | | | | |
| Exchange Revenue | | | | | |
| Service charges - Electricity | 1 215 948 763 | 477 236 891 | 498 303 013 | 21 066 122 | 4% |
| Service charges - Water | 201 453 009 | 76 904 248 | 73 932 737 | -2 971 511 | -4% |
| Service charges - Waste Water Management | 132 112 779 | 57 709 708 | 70 543 693 | 12 833 985 | 22% |
| Service charges - Waste management | 112 789 486 | 56 022 367 | 59 674 217 | 3 651 850 | 7% |
| Sale of Goods and Rendering of Services | 25 590 670 | 10 390 192 | 21 994 830 | 11 604 638 | 112% |
| Agency services | 3 961 303 | 1 572 459 | 1 890 546 | 318 087 | 20% |
| Interest earned from Receivables | 18 972 172 | 9 759 156 | 11 193 453 | 1 434 297 | 15% |
| Interest earned from Current and Non Current Assets | 63 979 577 | 31 989 791 | 26 487 590 | -5 502 201 | -17% |
| Rental from Fixed Assets | 14 249 488 | 5 079 242 | 4 951 818 | -127 424 | -3% |
| Licence and permits | 8 754 465 | 3 813 903 | 3 469 199 | -344 704 | -9% |
| Operational Revenue | 59 231 238 | 23 013 650 | 12 060 537 | -10 953 113 | -48% |
| Non-Exchange Revenue | | | | | |
| Property rates | 571 650 678 | 295 267 620 | 324 343 921 | 29 076 301 | 10% |
| Fines, penalties and forfeits | 173 402 829 | 32 431 576 | 63 138 850 | 30 707 274 | 95% |
| Transfer and subsidies - Operational | 268 029 526 | 132 414 112 | 181 539 942 | 49 125 830 | 37% |
| Interest | 3 425 825 | 2 081 926 | 1 684 840 | -397 086 | -19% |
| Operational Revenue | 3 213 533 | 1 741 067 | 2 839 094 | 1 098 027 | 63% |
| Total Revenue | 2 876 765 341 | 1 217 427 908 | 1 358 048 280 | 140 620 372 | 12% |

| Description | Adjusted Budget | YearTD Budget | YearTD Actual | YTD Variance | Year-to-date Variance % |
|---|---|---|---|---|---|
| Expenditure By Type | | | | | |
| Employee related costs | 729 634 893 | 340 417 966 | 350 780 310 | 10 362 344 | 3% |
| Remuneration of councillors | 24 593 419 | 12 296 700 | 11 456 801 | -839 899 | -7% |
| Bulk purchases - electricity | 805 125 647 | 402 562 824 | 377 048 420 | -25 514 404 | -6% |
| Inventory consumed | 119 781 065 | 51 881 454 | 39 112 698 | -12 768 756 | -25% |
| Debt impairment | 77 288 852 | - | - | - | |
| Depreciation and amortisation | 225 960 324 | 112 980 162 | 82 098 738 | -30 881 424 | -27% |
| Interest | 77 648 569 | 32 352 016 | 25 340 396 | -7 011 620 | -22% |
| Contracted services | 343 681 513 | 113 207 315 | 105 311 744 | -7 895 571 | -7% |
| Transfers and subsidies | 14 047 829 | 6 260 603 | 5 272 620 | -987 983 | -16% |
| Irrecoverable debts written off | 126 723 763 | - | 384 781 | 384 781 | |
| Operational costs | 203 409 123 | 92 650 527 | 96 171 108 | 3 520 581 | 4% |
| Other Losses | 630 000 | - | - | - | |
| Total Expenditure | 2 748 524 997 | 1 164 609 567 | 1 092 977 616 | -71 631 951 | -6% |

**Below follows a synopsis of significant revenue and expenditure variances:**

## Operating Revenue

### Property Rates and Service Charges

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually.

### Property Rates

Property rates and service charges water are billed monthly. However, some consumers applied to have their property rates and service charges to be billed annually. This has resulted in an overperformance of R29 076 301 for property rates when compared to the year-to-date budget projections, as the annual applications do not form part of the monthly budgeted revenue projections. It is recommended that the budget be increased with approximately R6 112 090 during the Mid-year adjustment budget process

### Service charges - electricity revenue

The municipality has billed R21 066 122 more electricity charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R93 066 219, was written back to the previous financial year.

Considering the consumption over the past 6 months of the current financial year, the actual electricity revenue billed over the past three financial years as well as the tariff increase of 9.95%, the current budget of R1 215 948 763 will be increased with approximately R25 000 000.

**Service charges - Water revenue**

The municipality has billed R2 971 511 less water charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R24 895 324, was written back to the previous financial year.

Considering the monthly average billing (R12 322 123) as well as the tariff increase of 6.0%, it is recommended that the budget be increased with the Mid-year adjustment budget with approximately R12 500 000.

**Service charges - Waste Water Management**

The municipality has billed R12 833 985 more sanitation charges than initially anticipated. Considering the consumption over the past 6 months of the current financial year (average: R11 757 282) as well as the tariff increase of 6.0%, the current budget of R132 112 779 is deemed sufficient.

**Service charges - Waste Management**

The municipality has billed R3 651 850 more refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R9 945 703), annual consumption over the past three financial years (R95 866 674) as well as the tariff increase of 6.90%, it is recommended that the budget be increased with R5 000 000 during the Mid-year adjustment process.

**Interest earned from Current and Non-Current Assets**

An underperformance was noted for interest earned on external investments to the amount of R5 502 201. The variance is attributed to decreases in the interest rates and less funds being invested. Considering the monthly average over the past 6 months (R4 414 598) it is recommended that the budget be decreased with R11 000 000 during the Mid-year adjustment process.

**Interest earned – outstanding debtors**

An over performance was noted for the interest earned on outstanding debtors to the amount of R1 434 297. This is due to increases in debt. Considering the monthly average over the past 6 months (R1 865 575), the current budget of R18 972 172 is sufficient.

**Fines, penalties and forfeits**

An overperformance was noted to the amount of R30 707 274. The recognition of traffic fines in terms of iGRAP 1 is done monthly, including the journal processed on the financial system. The budget is deemed to be sufficient. It is recommended that the budget not be adjusted during the mid-year adjustment process.

**Licences and permits**

An under performance is noted for licences and permits to the amount of R344 704. The underperformance is due to less licences and permit renewals as well as accompanying applications being received than initially anticipated. Considering the actuals generated over the past three financial years (average: R8 151 042) and a monthly average over the past six months of the current financial year (R578 200), the current budget of R8 754 465 is deemed as attainable.

**Rental from Fixed Assets**

An under performance is noted for the Rental of facilities and equipment to the amount of R127 424. Considering the average of the actuals generated over the past three (3) financial years amounting to R11 70 733 and the average monthly revenue (R825 302), the current budget of R14 249 488 is deemed sufficient due to the annual levies that must still be billed. It is recommended that the budget not be adjusted during the mid-year adjustment process.

**Transfers and subsidies**

The Western Cape Provincial Treasury has in principle granted approval, in terms of Section 10 (2) of the Western Cape Appropriation Act, 2024 (Act No. 1 of 2024) to roll-over the unspent amount of R3,962,579 for the Community Services Library Services Grant.

**Sale of Goods and Rendering of Services**

An over performance is noted for other revenue to the amount of R11 604 638. Considering the actual revenue in the first half of the financial year which amounted to R21 994 830 with a monthly average of R3 665 805, the budget will be increased with R7 000 000 during the Mid-year adjustment budget.

The adjustment has been necessitated due to the following:

- **Sales of Goods and Rendering of Services: Encroachment Fees:** An over performance of R1 719 357 has been noted. Considering the monthly average over the past 6 months of R756 491 it renders the current budget amounting to R6 189 871 as sufficient. It is recommended that the budget not be adjusted during the mid-year adjustment process.

- **Sales of Goods and Rendering of Services: Building Plan Approval**. An over performance of R7 493 860 has been noted. Considering the monthly average over the past 6 months of R1 872 798 it renders the current budget amounting to R7 815 227 as insufficient based on historic trends. It is recommended that the budget be increased with approximately R7million during the mid-year adjustment process.

**Operational expenditure**

The expenditure to date reflects an under spending of R71 631 951 when comparing the financial performance of the first six months to the pro-rata budget.

The budget items that reflect under spending when compared to the year-to-date budget are as follows:

- **Employee-related costs**: An overperformance of R10 362 344 is noted against the year-to-date budget projections. This is largely attributable to the bonus payments in November 2025. Considering the monthly average over the past 6 months of the current financial year R 58 463 385. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

- **Remuneration of Councilors:** An underperformance of R839 899 is noted against the year-to-date budget projections. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

- **Depreciation and asset impairment:** An underperformance of R30 881 424 is noted against the year-to-date budget projections. This is due to a large number of assets which have reached their lifespan and will be disposed of during the annual auction. Considering the actual monthly average over the past 6 months of the current financial year (R13 683 123), the current budget of R225 960 324 is deemed attainable and based on the year-to-date actual amounts and historical trends, it is recommended that the budget not be adjusted during the mid-year adjustment budget process.

- **Finance charges:** An underperformance of R7 011 620 is noted against the year-to-date budget projections. The variance is attributable to the following two items:
    - Interest cost non-current provisions – based on the actuarial report received from the expert, the budget must be reduced with R3 539 474.
    - Long service awards – it is recommended that the budget be reduced with R3 158 000 based on the latest actuarial valuation report.

  It is recommended that the budget be decreased with approximately R6 697 474 during the mid-year adjustment budget process.

- **Bulk purchases:** An underperformance of R25 514 404 is noted for bulk purchases. The underperformance is a result of a decrease in consumption. However; considering the actual expenditure incurred in the first half of the financial year amounting to R377 048 420 with an average of R62 841 403 and historical trends depicting an increase in the last 6 months of the financial year as a result of seasonal changes; It is recommended that the budget be increased by approximately R70 million during the mid-year adjustment budget process.

- **Contracted Services:** An underperformance of R7 895 571 is noted against the year-to-date budget projections. Considering the actual expenditure incurred in the first half of the financial year amounting to R105 311 744 with a monthly average of R17 551 957. However, due to additional requirements, it is recommended that the budget be increased by R13 370 182 during the Mid-year adjustment budget process.

  The budget items that reflect under spending when compared to the year-to-date budget are as follows:

  - **Contracted Services: Contractors: Maintenance of Unspecified Assets:** An underperformance is noted to the amount of R2 539 534. Considering the actual expenditure incurred in the first half of the financial year amounting to R17 543 218 with a monthly average of R2 923 870. It is recommended that the budget be reduced by R1 203 356 during the Mid-year adjustment budget process due to funds required for additional operational needs.

  - **Contracted Services: Contractors: Maintenance of Equipment:** An underperformance is noted to the amount of R5 891 198. Considering the actual expenditure incurred in the first half of the financial year amounting to R4 190 386 with a monthly average of R698 397. It is recommended that the budget be reduced by R3 116 635 during the Mid-year adjustment budget process.

  - **Contracted Services: Contractors: Maintenance of Buildings and Facilities:** An under performance is noted to the amount of R1 069 799. Considering the actual expenditure incurred in the first half of the financial year amounting to R4 720 629 with a monthly average of R608 471. It is recommended that the budget be reduced by R3 500 000 during the Mid-year adjustment budget process.

  - **Contracted Services: Contractors: Prepaid Electricity Vendors:** An under performance is noted to the amount of R2 283 039. Considering the actual expenditure incurred in the first half of the financial year amounting to R475 841 with a monthly average of R79 306. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

  - **Contracted Services: Outsourced Services: Refuse Removal:** An under performance is noted to the amount of R6 931 761. Considering the actual expenditure incurred in the first half of the financial year amounting to R22 406 924 with a monthly average of R3 734 487. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

- **Contracted Services: Outsourced Services: Security Services:** An under performance is noted to the amount of R10 114 005. Considering the actual expenditure incurred in the first half of the financial year amounting to R20 145 995 with a monthly average of R3 357 666. However, additional security is required on critical infrastructure sites. It is therefore recommended that the budget be increased by R10 000 000 during the Mid-year adjustment budget process.

- **Operational Costs:** An overperformance was noted to the amount of R3 520 581. Considering the actual expenditure incurred in the first half of the financial year amounting to R96 71 108 with a monthly average of R16 028 518. It is recommended that the budget be increased by approximately R21 238 148. The largest increase is attributable to the Provision for the rehabilitation of the landfill site, that must increase with approximately R13 million based on the report from the expert. Operating leases budget will increase by approximately R2 million based on the lease agreements.

Various other line items were also identified where additional funds are requested due to operational pressure. This will be addressed in the Mid-year adjustments budget and will result in an envisaged budget increase

### 3.2 Overview of Capital Budget performance for the period July to December 2025

| Directorate | Approved Adjustment Budget | Planned | Actuals | Variance (Planned vs Actuals) | Variance (Planned vs Actuals)% |
|---|---|---|---|---|---|
| Municipal Manager | 100 000 | 80 000 | 35 006 | -44 994 | -56,24% |
| Planning & Development Services | 37 349 558 | 15 250 295 | 9 533 653 | -5 716 642 | -37,49% |
| Infrastructure Services | 485 177 392 | 225 100 025 | 107 765 843 | -117 334 182 | -52,13% |
| Corporate Services | 51 863 619 | 24 047 228 | 8 714 788 | -15 332 440 | -63,76% |
| Community and Protection Services | 98 818 255 | 45 431 385 | 42 536 113 | -2 895 272 | -6,37% |
| Financial Services | 4 300 000 | 4 300 000 | 3 264 844 | -1 035 156 | -24,07% |
| **Grand Total** | **677 608 824** | **314 208 933** | **171 850 247** | **-142 358 686** | **-45,31%** |

Expenditure on the Capital Budget for the six months ended 31 December 2025 is R1785 247 representing 25.36% capital spending performance measured against the total capital budget of R677 608 824 which is higher than the spending performance of 19.71% for the same period in December 2024.

| Period | Dec-21 | Dec-22 | Dec-23 | Dec-24 | Dec-25 |
|---|---|---|---|---|---|
| Total Capital Budget | 471 680 164 | 464 483 073 | 561 998 374 | 655 943 513 | 677 608 824 |
| Actual Spending | 115 911 658 | 121 567 496 | 126 244 901 | 129 277 539 | 171 850 247 |
| Spending Performance | 24,57% | 26,17% | 22,46% | 19,71% | 25,36% |

This spending only represents actual payments, whilst orders for work still in progress amount to R203 866 593. What is of concern is that R301 891 983 worth of capital projects have not yet been provisionally committed. The capital budget will have to be adjusted to make the necessary amendments to various projects to accelerate progress on the priorities identified.

An underspending amounting to R142 358 686 on the Capital expenditure has been noted. The budget will be decreased with approximately R87 676 976 during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following:

#### 3.2.1 Flats: Interior Upgrading - Kayamandi

The user department planned to spend R1 650 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that the previous tender was cancelled due to the bid values received being too high. Revised tender specifications have been approved and will be advertised. The budget will be reduced with approximately R1 650 000 during the Mid-year adjustment budget process, and the funds will be rolled over to the next financial year.

### 3.2.2 Rehabilitation of Langrug Dam and Engineering Services

The user department planned to spend R3 130 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 152 351. Orders to the amount of R428 418 have been loaded onto the financial system. The user department indicated that the service provider is currently on site and invoices are received in accordance with the cash flow and program. The budget will be reduced with approximately R1 960 000 during the Mid-year adjustment budget process.

### 3.2.3 Kayamandi Hostels

The user department planned to spend R1 610 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R91 128. The user department indicated that a tender for the appointment of electrical consultants to monitor the electrification during the demolition was advertised and will serve at the bid evaluation committee. The budget will be reduced with approximately R2 372 844 during the Mid-year adjustment budget process due to a decrease in the adjusted provincial business plan.

### 3.2.4 Install and Upgrade CCTV/ LPR Cameras In WC024

The user department planned to spend R1 700 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R276 295. Orders to the amount of R2 629 073 have been loaded onto the financial system. The user department indicated that installations and upgrades are currently underway. The budget will be increased with approximately R3 million during the Mid-year adjustment budget process for the procurement of CCTV/LPR related equipment.

### 3.2.5 Vehicle Fleet: Law Enforcement

The user department planned to spend R1 302 632 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R1 302 632 have been loaded onto the financial system. The user department indicated that they are awaiting delivery of the vehicle which is anticipated in February 2026. The budget will be increased with approximately R1.5 million during the Mid-year adjustment budget process.

### 3.2.6 Bulk Water Supply Pipe and Reservoir: Stellenbosch

The user department planned to spend R47 267 215 of the amended budget. The year-to-date actual expenditure incurred amounted to R24 286 440. Orders to the amount of R58 054 940 have been loaded onto the financial system. The user department indicated that the project is in its construction phase, and the contractor is on site. The budget will be reduced with approximately R29 987 740 during the Mid-year adjustment budget process due to identified savings on the project.

### 3.2.7 Upgrade of WWTW: Klapmuts

The user department planned to spend R15 326 087 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R1 027 312 have been loaded onto the financial system. The user department indicated that the tender has been advertised. The budget will be reduced with approximately R21 923 913 during the Mid-year adjustment budget process, and the funds will be rolled over to the next financial year.

### 3.2.8 Upgrade of WWTW Wemmershoek

The user department planned to spend R28 250 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R19 866 628. Orders to the amount of R2 937 435 have been loaded onto the financial system. The user department indicated that the contractor and consultant have been appointed and are currently on site. The budget will be increased with approximately R4.5 million during the Mid-year adjustment budget process.

### 3.2.9 Lanquedoc Access road and Bridge

The user department planned to spend R18 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R9 804 457. The project has been completed, and the municipality is awaiting final invoices. The budget will be increased with approximately R3.2 million during the Mid-year adjustment budget process.

### 3.2.10 Bulk Water Supply Pipeline & Pumpstations: Franschhoek

The user department planned to spend R16 122 200 of the amended budget. The year-to-date actual expenditure incurred amounted to R11 455 031. Orders to the amount of R1 280 168 have been loaded onto the financial system. The user department indicated that a contractor has been appointed but there were delays in the construction process due to the servitude agreement with the landowner. The budget will be reduced with approximately R650 000 during the Mid-year adjustment budget process

### 3.2.11 Structural Maintenance/Upgrade: Beltana

The user department planned to spend R7 486 631 of the amended budget. The year-to-date actual expenditure incurred amounted to R4 800 916. Orders to the amount of R3 570 741 have been loaded onto the financial system. The budget will be reduced with approximately R17 000 000 during the Mid-year adjustment budget process and will be rolled over to the next financial year as the construction tender will be awarded in May 2026

### 3.2.12 Jamestown Transport Network - School Street

The user department planned to spend R1 250 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that there is currently a dispute and the total budget of R14 million will be reduced during the Mid-year adjustment budget process and the funds will be rolled over to the next financial year.

### 3.2.13 Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA

The user department planned to spend R1 500 000 of the amended budget. The year-to-date expenditure incurred amounted to R71 400. The budget will be increased by approximately R10 735 112 during the Mid-year adjustment budget process based on the estimate of the construction.

### 3.2.14 Uniepark & Helshoogte Storage and Supply scheme

The user department planned to spend R4 000 000 of the amended budget. No expenditure has been incurred to date. The budget will be reduced with R3 250 000 during the Mid-year adjustment budget process, and the funds will be rolled over to the next financial year.

### 3.3 Financial performance analysis

#### 3.3.1 Liquidity Analysis- Acid Test Ratio

The liquidity position of the municipality was 2.5:1 as at 31 December 2025 and has increased from 1.9:1 as at 31 December 2024. This indicates that funding could be made available immediately to cover short-term commitments. The municipality is operating above the ambit of the norm of 1.5:1.

#### 3.3.2 Financial Performance – Net Operating Surplus Margin

The municipality's net operating surplus margin has decreased from 45.98% as at 31 December 2024 to 19.52% as at 31 December 2025. The positive ratio indicates that the municipality is able to generate a surplus which will assist in contributing towards its capital funding requirements and ensure sustainable service delivery.

#### 3.3.3 Cost Coverage Ratio

The municipality's cost coverage ratio has decreased from 11 months in 31 December 2024 to 3 months in 31 December 2025. The ratio is at the norm of 1 to 3 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that month.

The Employee related cost and Remuneration of Councillors were not fully integrated into the financial system for the comparative period of December 2024 due to system related issues. As a result, the actual expenditure recorded into the financial system for this period reflects R819 199, compared to the year-to-date budget of R342 898 432. The system limitation is the primary reason the ratio in the previous assessment fell outside the accepted norm, as the financial system did not reflect the actual expenditure incurred.

#### 3.3.4 Debtors collection rate

The debtor's collection rate has decreased from 97% as at 31 December 2024 to 93% and as at 31 December 2025. The municipality will continue to enforce strict credit control procedures to ensure an improvement is evident during the next 6 months of the current financial year. The 93% collection rate is below the National Treasury norm of 95%. The average collection rate for the first six months was 103%. Cognizance should be taken as this includes the collection of arrear debt.

### 3.3.5 Liability Management

#### 3.3.5.1 Cost required to service borrowings

The municipality's cost required to service borrowings has decreased from 9.08% as at 31 December 2024 to 5.51% as at 31 December 2025. The ratio depicts the borrowing or payment obligation expressed as a percentage of total operating expenditure. The municipality is below the norm of 6% to 8%.

#### 3.3.5.2 Affordability of total borrowings

The municipality's affordability of borrowings has increased from 24.07% at 31 December 2024 to 18.39% as at 31 December 2025. The municipality is well below the norm of 45% and has the capacity to increase funding from borrowings.

## 3.4 Outstanding Debtors

Below is an analysis of the outstanding consumer debtors as at 31 December 2025 compared to the position as at 31 December 2024:

## Debtors' Age Analysis as at 31 December 2025:

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

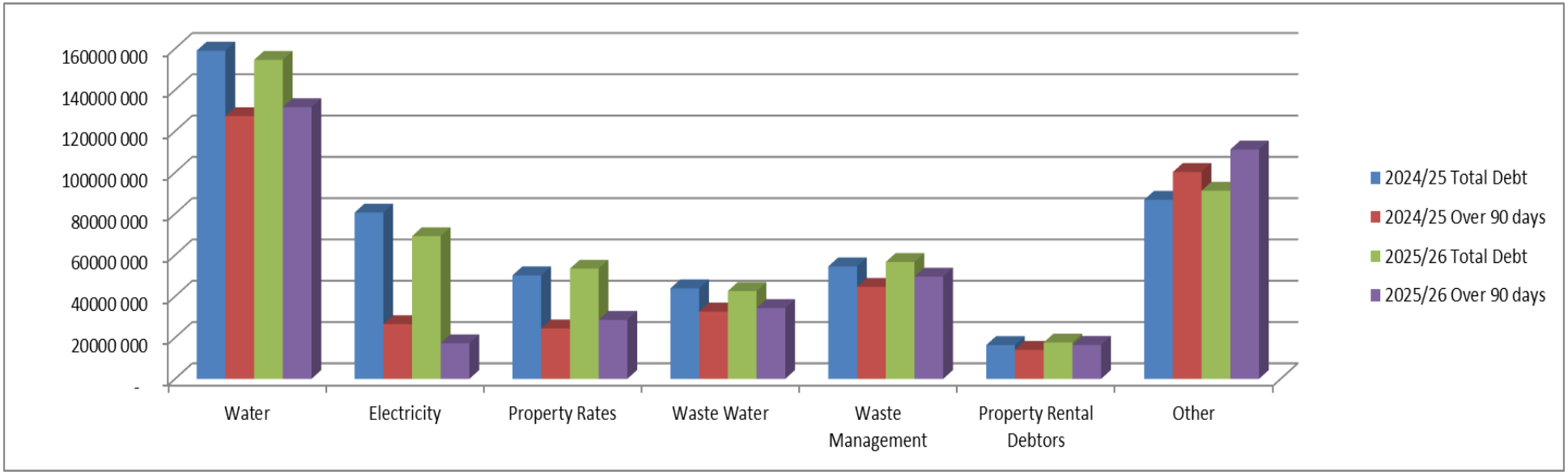
| Description | NT Code | Budget Year 2025/26 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 19 771 | 3 133 | – | 5 287 | – | 2 477 | 20 968 | 102 914 | 154 549 | 131 645 | – | – |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 50 391 | 1 494 | – | 2 583 | – | 969 | 1 895 | 11 794 | 69 126 | 17 240 | – | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 23 234 | 1 577 | – | 3 135 | – | 1 199 | 5 369 | 18 888 | 53 402 | 28 591 | – | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 7 527 | 701 | – | 2 503 | – | 633 | 4 359 | 26 826 | 42 550 | 34 321 | – | – |
| Receivables from Exchange Transactions - Waste Management | 1600 | 6 123 | 959 | – | 4 073 | – | 970 | 6 517 | 37 990 | 56 632 | 49 550 | – | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 920 | 261 | – | 663 | – | 346 | 1 437 | 14 004 | 17 631 | 16 451 | – | – |
| Interest on Arrear Debtor Accounts | 1810 | 91 | 133 | – | 581 | – | 257 | 3 359 | 89 011 | 93 432 | 93 208 | – | – |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 1900 | (20 279) | 92 | – | 3 773 | – | 127 | 687 | 13 333 | (2 268) | 17 919 | – | – |
| Total By Income Source | 2000 | 87 778 | 8 350 | – | 22 598 | – | 6 977 | 44 590 | 314 760 | 485 053 | 388 926 | – | – |
| 2024/25 - totals only | | | | | | | | | | – | – | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 3 122 | 1 333 | – | 5 196 | – | 1 051 | 1 594 | 9 795 | 22 091 | 17 637 | – | – |
| Commercial | 2300 | 37 029 | 568 | – | 1 791 | – | 310 | 2 715 | 40 357 | 82 770 | 45 174 | – | – |
| Households | 2400 | 41 298 | 6 093 | – | 13 696 | – | 5 476 | 39 166 | 251 830 | 357 558 | 310 168 | – | – |
| Other | 2500 | 6 330 | 356 | – | 1 914 | – | 141 | 1 115 | 12 778 | 22 633 | 15 948 | – | – |
| Total By Customer Group | 2600 | 87 778 | 8 350 | – | 22 598 | – | 6 977 | 44 590 | 314 760 | 485 053 | 388 926 | – | – |

## Debtors' Age Analysis as at 31 December 2024:

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

| Description | NT Code | Budget Year 2024/25 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| **Debtors Age Analysis By Income Source** | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 28 509 | 13 | 3 185 | 2 705 | 2 252 | 2 584 | 18 517 | 101 223 | 158 990 | 127 282 | – | – |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 50 534 | 1 | 3 507 | 4 878 | 5 263 | 4 777 | 1 351 | 10 254 | 80 566 | 26 523 | – | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 24 284 | 4 | 1 420 | 1 172 | 1 046 | 779 | 3 057 | 18 404 | 50 166 | 24 457 | – | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 10 258 | 6 | 981 | 1 506 | 767 | 897 | 3 380 | 26 064 | 43 858 | 32 613 | – | – |
| Receivables from Exchange Transactions - Waste Management | 1600 | 8 811 | 7 | 1 100 | 2 683 | 936 | 919 | 4 627 | 35 438 | 54 519 | 44 602 | – | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 2 047 | 1 | 264 | 275 | 367 | 258 | 1 153 | 12 035 | 16 400 | 14 089 | – | – |
| Interest on Arrear Debtor Accounts | 1810 | 3 201 | 5 | 149 | 328 | 196 | 251 | 2 386 | 79 414 | 85 929 | 82 574 | – | – |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 1900 | (17 032) | 4 | 207 | 3 575 | 31 | 33 | 266 | 13 742 | 827 | 17 648 | – | – |
| **Total By Income Source** | **2000** | **110 611** | **41** | **10 813** | **17 123** | **10 858** | **10 498** | **34 737** | **296 573** | **491 254** | **369 788** | **–** | **–** |
| **2023/24 - totals only** | | | | | | | | | | – | – | | |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | 17 007 | 4 | 800 | 1 516 | 69 | 71 | 378 | 3 078 | 22 923 | 5 112 | – | – |
| Commercial | 2300 | 23 656 | 0 | 3 129 | 5 644 | 5 838 | 5 391 | 3 526 | 39 213 | 86 396 | 59 611 | – | – |
| Households | 2400 | 63 224 | 31 | 6 447 | 8 083 | 4 756 | 4 879 | 30 090 | 242 079 | 359 589 | 289 887 | – | – |
| Other | 2500 | 6 724 | 6 | 437 | 1 881 | 195 | 157 | 743 | 12 203 | 22 346 | 15 178 | – | – |
| **Total By Customer Group** | **2600** | **110 611** | **41** | **10 813** | **17 123** | **10 858** | **10 498** | **34 737** | **296 573** | **491 254** | **369 788** | **–** | **–** |

The abovementioned data set indicates that consumer debt increased by R19 137 892 from December 2024 to December 2025. The increase can be largely attributed to the other debt which increased by R72 223 485. Debtors over 90 days have also increased with R10 905 300 over the same period.


160000 000
140000 000
120000 000
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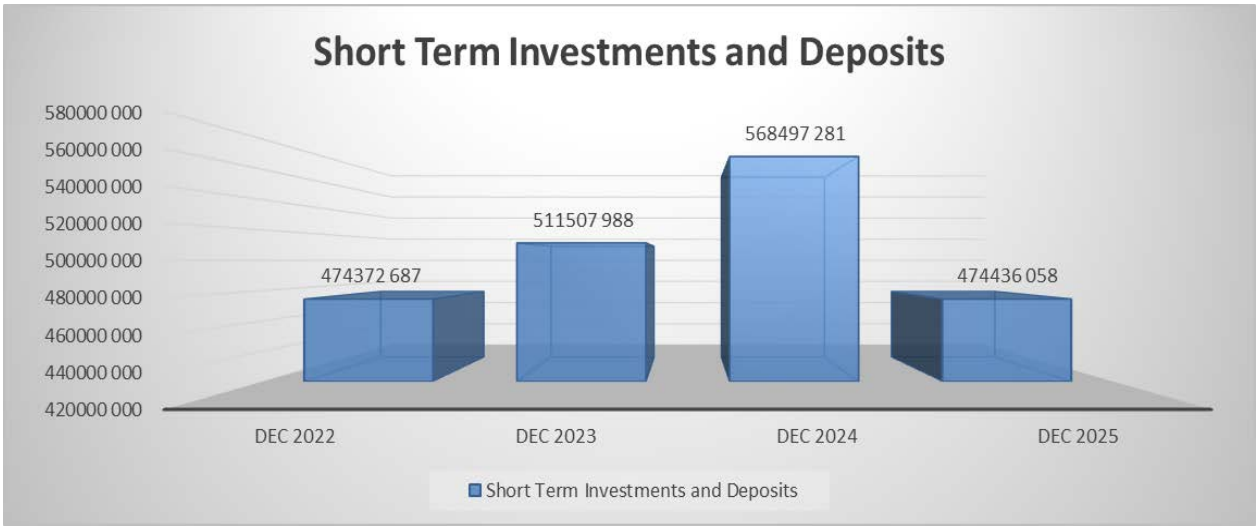
80000 000
60000 000
40000 000
20000 000
-
Water
Electricity
Property Rates
Waste Water
Waste Management
Property Rental Debtors
Other
2024/25 Total Debt
2024/25 Over 90 days
2025/26 Total Debt
2025/26 Over 90 days

## 3.5 Investments

The investment portfolio decreased from R568 497 281 as at 31 December 2024 to R474 436 058 as at 31 December 2025.

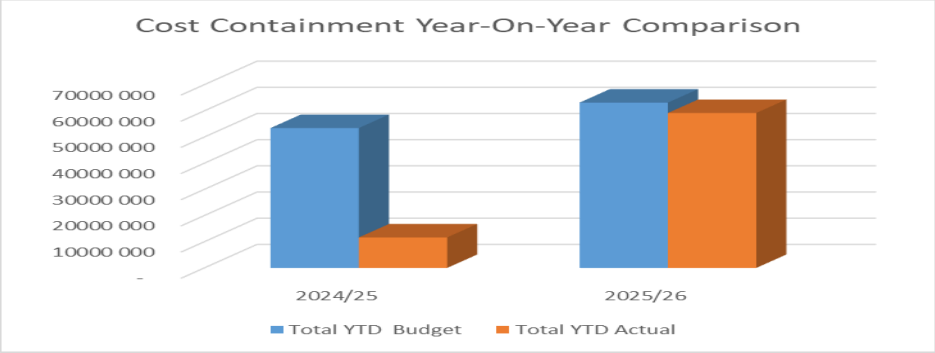
| Description | Dec-22 | Dec-23 | Dec-24 | Dec-25 | % Increase/decrease |
|---|---|---|---|---|---|
| Short Term Investments and Deposits | 474 372 687 | 511 507 988 | 568 497 281 | 474 436 058 | -16,55% |




There is a decline in the investment portfolio. This variance is mainly attributed to decreases in the interest rates.

## 3.6 Cost Containment Reporting

| | COST CONTAINMENT REPORTING | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 31-Dec-25 | | | | 31-Dec-24 | | | |
| Measures | Amended Budget | Total YTD Budget | Total YTD Actual | Saving/ (Over spending) | Amended Budget | Total YTD Budget | Total YTD Actual | Saving/ (Over spending) |
| Use of consultants | 38 563 255 | 14 020 179 | 6 606 662 | 7 413 517 | 34 216 748 | 10 439 116 | 5 914 705 | 4 524 411 |
| Vehicles used for political office -beare | - | - | - | - | - | - | - | - |
| Accomodation, Travel and Incidental co: | 16 963 681 | 8 258 147 | 6 929 317 | 1 328 830 | 15 604 204 | 7 714 350 | 267 663 | 7 446 687 |
| Sponsorships, events and catering | 14 260 799 | 7 081 926 | 9 602 148 | - 2 520 222 | 5 383 693 | 3 633 301 | 1 328 113 | 2 305 188 |
| Communication | 14 467 259 | 6 673 871 | 5 747 068 | 926 803 | 14 642 730 | 6 180 308 | 4 139 291 | 2 041 017 |
| Other related expenditure items | 54 263 706 | 27 126 018 | 30 312 368 | - 3 186 350 | 50 953 967 | 25 471 692 | 3 854 | 25 467 838 |
| **Grand Total** | **138 518 700** | **63 160 141** | **59 197 562** | **3 962 579** | **120 801 342** | **53 438 767** | **11 653 625** | **41 785 142** |




| Description | 2024/25 | 2025/26 |
|---|---|---|
| Total YTD Budget | 53 438 767 | 63 160 141 |
| Total YTD Actual | 11 653 625 | 59 197 562 |

The municipality has implemented the Cost Containment policy as from 1 October 2019. The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality. As depicted above, the municipality has achieved a saving of R3 962 579 when compared to the year-to-date budget projections at the end of December 2025. The year-on-year comparison, however, depicts an increase of R47 543 937 when compared to December 2024. The largest increase can be attributed to Other related expenditure items (R30 308 513 or 7416%).

# MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| Item for report | Description | 31-Dec-25 | | | | | 31-Dec-24 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | YTD | | | | YTD | | |
| | | Original Budget | Amended Budget | Total YTD Budget | Total YTD Actual | Saving/ (Overspending) | Amended Budget | Total YTD Budget | Total YTD Actual | Saving/ (Overspending) |
| | Business and Advisory:Accounting and Auditing | - | - | - | - | - | - | - | - | - |
| | Business and Advisory:Audit Committee | 442 380,00 | 442 380,00 | 271 250,00 | 156 548,00 | 114 702,00 | 369 000,00 | 172 375,00 | 147 250,00 | 25 125,00 |
| | Business and Advisory:Business and Financial Manag | 4 636 883,00 | 4 056 883,00 | 1 286 463,00 | 1 090 594,85 | 195 868,15 | 5 121 327,00 | 644 560,00 | 872 230,29 | - 227 670,29 |
| | Business and Advisory:Communications | - | - | - | - | - | - | - | - | - |
| | Business and Advisory:Human Resources | 112 200,00 | 112 200,00 | - | 1 890,00 | - 1 890,00 | 110 000,00 | 38 400,00 | 10 740,00 | 27 660,00 |
| | Business and Advisory:Occupational Health and Safe | - | - | - | - | - | - | - | - | - |
| | Business and Advisory:Organisational | 121 352,00 | 121 352,00 | - | - | - | 118 973,00 | 33 150,00 | - | 33 150,00 |
| Use of consultants | Business and Advisory:Project Management | 9 829 087,00 | 18 012 230,00 | 7 464 688,00 | 701 139,09 | 6 763 548,91 | 12 848 862,00 | 5 339 447,00 | 477 901,87 | 4 861 545,13 |
| | Business and Advisory:Research and Advisory | 3 316 405,00 | 2 816 405,00 | 716 716,00 | 476 242,71 | 240 473,29 | 2 438 758,00 | 623 167,00 | 319 761,78 | 303 405,22 |
| | Business and Advisory:Qualification Verification | - | - | - | - | - | - | - | - | - |
| | Business and Advisory:Quality Control | - | - | - | - | - | - | - | - | - |
| | Business and Advisory:Valuer and Assessors | 2 759 295,00 | 2 729 295,00 | 1 007 022,00 | 860 710,03 | 146 311,97 | 3 982 250,00 | 1 060 252,00 | 1 223 662,86 | - 163 410,86 |
| | Business and Advisory:Forensic Investigators | 1 050 938,00 | 1 050 938,00 | - | 20 000,00 | - 20 000,00 | 289 939,00 | 190 493,00 | 16 000,00 | 174 493,00 |
| | Laboratory Services:Water | 2 927 400,00 | 2 927 400,00 | 1 282 500,00 | 533 012,60 | 749 487,40 | 2 870 000,00 | 677 798,00 | 354 977,58 | 322 820,42 |
| | Legal Cost:Legal Advice and Litigation | 5 675 140,00 | 5 675 140,00 | 1 746 040,00 | 2 737 125,55 | - 991 085,55 | 5 563 863,00 | 1 536 724,00 | 2 492 180,74 | - 955 456,74 |
| | Legal Cost:Issue of Summons | 619 032,00 | 619 032,00 | 245 500,00 | 29 399,43 | 216 100,57 | 503 776,00 | 122 750,00 | - | 122 750,00 |
| Vehicles used for political office - | N/A | - | - | - | - | - | - | - | - | - |
| | Allowance:Travel or Motor Vehicle | 151 776,00 | 151 776,00 | 75 888,00 | 92 539,20 | - 16 651,20 | 142 513,00 | 69 240,00 | - | 69 240,00 |
| | Allowance:Travel or Motor Vehicle | 324 799,00 | 324 799,00 | 162 402,00 | 120 000,00 | 42 402,00 | 304 976,00 | 143 469,00 | - | 143 469,00 |
| | Allowance:Accommodation, Travel and Incidental | - | - | - | - | - | - | - | - | - |
| | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - |
| | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - |
| | Allowance:Accommodation, Travel and Incidental | - | - | - | - | - | - | - | - | - |
| | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - |
| | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - |
| | Allowance:Accommodation, Travel and Incidental | - | - | - | - | - | - | - | - | - |
| | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - |
| | Allowances:Accommodation, Travel and Incidental | 52 870,00 | 52 870,00 | 26 442,00 | 3 854,64 | 22 587,36 | 49 643,00 | 24 822,00 | - | 24 822,00 |
| | Allowances:Travel or Motor Vehicle | 13 817 354,00 | 13 817 354,00 | 6 908 688,00 | 5 407 132,75 | 1 501 555,25 | 12 974 044,00 | 6 479 526,00 | - | 6 479 526,00 |
| | Allowances and Service Related Benefits:Travelling | 212 360,00 | 212 360,00 | 106 182,00 | 90 000,00 | 16 182,00 | 202 248,00 | 101 124,00 | - | 101 124,00 |
| Accomodation, Travel and Incidental | Allowances and Service Related Benefits:Travelling | 21 205,00 | 21 205,00 | 10 602,00 | 83 978,40 | - 73 376,40 | 20 195,00 | 10 098,00 | - | 10 098,00 |
| | Allowances and Service Related Benefits:Travelling | 212 360,00 | 212 360,00 | 106 182,00 | 91 892,16 | 14 289,84 | 202 248,00 | 101 124,00 | - | 101 124,00 |
| | Allowances and Service Related Benefits:Travelling | - | - | - | - | - | - | - | - | - |
| | Allowances and Service Related Benefits:Travelling | 190 852,00 | 190 852,00 | 95 424,00 | 209 519,12 | - 114 095,12 | 181 764,00 | 90 882,00 | - | 90 882,00 |
| | Allowances and Service Related Benefits:Travelling | 212 794,00 | 212 794,00 | 106 398,00 | 133 017,36 | - 26 619,36 | 202 661,00 | 101 328,00 | - | 101 328,00 |
| | Travel Agency and Visa's | 35 858,00 | 45 858,00 | 12 965,00 | 32 402,80 | - 19 437,80 | 35 155,00 | 11 395,00 | 12 640,56 | - 1 245,56 |
| | Travel and Subsistence:Domestic:Accommodation | 481 539,00 | 589 539,00 | 244 387,00 | 250 715,53 | - 6 328,53 | 449 559,00 | 221 279,00 | 91 449,24 | 129 829,76 |
| | Travel and Subsistence:Domestic:Daily Allowance | 238 782,00 | 273 782,00 | 94 696,00 | 95 311,00 | - 615,00 | 186 083,00 | 76 736,00 | 32 128,00 | 44 608,00 |
| | Travel and Subsistence:Domestic:Food and Beverage (Served) | 402 554,00 | 402 554,00 | 100 639,00 | 129 876,96 | - 29 237,96 | 385 457,00 | 173 393,00 | 62 960,83 | 110 432,17 |
| | Travel and Subsistence:Domestic:Incidental Cost | 16 717,00 | 16 717,00 | 4 185,00 | 1 645,07 | 2 539,93 | 15 889,00 | 4 827,00 | 101,00 | 4 726,00 |
| | Travel and Subsistence:Domestic:Transport without Operator:Car Rental | 36 456,00 | 36 456,00 | 9 114,00 | 5 207,92 | 3 906,08 | 33 353,00 | 11 707,00 | 3 836,17 | 7 870,83 |
| | Travel and Subsistence:Domestic:Transport with Operator:Other Transport Provider | 14 600,00 | 14 600,00 | 3 652,00 | - | 3 652,00 | 12 500,00 | 9 700,00 | - | 9 700,00 |
| | Travel and Subsistence:Domestic:Transport with Operator:Public Transport:Air Transport | 223 805,00 | 387 805,00 | 190 301,00 | 182 223,74 | 8 077,26 | 205 916,00 | 83 700,00 | 64 546,74 | 19 153,26 |
| | Contractors:Catering Services | 1 978 052,00 | 2 296 052,00 | 1 243 636,00 | 1 078 832,68 | 164 803,32 | 2 811 470,00 | 1 283 111,00 | 822 112,52 | 460 998,48 |
| Sponsorships, events and catering | Outsourced Services:Catering Services | - | - | - | - | - | - | - | - | - |
| | Advertising, Publicity and Marketing:Gifts and Pro | 465 939,00 | 465 939,00 | 15 000,00 | 177 747,00 | - 162 747,00 | 35 823,00 | 20 000,00 | - | 20 000,00 |
| | Contractors:Event Promoters | 2 916 028,00 | 11 498 808,00 | 5 823 290,00 | 8 345 568,37 | - 2 522 278,37 | 2 536 400,00 | 2 330 190,00 | 506 000,00 | 1 824 190,00 |
| | Communication:Cellular Contract (Subscription and | 2 928 720,00 | 2 928 720,00 | 841 455,00 | 1 281 767,18 | - 440 312,18 | 2 867 000,00 | 841 455,00 | 931 765,19 | - 90 310,19 |
| | Communication:Licences (Radio and Television) | - | - | - | - | - | - | - | - | - |
| | Communication:Radio and TV Transmissions | 3 301 020,00 | 2 751 020,00 | 1 630 758,00 | 1 744 743,23 | - 113 985,23 | 2 685 232,00 | 1 183 345,00 | 1 630 758,50 | - 447 413,50 |
| Communication | Communication:Postage/Stamps/Franking Machines | 2 294 250,00 | 2 164 250,00 | 1 293 498,00 | 716 131,87 | 577 366,13 | 2 632 343,00 | 1 293 498,00 | 390 929,81 | 902 568,19 |
| | Communication:SMS Bulk Message Service | 26 000,00 | 26 000,00 | 10 000,00 | - | 10 000,00 | 122 400,00 | 61 200,00 | - | 61 200,00 |
| | Communication:Telemetric Systems | - | - | - | - | - | - | - | - | - |
| | Allowances:Cellular and Telephone | 3 190 232,00 | 3 190 232,00 | 1 595 130,00 | 1 112 692,16 | 482 437,84 | 2 995 523,00 | 1 497 780,00 | - | 1 497 780,00 |
| | Communication:Telephone, Fax, Telegraph and Telex | 3 407 037,00 | 3 407 037,00 | 1 303 030,00 | 891 733,29 | 411 296,71 | 3 340 232,00 | 1 303 030,00 | 1 185 837,38 | 117 192,62 |
| | Entertainment:Senior Management | 30 600,00 | 30 600,00 | 18 200,00 | - | 18 200,00 | 30 000,00 | 18 200,00 | - | 18 200,00 |
| | Entertainment:Total for All Other Councillors | - | - | - | - | - | - | - | - | - |
| | Entertainment:Executive Mayor | 20 808,00 | 20 808,00 | 1 690,00 | - | 1 690,00 | 20 400,00 | 1 690,00 | 3 854,00 | - 2 164,00 |
| | Entertainment:Deputy Executive Mayor | - | - | - | - | - | - | - | - | - |
| Other related expenditure items | Entertainment:Speaker | - | - | - | - | - | - | - | - | - |
| | Entertainment:Chief Whip | - | - | - | - | - | - | - | - | - |
| | Entertainment:Executive Committee | - | - | - | - | - | - | - | - | - |
| | Entertainment:Section 79 committee chairperson | - | - | - | - | - | - | - | - | - |
| | Overtime:Non Structured | 46 078 463,00 | 46 078 463,00 | 23 039 208,00 | 26 295 534,00 | - 3 256 326,00 | 43 266 162,00 | 21 633 090,00 | - | 21 633 090,00 |
| | Overtime:Shift Additional Remuneration | 5 211 933,00 | 5 211 933,00 | 2 605 968,00 | 2 625 746,79 | - 19 778,79 | 4 893 835,00 | 2 446 926,00 | - | 2 446 926,00 |
| | Overtime:Structured | 2 921 902,00 | 2 921 902,00 | 1 460 952,00 | 1 391 086,87 | 69 865,13 | 2 743 570,00 | 1 371 786,00 | - | 1 371 786,00 |
| | **Grand Total** | **122 907 777,00** | **138 518 700,00** | **63 160 141,00** | **59 197 562,35** | **3 962 578,65** | **120 801 342,00** | **53 438 767,00** | **11 653 625,06** | **41 785 141,94** |

## 4. PAST YEAR'S ANNUAL REPORT AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE ANNUAL REPORT

The audit process for the 2024/2025 financial year has been completed by the Auditor General of South Africa.

The municipality received a clean audit (financially unqualified with no other material findings) during the 2024/2025 financial year.

Areas for improvement as identified during the previous year's audit will be encapsulated in an Audit Action Plan which will address the areas of concern. This plan and the implementation thereof will be monitored by senior management as well as the Audit Committee. The GRAP disclosure checklist in addition to the findings raised in the previous audit will be used to mitigate the risk of recurring audit findings.

## 5. RECOMMENDATIONS FROM THE ACCOUNTING OFFICER

After having assessed the performance of the municipality for the first half of the year (ended 31 December 2025), the following is recommended:

a) That the Executive Mayor tables this report to Council as the contents indicate the need to approve an adjustment budget.

b) That the revised projections as contained in this report inform the adjustment budget.

## 6. RECOMMENDATIONS FROM THE EXECUTIVE MAYOR

a) Council take note of the report and more specifically the assessment and forecasts contained in the report,

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

- Operational Budget detail to be adjusted to reflect realistically anticipated revenue and expenditure as envisaged by the detail contained in the report to accompany the adjustment budget.

- Appropriate additional revenue that has become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for.

- Authorize the utilization of projected savings in one vote towards spending in another vote due to the reprioritization of projects in line with revised completion dates; and

- To correct any errors in the annual budget.

**QUALITY CERTIFICATE**

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby certify that the mid-year budget and performance assessment for the period 1 July 2025 to 31 December 2025 has been prepared in accordance with Section 72 of the Municipal Finance Management Act and Regulations made under the Act and accordingly submit the required report on the state of Stellenbosch Municipality's performance.

Name: Geraldine Mettler

*Municipal Manager of Stellenbosch Municipality - WC024*

Signature: _____

Date: _____

# MID YEAR BUDGET AND PERFORMANCE ASSESSMENT PART A

# Monthly Budget Statements

## Table C1: Monthly Budget Statement Summary

WC024 Stellenbosch - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

| Description | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| Financial Performance | | | | | | | | | |
| Property rates | 530 581 | 571 651 | 571 651 | 40 642 | 324 344 | 295 268 | 29 076 | 10% | 571 651 |
| Service charges | 1 465 254 | 1 662 304 | 1 662 304 | 123 164 | 702 454 | 667 873 | 34 580 | 5% | 1 662 304 |
| Investment revenue | 61 434 | 63 980 | 63 980 | 3 985 | 26 488 | 31 990 | (5 502) | -17% | 63 980 |
| Transfers and subsidies - Operational | 234 414 | 260 585 | 268 030 | 84 228 | 181 540 | 132 414 | 49 126 | 37% | 268 030 |
| Other own revenue | 333 429 | 310 802 | 310 802 | 72 168 | 123 223 | 89 883 | 33 340 | 37% | 310 802 |
| Total Revenue (excluding capital transfers and | 2 625 112 | 2 869 321 | 2 876 765 | 324 186 | 1 358 048 | 1 217 428 | 140 620 | 12% | 2 876 765 |
| Employee costs | 667 940 | 729 635 | 729 635 | 350 781 | 350 780 | 340 418 | 10 362 | 3% | 729 635 |
| Remuneration of Councillors | 22 989 | 24 593 | 24 593 | 7 655 | 11 457 | 12 297 | (840) | -7% | 24 593 |
| Depreciation and amortisation | 205 229 | 225 960 | 225 960 | – | 82 099 | 112 980 | (30 881) | -27% | 225 960 |
| Interest | 72 867 | 77 649 | 77 649 | 25 340 | 25 340 | 32 352 | (7 012) | -22% | 77 649 |
| Inventory consumed and bulk purchases | 857 552 | 928 091 | 924 861 | 67 198 | 416 161 | 454 444 | (38 283) | -8% | 924 861 |
| Transfers and subsidies | 17 868 | 22 631 | 14 048 | 552 | 5 273 | 6 261 | (988) | -16% | 14 048 |
| Other expenditure | 654 789 | 732 522 | 751 779 | 47 005 | 201 868 | 205 858 | (3 990) | -2% | 751 779 |
| Total Expenditure | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6% | 2 748 525 |
| Surplus/(Deficit) | 125 878 | 128 240 | 128 240 | (174 345) | 265 071 | 52 818 | 212 252 | 402% | 128 240 |
| Transfers and subsidies - capital (monetary allocations) | 125 957 | 98 415 | 100 653 | 9 291 | 37 832 | 59 894 | (22 063) | -37% | 100 653 |
| Transfers and subsidies - capital (in-kind) | 4 682 | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after capital transfers & | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 169% | 228 893 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| Surplus/ (Deficit) for the year | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 169% | 228 893 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 473 053 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Capital transfers recognised | 157 500 | 118 636 | 121 055 | 10 822 | 49 002 | 75 559 | (26 557) | -35% | 121 055 |
| Borrowing | 109 725 | 198 019 | 198 019 | 7 203 | 24 291 | 83 342 | (59 052) | -71% | 198 019 |
| Internally generated funds | 201 145 | 325 835 | 358 534 | 23 596 | 98 557 | 155 307 | (56 750) | -37% | 358 534 |
| Total sources of capital funds | 468 371 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Financial position | | | | | | | | | |
| Total current assets | 1 048 614 | 932 399 | 900 442 | | 1 140 468 | | | | 900 442 |
| Total non current assets | 6 178 786 | 7 047 276 | 7 082 395 | | 6 689 376 | | | | 7 082 395 |
| Total current liabilities | 562 293 | 498 267 | 499 191 | | 435 960 | | | | 499 191 |
| Total non current liabilities | 824 107 | 1 168 172 | 1 168 172 | | 824 107 | | | | 1 168 172 |
| Community wealth/Equity | 6 277 967 | 6 313 236 | 6 315 474 | | 6 266 866 | | | | 6 315 474 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 1 022 487 | 572 998 | 579 423 | 447 032 | 1 040 472 | 182 114 | (858 359) | -471% | 2 803 827 |
| Net cash from (used) investing | (486 602) | (738 582) | (779 037) | (46 446) | (265 714) | 362 499 | 628 213 | 173% | 779 037 |
| Net cash from (used) financing | – | 198 019 | 198 019 | – | – | – | – | | 198 019 |
| Cash/cash equivalents at the month/year end | 1 864 481 | 711 243 | 677 212 | – | 2 531 854 | 1 223 419 | (1 308 435) | -107% | 5 537 980 |

| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
|---|---|---|---|---|---|---|---|---|---|
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 87 778 | 8 350 | – | 22 598 | – | 6 977 | 44 590 | 314 760 | 485 053 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 27 748 | – | – | – | – | – | – | – | 27 748 |

## Table C2: Monthly Budget Statement – Financial Performance (standard classification)

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| | | | | | | | | | % | |
| Revenue - Functional | | | | | | | | | | |
| *Governance and administration* | | 720 352 | 743 393 | 743 393 | 72 508 | 421 257 | 380 766 | 40 491 | 11% | 743 393 |
| Executive and council | | 980 | 3 585 | 3 585 | 102 | 246 | 1 640 | (1 394) | -85% | 3 585 |
| Finance and administration | | 719 372 | 739 808 | 739 808 | 72 405 | 421 011 | 379 126 | 41 885 | 11% | 739 808 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | 230 780 | 248 319 | 256 180 | 71 772 | 85 892 | 65 138 | 20 754 | 32% | 256 180 |
| Community and social services | | 13 895 | 18 523 | 18 523 | 6 211 | 7 968 | 8 492 | (524) | -6% | 18 523 |
| Sport and recreation | | 778 | 809 | 809 | 289 | 386 | 132 | 254 | 192% | 809 |
| Public safety | | 196 820 | 188 885 | 188 885 | 64 260 | 71 575 | 39 856 | 31 718 | 80% | 188 885 |
| Housing | | 19 288 | 40 102 | 47 963 | 1 013 | 5 964 | 16 659 | (10 695) | -64% | 47 963 |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 120 534 | 96 123 | 97 944 | 11 513 | 52 897 | 63 091 | (10 194) | -16% | 97 944 |
| Planning and development | | 98 633 | 81 016 | 82 837 | 11 043 | 50 202 | 56 761 | (6 559) | -12% | 82 837 |
| Road transport | | 21 370 | 13 547 | 13 547 | 468 | 2 609 | 6 240 | (3 631) | -58% | 13 547 |
| Environmental protection | | 530 | 1 560 | 1 560 | 2 | 86 | 90 | (4) | -5% | 1 560 |
| *Trading services* | | 1 684 085 | 1 879 901 | 1 879 901 | 177 684 | 835 834 | 768 327 | 67 506 | 9% | 1 879 901 |
| Energy sources | | 1 135 871 | 1 326 497 | 1 326 497 | 113 411 | 567 719 | 526 360 | 41 359 | 8% | 1 326 497 |
| Water management | | 246 151 | 236 747 | 236 747 | 26 469 | 91 859 | 93 226 | (1 367) | -1% | 236 747 |
| Waste water management | | 165 340 | 172 165 | 172 165 | 20 443 | 94 721 | 76 737 | 17 984 | 23% | 172 165 |
| Waste management | | 136 723 | 144 492 | 144 492 | 17 361 | 81 535 | 72 004 | 9 531 | 13% | 144 492 |
| *Other* | 4 | – | – | – | – | – | – | – | | – |
| Total Revenue - Functional | 2 | 2 755 751 | 2 967 736 | 2 977 418 | 333 477 | 1 395 880 | 1 277 322 | 118 558 | 9% | 2 977 418 |
| Expenditure - Functional | | | | | | | | | | |
| *Governance and administration* | | 368 083 | 397 039 | 397 039 | 34 773 | 169 164 | 161 125 | 8 040 | 5% | 397 039 |
| Executive and council | | 32 505 | 39 693 | 39 778 | 10 950 | 16 676 | 18 056 | (1 381) | -8% | 39 778 |
| Finance and administration | | 330 276 | 349 590 | 349 505 | 20 949 | 149 460 | 140 290 | 9 170 | 7% | 349 505 |
| Internal audit | | 5 302 | 7 756 | 7 756 | 2 875 | 3 028 | 2 778 | 250 | 9% | 7 756 |
| *Community and public safety* | | 532 918 | 639 347 | 645 500 | 152 327 | 209 908 | 201 182 | 8 726 | 4% | 645 500 |
| Community and social services | | 29 016 | 57 081 | 57 081 | 18 341 | 24 821 | 26 752 | (1 931) | -7% | 57 081 |
| Sport and recreation | | 73 303 | 81 539 | 81 036 | 26 539 | 30 281 | 38 589 | (8 308) | -22% | 81 036 |
| Public safety | | 389 008 | 437 480 | 437 983 | 91 909 | 134 687 | 107 650 | 27 036 | 25% | 437 983 |
| Housing | | 41 591 | 63 247 | 69 399 | 15 538 | 20 119 | 28 191 | (8 072) | -29% | 69 399 |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 161 639 | 186 646 | 188 327 | 68 805 | 88 857 | 86 377 | 2 481 | 3% | 188 327 |
| Planning and development | | 78 879 | 87 905 | 89 586 | 40 901 | 49 126 | 43 093 | 6 033 | 14% | 89 586 |
| Road transport | | 66 783 | 77 812 | 77 812 | 21 959 | 31 590 | 33 877 | (2 288) | -7% | 77 812 |
| Environmental protection | | 15 977 | 20 929 | 20 929 | 5 945 | 8 142 | 9 406 | (1 264) | -13% | 20 929 |
| *Trading services* | | 1 436 593 | 1 518 048 | 1 517 659 | 242 625 | 625 048 | 715 926 | (90 878) | -13% | 1 517 659 |
| Energy sources | | 901 048 | 960 718 | 960 718 | 98 512 | 424 428 | 470 027 | (45 599) | -10% | 960 718 |
| Water management | | 175 030 | 185 692 | 185 692 | 37 211 | 57 071 | 81 662 | (24 592) | -30% | 185 692 |
| Waste water management | | 199 254 | 217 041 | 217 041 | 66 890 | 85 268 | 107 162 | (21 894) | -20% | 217 041 |
| Waste management | | 161 262 | 154 598 | 154 209 | 40 011 | 58 281 | 57 075 | 1 206 | 2% | 154 209 |
| *Other* | | – | – | – | – | – | – | – | | – |
| Total Expenditure - Functional | 3 | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6% | 2 748 525 |
| Surplus/ (Deficit) for the year | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 169% | 228 893 |

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and Public safety; Economic and Environmental services; and Trading Services.

## Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | 2 412 | 2 412 | – | – | 1 206 | (1 206) | -100,0% | 2 412 |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 33 804 | 51 760 | 60 158 | 2 464 | 19 519 | 23 111 | (3 592) | -15,5% | 60 158 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 1 794 294 | 1 962 772 | 1 964 055 | 187 743 | 875 089 | 824 876 | 50 214 | 6,1% | 1 964 055 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 202 004 | 209 812 | 209 812 | 70 762 | 80 014 | 48 570 | 31 444 | 64,7% | 209 812 |
| Vote 5 - CORPORATE SERVICES | | 14 493 | 13 891 | 13 891 | 793 | 6 254 | 4 266 | 1 987 | 46,6% | 13 891 |
| Vote 6 - FINANCIAL SERVICES | | 706 399 | 727 090 | 727 090 | 71 715 | 415 003 | 375 293 | 39 710 | 10,6% | 727 090 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Revenue by Vote | 2 | 2 750 995 | 2 967 736 | 2 977 418 | 333 477 | 1 395 880 | 1 277 322 | 118 558 | 9,3% | 2 977 418 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 16 728 | 23 693 | 23 693 | 8 719 | 9 687 | 9 712 | (25) | -0,3% | 23 693 |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 102 613 | 130 807 | 136 968 | 41 906 | 53 198 | 61 422 | (8 224) | -13,4% | 136 968 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 1 537 458 | 1 636 653 | 1 637 936 | 272 320 | 673 431 | 768 144 | (94 714) | -12,3% | 1 637 936 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 496 038 | 568 393 | 568 393 | 143 877 | 191 107 | 168 052 | 23 056 | 13,7% | 568 393 |
| Vote 5 - CORPORATE SERVICES | | 196 593 | 236 952 | 236 952 | 55 190 | 88 483 | 82 002 | 6 481 | 7,9% | 236 952 |
| Vote 6 - FINANCIAL SERVICES | | 149 803 | 144 583 | 144 583 | (23 482) | 77 072 | 75 278 | 1 793 | 2,4% | 144 583 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Expenditure by Vote | 2 | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6,2% | 2 748 525 |
| Surplus/ (Deficit) for the year | 2 | 251 761 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 168,7% | 228 893 |

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Human Settlements; Engineering Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

## Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)

WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| | | | | | | | | | % | |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | | 1 026 379 | 1 215 949 | 1 215 949 | 83 572 | 498 303 | 477 237 | 21 066 | 4% | 1 215 949 |
| Service charges - Water | | 209 832 | 201 453 | 201 453 | 20 564 | 73 933 | 76 904 | (2 972) | -4% | 201 453 |
| Service charges - Waste Water Management | | 127 606 | 132 113 | 132 113 | 10 651 | 70 544 | 57 710 | 12 834 | 22% | 132 113 |
| Service charges - Waste management | | 101 437 | 112 789 | 112 789 | 8 377 | 59 674 | 56 022 | 3 652 | 7% | 112 789 |
| Sale of Goods and Rendering of Services | | 39 900 | 25 591 | 25 591 | 2 806 | 21 995 | 10 390 | 11 605 | 112% | 25 591 |
| Agency services | | 3 817 | 3 961 | 3 961 | 130 | 1 891 | 1 572 | 318 | 20% | 3 961 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 26 447 | 18 972 | 18 972 | 1 814 | 11 193 | 9 759 | 1 434 | 15% | 18 972 |
| Interest earned from Current and Non Current Assets | | 61 434 | 63 980 | 63 980 | 3 985 | 26 488 | 31 990 | (5 502) | -17% | 63 980 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 11 733 | 14 249 | 14 249 | 729 | 4 952 | 5 079 | (127) | -3% | 14 249 |
| Licence and permits | | 7 896 | 8 754 | 8 754 | 280 | 3 469 | 3 814 | (345) | -9% | 8 754 |
| Special rating levies | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 50 025 | 59 231 | 59 231 | 2 605 | 12 061 | 23 014 | (10 953) | -48% | 59 231 |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | | 530 581 | 571 651 | 571 651 | 40 642 | 324 344 | 295 268 | 29 076 | 10% | 571 651 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 187 263 | 173 403 | 173 403 | 62 996 | 63 139 | 32 432 | 30 707 | 95% | 173 403 |
| Licence and permits | | – | – | – | – | – | – | – | | – |
| Transfer and subsidies - Operational | | 234 414 | 260 585 | 268 030 | 84 228 | 181 540 | 132 414 | 49 126 | 37% | 268 030 |
| Interest | | 4 522 | 3 426 | 3 426 | 372 | 1 685 | 2 082 | (397) | -19% | 3 426 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | – | 3 214 | 3 214 | 435 | 2 839 | 1 741 | 1 098 | 63% | 3 214 |
| Gains on disposal of Assets | | 2 317 | – | – | – | – | – | – | | – |
| Other Gains | | (491) | – | – | – | – | – | – | | – |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| Total Revenue (excluding capital transfers and | | 2 625 112 | 2 869 321 | 2 876 765 | 324 186 | 1 358 048 | 1 217 428 | – | | 2 876 765 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 667 940 | 729 635 | 729 635 | 350 781 | 350 780 | 340 418 | 10 362 | 3% | 729 635 |
| Remuneration of councillors | | 22 989 | 24 593 | 24 593 | 7 655 | 11 457 | 12 297 | (840) | -7% | 24 593 |
| Bulk purchases - electricity | | 764 398 | 805 126 | 805 126 | 59 517 | 377 048 | 402 563 | (25 514) | -6% | 805 126 |
| Inventory consumed | | 93 155 | 122 965 | 119 735 | 7 682 | 39 113 | 51 881 | (12 769) | -25% | 119 735 |
| Debt impairment | | 24 479 | 77 289 | 77 289 | – | – | – | – | | 77 289 |
| Depreciation and amortisation | | 205 229 | 225 960 | 225 960 | – | 82 099 | 112 980 | (30 881) | -27% | 225 960 |
| Interest | | 72 867 | 77 649 | 77 649 | 25 340 | 25 340 | 32 352 | (7 012) | -22% | 77 649 |
| Contracted services | | 283 732 | 328 381 | 343 682 | 25 613 | 105 312 | 113 207 | (7 896) | -7% | 343 682 |
| Transfers and subsidies | | 17 868 | 22 631 | 14 048 | 552 | 5 273 | 6 261 | (988) | -16% | 14 048 |
| Irrecoverable debts written off | | 176 955 | 126 724 | 126 724 | 363 | 385 | – | 385 | | 126 724 |
| Operational costs | | 161 092 | 199 498 | 203 455 | 21 028 | 96 171 | 92 651 | 3 521 | 4% | 203 455 |
| Losses on Disposal of Assets | | 348 | – | – | – | – | – | – | | – |
| Other Losses | | 8 183 | 630 | 630 | – | – | – | – | | 630 |
| Total Expenditure | | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6% | 2 748 525 |
| Surplus/(Deficit) | | 125 878 | 128 240 | 128 240 | (174 345) | 265 071 | 52 818 | 71 632 | 0 | 128 240 |
| Transfers and subsidies - capital (monetary allocations) | | 125 957 | 98 415 | 100 653 | 9 291 | 37 832 | 59 894 | (22 063) | (0) | 100 653 |
| Transfers and subsidies - capital (in-kind) | | 4 682 | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after capital transfers & | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |
| Income Tax | | – | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after income tax | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | | | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | | | – |
| Surplus/(Deficit) attributable to municipality | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | | | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | | | – |
| Surplus/ (Deficit) for the year | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |

## Table C5: Monthly Budget Statement – Capital Expenditure

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections: Appropriations by vote; Standard classification and funding portion.

WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 40 | 100 | 100 | 20 | 35 | 80 | (45) | -56% | 100 |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 29 731 | 29 824 | 32 320 | 2 964 | 7 508 | 11 304 | (3 795) | -34% | 32 320 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 338 562 | 447 282 | 462 102 | 29 911 | 107 091 | 217 357 | (110 266) | -51% | 462 102 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 32 523 | 66 675 | 74 679 | 6 776 | 37 138 | 36 187 | 950 | 3% | 74 679 |
| Vote 5 - CORPORATE SERVICES | | 43 743 | 50 920 | 51 864 | 1 127 | 8 715 | 24 047 | (15 332) | -64% | 51 864 |
| Vote 6 - FINANCIAL SERVICES | | 9 320 | 600 | 600 | 23 | 49 | 600 | (551) | -92% | 600 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Capital Multi-year expenditure | 4,7 | 453 918 | 595 400 | 621 664 | 40 821 | 160 535 | 289 575 | (129 040) | -45% | 621 664 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | – | – | – | – | | – |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 1 162 | 5 580 | 5 030 | 2 | 2 025 | 3 947 | (1 921) | -49% | 5 030 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 8 383 | 22 900 | 23 075 | – | 675 | 7 744 | (7 068) | -91% | 23 075 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 8 283 | 14 910 | 24 140 | 775 | 5 399 | 9 244 | (3 845) | -42% | 24 140 |
| Vote 5 - CORPORATE SERVICES | | 64 | – | – | – | – | – | – | | – |
| Vote 6 - FINANCIAL SERVICES | | 1 242 | 3 700 | 3 700 | 24 | 3 216 | 3 700 | (484) | -13% | 3 700 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Capital single-year expenditure | 4 | 19 134 | 47 090 | 55 945 | 800 | 11 315 | 24 634 | (13 319) | -54% | 55 945 |
| Total Capital Expenditure | 3 | 473 053 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| *Governance and administration* | | 45 826 | 55 320 | 56 264 | 1 194 | 12 015 | 28 427 | (16 413) | -58% | 56 264 |
| Executive and council | | 40 | 100 | 100 | 20 | 35 | 80 | (45) | -56% | 100 |
| Finance and administration | | 45 786 | 55 220 | 56 164 | 1 174 | 11 980 | 28 347 | (16 368) | -58% | 56 164 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | 69 497 | 106 629 | 124 738 | 9 556 | 49 627 | 56 901 | (7 274) | -13% | 124 738 |
| Community and social services | | 24 173 | 56 631 | 65 441 | 6 126 | 31 266 | 31 385 | (119) | 0% | 65 441 |
| Sport and recreation | | 12 117 | 10 093 | 12 965 | 1 358 | 6 199 | 4 603 | 1 596 | 35% | 12 965 |
| Public safety | | 5 788 | 8 261 | 13 209 | 63 | 4 946 | 8 043 | (3 097) | -39% | 13 209 |
| Housing | | 27 419 | 31 644 | 33 123 | 2 009 | 7 215 | 12 870 | (5 655) | -44% | 33 123 |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 114 732 | 99 849 | 98 513 | 4 246 | 20 936 | 40 945 | (20 009) | -49% | 98 513 |
| Planning and development | | 26 522 | 5 135 | 5 878 | 956 | 3 591 | 3 247 | 344 | 11% | 5 878 |
| Road transport | | 85 532 | 94 464 | 92 386 | 3 286 | 17 220 | 37 548 | (20 328) | -54% | 92 386 |
| Environmental protection | | 2 678 | 250 | 250 | 4 | 125 | 150 | (25) | -17% | 250 |
| *Trading services* | | 242 998 | 380 693 | 398 094 | 26 625 | 89 273 | 187 935 | (98 662) | -52% | 398 094 |
| Energy sources | | 73 910 | 126 332 | 124 536 | 1 120 | 9 127 | 39 689 | (30 562) | -77% | 124 536 |
| Water management | | 73 254 | 148 159 | 159 767 | 15 623 | 48 274 | 79 817 | (31 543) | -40% | 159 767 |
| Waste water management | | 59 260 | 87 200 | 88 291 | 9 375 | 25 497 | 57 895 | (32 399) | -56% | 88 291 |
| Waste management | | 36 574 | 19 002 | 25 501 | 506 | 6 376 | 10 534 | (4 158) | -39% | 25 501 |
| *Other* | | – | – | – | – | – | – | – | | – |
| Total Capital Expenditure - Functional Classification | 3 | 473 053 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Funded by: | | | | | | | | | | |
| National Government | | 95 420 | 63 693 | 63 693 | 8 738 | 35 475 | 46 778 | (11 303) | -24% | 63 693 |
| Provincial Government | | 27 322 | 21 885 | 23 831 | 553 | 2 356 | 7 127 | (4 771) | -67% | 23 831 |
| District Municipality | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | 34 759 | 33 057 | 33 531 | 1 531 | 11 170 | 21 654 | (10 484) | -48% | 33 531 |
| Transfers recognised - capital | | 157 500 | 118 636 | 121 055 | 10 822 | 49 002 | 75 559 | (26 557) | -35% | 121 055 |
| Borrowing | 6 | 109 725 | 198 019 | 198 019 | 7 203 | 24 291 | 83 342 | (59 052) | -71% | 198 019 |
| Internally generated funds | | 201 145 | 325 835 | 358 534 | 23 596 | 98 557 | 155 307 | (56 750) | -37% | 358 534 |
| Total Capital Funding | 7 | 468 371 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |

## Table C6: Monthly Budget Statement – Financial Position

Table C6: Monthly Budget Statement – Financial Position consists of three sections: Assets; Liabilities and Community wealth/equity.

WC024 Stellenbosch - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

| Description<br>R thousands | Ref | 2024/25<br>Audited Outcome | Budget Year 2025/26<br>Original Budget | <br>Adjusted Budget | <br>YearTD Actual | <br>Full Year Forecast |
|---|---|---|---|---|---|---|
| ASSETS | 1 | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 549 503 | 649 027 | 614 996 | 555 248 | 614 996 |
| Trade and other receivables from exchange transactions | | 262 898 | 223 917 | 223 917 | 156 029 | 223 917 |
| Receivables from non-exchange transactions | | 93 221 | 15 459 | 15 459 | 154 974 | 15 459 |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 44 756 | 34 328 | 37 558 | 59 950 | 37 558 |
| VAT | | 41 976 | 3 707 | 2 551 | 124 129 | 2 551 |
| Other current assets | | 56 258 | 5 961 | 5 961 | 90 137 | 5 961 |
| Total current assets | | 1 048 614 | 932 399 | 900 442 | 1 140 468 | 900 442 |
| Non current assets | | | | | | |
| Investments | | – | – | – | – | – |
| Investment property | | 415 993 | 425 813 | 425 813 | 415 859 | 425 813 |
| Property, plant and equipment | | 5 745 961 | 6 605 601 | 6 640 720 | 6 256 698 | 6 640 720 |
| Biological assets | | 2 800 | 5 877 | 5 877 | 2 800 | 5 877 |
| Living and non-living resources | | – | – | – | – | – |
| Heritage assets | | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 |
| Intangible assets | | 4 398 | 4 074 | 4 074 | 4 385 | 4 074 |
| Trade and other receivables from exchange transactions | | 8 304 | 4 582 | 4 582 | 8 304 | 4 582 |
| Non-current receivables from non-exchange transactions | | 17 | 17 | 17 | 17 | 17 |
| Other non-current assets | | – | – | – | – | – |
| Total non current assets | | 6 178 786 | 7 047 276 | 7 082 395 | 6 689 376 | 7 082 395 |
| TOTAL ASSETS | | 7 227 400 | 7 979 675 | 7 982 837 | 7 829 844 | 7 982 837 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | 71 571 | 62 457 | 62 457 | 36 651 | 62 457 |
| Consumer deposits | | 25 395 | 23 689 | 23 689 | 25 964 | 23 689 |
| Trade and other payables from exchange transactions | | 320 477 | 334 833 | 354 022 | 89 179 | 354 022 |
| Trade and other payables from non-exchange transactions | | 28 865 | (4 638) | (22 903) | 58 209 | (22 903) |
| Provision | | 76 144 | 57 205 | 57 205 | 69 786 | 57 205 |
| VAT | | 39 841 | 24 721 | 24 721 | 156 171 | 24 721 |
| Other current liabilities | | – | – | – | – | – |
| Total current liabilities | | 562 293 | 498 267 | 499 191 | 435 960 | 499 191 |
| Non current liabilities | | | | | | |
| Financial liabilities | | 443 131 | 775 285 | 775 285 | 443 131 | 775 285 |
| Provision | | 176 222 | 161 010 | 161 010 | 176 222 | 161 010 |
| Long term portion of trade payables | | – | – | – | – | – |
| Other non-current liabilities | | 204 754 | 231 878 | 231 878 | 204 754 | 231 878 |
| Total non current liabilities | | 824 107 | 1 168 172 | 1 168 172 | 824 107 | 1 168 172 |
| TOTAL LIABILITIES | | 1 386 400 | 1 666 439 | 1 667 363 | 1 260 067 | 1 667 363 |
| NET ASSETS | 2 | 5 841 000 | 6 313 236 | 6 315 474 | 6 569 778 | 6 315 474 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 5 942 247 | 5 950 789 | 5 953 026 | 5 931 146 | 5 953 026 |
| Reserves and funds | | 335 720 | 362 447 | 362 447 | 335 720 | 362 447 |
| Other | | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 6 277 967 | 6 313 236 | 6 315 474 | 6 266 866 | 6 315 474 |

## Table C7: Monthly Budget Statement – Cash Flow

Table C7: Monthly Budget Statement – Cash Flow consists of four sections: cash flow from operating activities; cash flows from investing activities; cash flows from financing activities and net increase/ (decrease) in cash held.

WC024 Stellenbosch - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | 1 | | | | | | | | % | |
| Receipts | | | | | | | | | | |
| Property rates | | 1 149 536 | 548 788 | 548 788 | 126 509 | 627 216 | 283 457 | 343 759 | 121% | 548 788 |
| Service charges | | 1 270 229 | 1 858 920 | 1 858 920 | 106 275 | 738 449 | 758 728 | (20 279) | -3% | 1 858 920 |
| Other revenue | | 114 956 | 230 996 | 237 420 | 8 194 | 63 686 | 89 913 | (26 227) | -29% | 237 420 |
| Transfers and Subsidies - Operational | | 1 666 | 262 139 | 262 139 | 2 | 7 857 | 131 009 | (123 152) | -94% | 262 139 |
| Transfers and Subsidies - Capital | | 8 002 | 98 415 | 98 415 | 26 333 | 72 463 | 58 050 | 14 413 | 25% | 98 415 |
| Interest | | 9 985 | 63 980 | 63 980 | 2 885 | 15 613 | 31 990 | (16 377) | -51% | 63 980 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (1 531 887) | (2 405 393) | (2 405 393) | 176 834 | (484 812) | (1 128 821) | (644 008) | 57% | (180 989) |
| Interest | | – | (62 215) | (62 215) | – | – | (32 352) | (32 352) | 100% | (62 215) |
| Transfers and Subsidies | | – | (22 631) | (22 631) | – | – | (9 861) | (9 861) | 100% | (22 631) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 1 022 487 | 572 998 | 579 423 | 447 032 | 1 040 472 | 182 114 | (858 359) | -471% | 2 803 827 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current receivables | | 1 813 | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Capital assets | | (488 415) | (738 582) | (779 037) | (46 446) | (265 714) | 362 499 | 628 213 | 173% | 779 037 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (486 602) | (738 582) | (779 037) | (46 446) | (265 714) | 362 499 | 628 213 | 173% | 779 037 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | 198 019 | 198 019 | – | – | – | – | | 198 019 |
| Increase (decrease) in consumer deposits | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | | – |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | – | 198 019 | 198 019 | – | – | – | – | | 198 019 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 535 885 | 32 436 | (1 595) | 400 586 | 774 758 | 544 612 | | | 3 780 884 |
| Cash/cash equivalents at beginning: | | 1 328 597 | 678 807 | 678 807 | | 1 757 096 | 678 807 | | | 1 757 096 |
| Cash/cash equivalents at month/year end: | | 1 864 481 | 711 243 | 677 212 | | 2 531 854 | 1 223 419 | | | 5 537 980 |

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# Mid-year Performance Assessment Report

## 2025/26

### 01 July – 31 December 2025

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# 1. INTRODUCTION

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the accounting officer must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial, and National Treasury.

Once the Mayor has considered the report, it must be submitted to the Council by 31 January in terms of Section 54 of the MFMA.

The Mid-year Performance Assessment Report and supporting tables for Stellenbosch Municipality are prepared per MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

# 2. FINANCIAL PERFORMANCE

A report assessing the municipality's financial performance for the period 01 July – 31 December 2025 will be submitted to the Council together with this item.

# 3. SERVICE DELIVERY PERFORMANCE ANALYSIS

## 3.1 CREATING A CULTURE OF PERFORMANCE

### 3.1.1 Performance Framework

Performance management is prescribed by Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), and the Local Government: Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players."* This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and individual as well as service provider performance.

### 3.1.2 Implementation of Performance Management

The Council approved the revised 5th Generation IDP 2022 – 2027 on 30 May 2025. Performance is evaluated using a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at the organisational level and through the Departmental SDBIP at the departmental level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria for how, where, and when the municipality's strategies, objectives, and normal

business processes are implemented. It also allocates responsibilities to directorates to deliver services according to the IDP and the Budget.

The Executive Mayor prepared and approved the TL SDBIP on 20 June 2025.

### 3.1.3 Monitoring Performance

The SDBIP is loaded on an electronic web-based system (after approval). The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against the Key Performance Indicator (KPI) and targets for the previous month's performance. The actual results against the monthly targets set are discussed at the executive management level to determine early warning indicators as well as to discuss corrective measures if needed. The Quarter 1 Performance Assessment Report 2025/26 (01 July – 30 September 2025) was submitted to the Executive Mayoral Committee and the Council for review in October 2025 and thereafter to the Internal Audit Section for auditing. The Quarter 2 (01 October – 31 December 2025) Performance Assessment Report will follow a similar process and will be submitted to the Council meeting in January 2026.

***Table 3:1: Explanation of colour codes***

| Colour | Category | Explanation |
|---|---|---|
| | KPI Not Yet Measured | KPIs with no targets or actual results for the selected period |
| | KPI Not Met | Actual vs. target less than 75% |
| | KPI Almost Met | Actual vs. target between 75% and 100% |
| | KPI Met | Actual vs. target 100% achieved |
| | KPI Well Met | Actual vs. target, more than 100% and less than 150% achieved |
| | KPI Extremely Well Met | Actual vs. target of more than 150% achieved |

## 3.2 OVERALL SERVICE DELIVERY PERFORMANCE

### 3.2.1 Performance against the National Key Performance Indicators

The following tables indicate the municipality's performance in terms of the National Key Performance Indicators (NKPIs) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001, and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas (NKPAs).

### a) Municipal Transformation and Institutional Development

***Table 3:2: Municipal Transformation and Institutional Development***

| INDICATOR | ANNUAL TARGET | MUNICIPAL TARGET | MUNICIPAL ACHIEVEMENT |
|---|---|---|---|
| | | 01 July – 31 December 2025 | 01 July – 31 December 2025 |
| The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan<br>**The Stellenbosch Municipality use a % to measure this indicator.* | 50%* | N/A | **N/A** |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.20% | N/A | **N/A** |

### b) Basic Service Delivery

***Table 3:3: Basic Service Delivery***

| INDICATOR | ANNUAL TARGET | MUNICIPAL TARGET | MUNICIPAL ACHIEVEMENT |
|---|---|---|---|
| | | 01 July – 31 December 2025 | 01 July – 31 December 2025 |
| The percentage of households earning less than R7 000 per month with access to free basic services<br>*(In the case of Stellenbosch Municipality, the **percentage** of registered Indigent households is being reported)* | 100% | 100% | **100%**<br>(6 580 / 6 580 x 100 = 100%) |
| Percentage of formal households with access to a basic level of water | 100% | 100% | **100%**<br>(6 580 / 6 580 x 100 = 100%) |
| Percentage of formal households with access to a basic level of sanitation | 100% | 100% | **100%**<br>(6 580 / 6 580 x 100 = 100%) |
| Percentage of formal households with access to a basic level of electricity | 100% | 100% | **100%**<br>(6 580 / 6 580 x 100 = 100%) |
| Percentage of formal households with access to a basic level solid waste removal | 100% | 100% | **100%**<br>(6 580 / 6 580 x 100 = 100%) |

### c) Local Economic Development

***Table 3:4: Local Economic Development***

| INDICATOR | ANNUAL TARGET | MUNICIPAL TARGET | MUNICIPAL ACHIEVEMENT |
|---|---|---|---|
| | | 01 July – 31 December 2025 | 01 July – 31 December 2025 |

| | | | |
|---|---|---|---|
| The number of jobs created through the municipality's local economic development initiatives including capital projects | 1 100 | 660 | **770** |

## d) Municipal Financial Viability and Management

***Table 3:5: Municipal Financial Viability and Management***

| INDICATOR | ANNUAL TARGET | MUNICIPAL TARGET | MUNICIPAL ACHIEVEMENT |
|---|---|---|---|
| | | 01 July – 31 December 2025 | 01 July – 31 December 2025 |
| Debt coverage (Total operating revenue-operating grants received) / debt service payments due within the year) | 15% | N/A | **N/A** |
| Service debtors to revenue – (Total outstanding service debtors / revenue received for services) | 27% | N/A | **N/A** |
| Cost coverage (Available cash+ investments) / Monthly fixed operating expenditure | 2 | N/A | **N/A** |

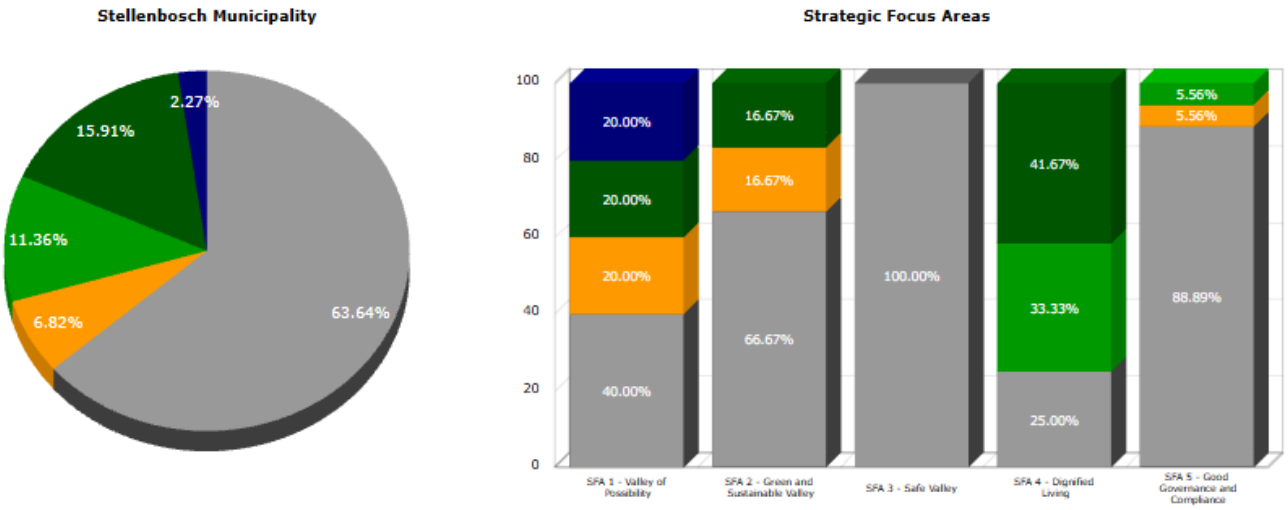
## e) Good Governance and Public Participation

***Table 3:6: Good Governance and Public Participation***

| INDICATOR | ANNUAL TARGET | MUNICIPAL TARGET | MUNICIPAL ACHIEVEMENT |
|---|---|---|---|
| | | 01 July – 31 December 2025 | 01 July – 31 December 2025 |
| The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | 90% | 30% | **25.36%** |

## 3.2.2 Summary Performance against the Municipal Strategic Focus Areas

The graph below illustrates the performance of Stellenbosch Municipality against the municipality's Strategic Focus Areas (SFAs) for the period 01 July – 31 December 2025, as derived from the municipality's Integrated Development Plan (IDP). The graph indicates the KPIs measured during the first two quarters of the 2025/26 financial year. As at 31 December 2025, 28 out of the 44 KPIs were not yet measured. This means that for the first six months of the 2025/26 financial year, only 16 KPIs were measured. Of the 16 KPIs, **13 KPIs were achieved,** and **three were not achieved**. This translates to an achievement rate of **81.25%** of the planned targets as at 31 December 2025. As noted in the report below, the necessary corrective measures will be implemented to attain the planned targets by 30 June 2026.




| Stellenbosch Municipality | | Municipal Strategic Focus Areas (SFAs) | | | | |
|---|---|---|---|---|---|---|
| | | SFA 1 - Valley of Possibility | SFA 2 - Green and Sustainable Valley | SFA 3 - Safe Valley | SFA 4 - Dignified Living | SFA 5 - Good Governance and Compliance |
| KPI Not Yet Measured | 28 (63.64%) | 2 (40%) | 4 (66.67%) | 3 (100%) | 3 (25%) | 16 (88.89%) |
| KPI Not Met | - | - | - | - | - | - |
| KPI Almost Met | 3 (6.82%) | 1 (20%) | 1 (16.67%) | - | - | 1 (5.56%) |
| KPI Met | 5 (11.36%) | - | - | - | 4 (33.33%) | 1 (5.56%) |
| KPI Well Met | 7 (15.91%) | 1 (20%) | 1 (16.67%) | - | 5 (41.67%) | - |
| KPI Extremely Well Met | 1 (2.27%) | 1 (20%) | - | - | - | - |
| Total: | 47 | 5 | 6 | 3 | 12 | 18 |
| | 100% | 11.36% | 13.64% | 6.82% | 27.27% | 40.91% |

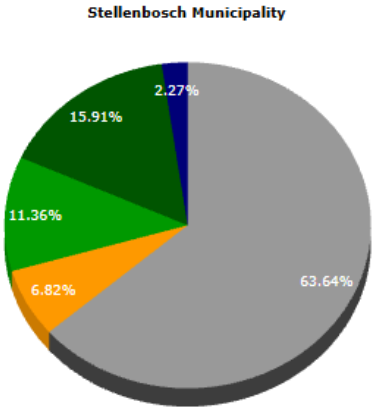
*Table 3:7: Summary Performance per Directorate against the Municipal Strategic Focus Areas- 01 July – 31 December 2025*

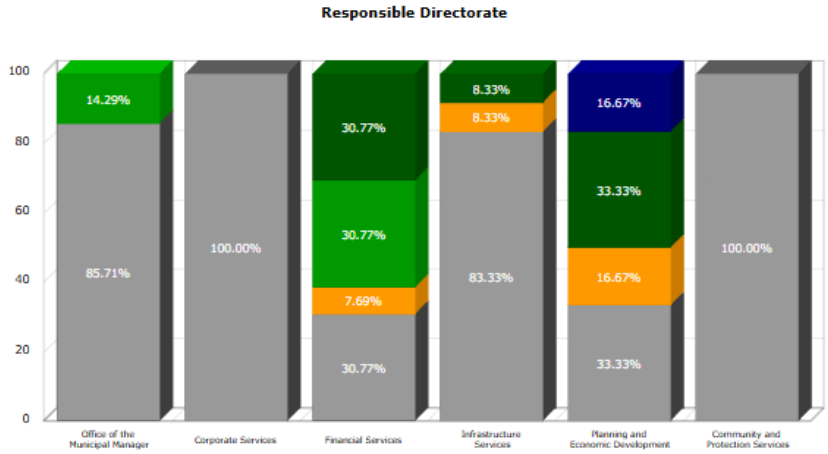
### 3.2.3 Summary Performance per Municipal Directorate

The implementation of each TL SDBIP 2025/26 KPI is entrusted to a specific directorate for management and implementation purposes. The graph below illustrates the performance of the various directorates in relation to the KPIs they oversee.

The graph only indicates the KPIs measured during the first six months of the 2025/26 financial year. As at 31 December 2025, a total of 18 KPIs of the 47 were

measured. Of the 16 KPIs, 13 were achieved, and three were not achieved. This translates to an achievement rate of **81.25%** of the planned targets as at 31 December 2025. As noted in the report below, the necessary corrective measures will be implemented by the respective Directorates to attain the planned targets by 30 June 2026.




| Stellenbosch Municipality | | Municipal Directorates | | | | | |
|---|---|---|---|---|---|---|---|
| | | Office of the Municipal Manager | Corporate Services | Financial Services | Infrastructure Services | Planning and Economic Development | Community and Protection Services |
| KPI Not Yet Measured | 28 (63.64%) | 6 (85.71%) | 3 (100%) | 4 (30.77%) | 10 (83.33%) | 2 (33.33%) | 3 (100%) |
| KPI Not Met | - | - | - | - | - | - | - |
| KPI Almost Met | 3 (6.82%) | - | - | 1 (7.69%) | 1 (8.33%) | 1 (16.67%) | - |
| KPI Met | 5 (11.36%) | 1 (14.29%) | - | 4 (30.77%) | - | - | - |
| KPI Well Met | 7 (15.91%) | - | - | 4 (30.77%) | 1 (8.33%) | 2 (33.33%) | - |
| KPI Extremely Well Met | 1 (2.27%) | - | - | - | - | 1 (16.67%) | - |
| Total: | 47 | 7 | 3 | 13 | 12 | 6 | 3 |
| | 100% | 15.91% | 6.82% | 29.55% | 27.27% | 13.64% | 6.82% |

*Table 3:8: Overall Performance per Municipal Directorate- 01 July – 31 December 2025*

## 4. ADJUSTMENT BUDGET

Regulation 23 of the Local Government: Municipal Budget and Reporting Regulations provides, *inter alia,* the following:

> *"An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances, only one adjustment budget may be tabled in Council during a financial year."*

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to the Council in January 2026, with the necessary motivation where key performance indicators require adjustment / amendment(s) because of the Adjustments Budget.

## 5. OUTSTANDING MATTERS ON THE PAST YEAR'S ANNUAL REPORT (2024/25)

As prescribed in Section 72(1)(a)(iii) of the MFMA, the accounting officer must assess the performance of the municipality in the first six months, considering the past year's annual report and progress on resolving the problems identified in the annual report. Please refer to **Annexure B** for details regarding progress made with the implementation of corrective measures to address the KPIs that have not been met in the TL SDBIP 2024/25.

## 6. SUMMARY AND CHALLENGES

**Annexure A** is the unaudited Top Layer SDBIP report for the period 01 July – 31 December 2025 of the 2025/26 financial year, which measures the Stellenbosch Municipality's overall performance per SFA. The report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

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**GERALDINE METTLER**

**MUNICIPAL MANAGER**

**DATE: .....**

## 7. ANNEXURES

**Annexure A —** **Top Layer SDBIP 2025/26 per Municipal SFA and assessment of targets achieved (Mid-year Performance Assessment)**

**Annexure B —** **Progress made with the implementation of corrective measures of KPIs not met in the Top Layer SDBIP for 2024/25**

## 7.1 ANNEXURE A — TOP LAYER SDBIP 2025/26 PER MUNICIPAL SFA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR PERFORMANCE ASSESSMENT)

### a) SFA 1 - Valley of Possibility

| SFA 1 - Valley of Possibility | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL151 | KPI002 | Submission of the revised Economic Development Strategy to the Municipal Manager | Number of the revised Economic Development Strategies submitted to the Municipal Manager by 31 May | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL152 | KPI003 | The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d)) | Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June | 1 100 | 1 100 | 330 | 678 | B | 660 | 770 | G2 | **660** | **770** | G2 | The overperformance is attributable to excellent liaison and proactive coordination between the Local Economic Development Section (Stellenbosch EPWP Lead Coordinator) and the respective user departments, leading to the prompt registration and commencement of EPWP-related projects. | The overall target of 1 100 is not too low, as it aligns with the budget allocated for the municipality's EPWP programme for the financial year. However, the target for quarter 2 (currently set at 660) is likely too conservative, and there will be consideration given to increasing the quarter 2 target during the 2026/27 financial year. |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 1 - Valley of Possibility | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL153 | KPI004 | Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application | Percentage of Land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application | 80% | 80% | 80% | 40% | R | 80% | 100% | G2 | **80%** | **62.50%** | O | 5 / 8 x 100 = 62.50% Improved application management and improved case officer management are required. By the end of December 2025, a new internal application tracking and management system will be implemented, which should assist with preventing underperformance. | Improved staffing and management capacity are a necessity given the continuous rise in new applications. The proposed new organisational structure for the Division: Development Management has been submitted and discussed with the MM, and it is now scheduled to be tabled at the internal organisational restructuring committees. |
| TL154 | KPI005 | Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs) | Number of quarterly training opportunities provided to entrepreneurs and SMMEs | 4 | 4 | 1 | 15 | B | 1 | 24 | B | **2** | **39** | B | The overperformance was due to the strategic partnership between the municipality and the Start-Up Tribe, which resulted in 36 out of the 39 reported training initiatives being accessed through | If the strategic partnership with the Start-Up Tribe persists into the 2026/27 financial year, consideration will be given to increasing the annual and quarterly targets accordingly. This matter will be addressed during the |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 1 - Valley of Possibility | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | | | | | | | | | | | | | | different online training sessions on the Start-Up Tribe platform during Quarter 1 and Quarter 2 of this financial year. | upcoming KPI target review. |
| TL155 | KPI007 | Submission of the revised Housing Pipeline (document) to the MayCo | Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |

## Summary of Results: SFA 1 - Valley of Possibility

| | | |
|---|---|---|
| | KPI Not Yet Measured | 2 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 1 |
| | KPI Met | 0 |
| | KPI Well Met | 1 |
| | KPI Extremely Well Met | 1 |

| Total KPIs | 5 |
|---|---|

## b) SFA 2 - Green and Sustainable Valley

| SFA 2 - Green and Sustainable Valley | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL158 | KPI019 | Conduct an external audit of the Stellenbosch Municipal Waste Disposal Facilities | Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL159 | KPI021 | Implementation of identified waste minimisation projects | Number of identified waste minimisation projects implemented by 30 June | 2 | 2 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL160 | KPI014 | Process building plan applications of <500sqm within 30 days after the date of receipt | Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt | 75% | 75% | 75% | 86.22% | G2 | 75% | 91.30% | G2 | **75%** | **88.47%** | G2 | 1 013 / 1 145 x 100 = 88.47%<br>Improved application management and workflow management resulted in the performance target being overachieved in | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 2 - Green and Sustainable Valley | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | | | | | | | | | | | | | | quarters 1 and 2 of the 2025/26 financial year.<br>Capacity issues need to be addressed, as it is not sustainable to maintain these performance levels moving forward. | |
| TL161 | KP022 | Wastewater quality measured ito the Department of Water and Sanitation's License Conditions for physical and micro parameters | Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly | 70% | 70% | 70% | 67.66% | O | 70% | 54.66% | O | **70%** | **61.27%** | O | July 2025, 68%; August 2025, 68%; September 2025, 67.66%; October 2025, 54%; November 2025, 59%; and December 2025, 51%<br>Average 367.66 / 6 = 61.27%<br>Performance is measured against the Special Limits, which the municipality is engaging the Department of Water and Sanitation (DWS) to change. | The municipality is in the process of applying to the Department of Water Services (DWS) for the correction of the municipality's licence limits. The evaluation report for this appointment was submitted to the Department: Supply Chain Management (SCM) in the first week of January 2026.<br>The upgrade of the Wemmershoek Wastewater Treatment Works (WWTWs) is currently under construction, and it will further improve the |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 2 - Green and Sustainable Valley | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | | | | | | | | | | | | | | Actual performance (against the General Limits) is expected to be equal to 76% in October 2025. November 2025, 81%, and December, 82%.<br>Quality deterioration due to the vacancies and the need for more skilled staff in the Wastewater Treatment Works (WWTWs) section, as well as the impact of the resignation of the Manager: WWTW. | quality of the effluent. The anticipated completion date is 31 March 2026.<br>The Raithby WWTWs upgrade is currently under design by the consultant, and the advertisement of the construction tender is anticipated by 31 March 2026. The upgrade is scheduled to commence in September 2026.<br>The Klapmuts WWTWs upgrade (Phase 1) is currently at the appointment stage of the contractor. The upgrade is scheduled to commence by 31 March 2026. |
| TL162 | KPI016 | Reduce organic waste | Percentage of organic waste reduced by 30 June | 20% | 20% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |
| TL193 | TL009 | Construction of a new intake | Number of new intake substations constructed in | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 2 - Green and Sustainable Valley | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | substation in Dwarsriver Valley | Dwarsriver Valley by 30 June | | | | | | | | | | | | | |

| | | |
|---|---|---|
| | KPI Not Yet Measured | 4 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 1 |
| | KPI Met | 0 |
| | KPI Well Met | 1 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **6** |

## Summary of Results: SFA 2 - Green and Sustainable Valley

## c) SFA 3 - Safe Valley

| SFA 3 - Safe Valley | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL163 | KPI024 | Submission of the revised Disaster Management Plan to the Municipal Manager | Number of revised Disaster Management Plans submitted to the Municipal Manager by 31 March | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL164 | KPI025 | Submission of the revised Safety and Security Strategy to the Municipal Manager | Number of revised Safety and Security Strategies submitted to the Municipal Manager by 30 April | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL165 | KPI026 | Submission of the revised Traffic Management Plan to the Municipal Manager | Number of revised Traffic Management Plans submitted to the Municipal Manager by 31 March | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |

### Summary of Results: SFA 3 - Safe Valley

| | | |
|---|---|---|
| | KPI Not Yet Measured | 3 |
| | KPI Not Met | 0 |

| | | |
|---|---|---|
| | KPI Almost Met | 0 |
| | KPI Met | 0 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **3** |

## d) SFA 4 - Dignified Living

| SFA 4 - Dignified Living | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ref** | **IDP Ref** | **KPI Name** | **Description of Unit of Measurement** | **Original Annual Target** | **Revised Annual Target** | **01 July – 30 September 2025** | | | **01 October – 31 December 2025** | | | **Overall Performance for the period 01 July – 31 December 2025** | | | **Overall performance comment** | **Overall corrective measure** |
| | | | | | | **Target** | **Actual** | **R** | **Target** | **Actual** | **R** | **Target** | **Actual** | **R** | | |
| TL166 | KPI028 | Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements | Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June | 30 | 30 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL167 | KPI032 | Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b) | Percentage of registered indigent formal households with access to free basic water, measured quarterly | 100% | 100% | 100% | 100% | G | 100% | 100% | G | **100%** | **100%** | G | 6 580 / 6 580 x 100 = 100% | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 4 - Dignified Living | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL168 | KPI029 | Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100} | Percentage of average electricity losses, measured by 30 June | <9% | <9% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |
| TL169 | KPI030 | Water quality measured quarterly ito the SANS 241 physical and micro parameters | Percentage of water quality level as per the analysis certificate, measured quarterly | 90% | 90% | 90% | 96.80% | G2 | 90% | 97.70% | G2 | **90%** | **97.25%** | G2 | | |
| TL170 | KPI031 | Limit unaccounted water to less than 25% | Percentage of average unaccounted water, measured by 30 June | <25% | <25% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |
| TL171 | KPI033 | Registered indigent formal households with access to free basic electricity provided by the | Percentage of registered indigent formal households with access to free basic electricity | 100% | 100% | 100% | 100% | G | 100% | 100% | G | **100%** | **100%** | G | 6 580 / 6 580 x 100 = 100% | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 4 - Dignified Living | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | municipality (NKPI Proxy - MSA, Reg. S10(a), (b) | provided by the municipality, measured quarterly | | | | | G | | | G | | | G | | |
| TL172 | KPI034 | Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b) | Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly | 100% | 100% | 100% | 100% | G | 100% | 100% | G | **100%** | **100%** | G | 6 580 / 6 580 x 100 = 100% | |
| TL173 | KPI035 | Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b) | Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly | 100% | 100% | 100% | 100% | G | 100% | 100% | G | **100%** | **100%** | G | 6 580 / 6 580 x 100 = 100% | |
| TL174 | KPI036 | Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to water, measured quarterly | 27 000 | 27 000 | 27 000 | 28 496 | G2 | 27 000 | 28 610 | G2 | **27 000** | **28 610** | G2 | | |
| TL175 | KPI037 | Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to electricity, measured quarterly | 27 000 | 27 000 | 27 000 | 28 496 | G2 | 27 000 | 28 610 | G2 | **27 000** | **28 610** | G2 | | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 4 - Dignified Living | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL176 | KPI038 | Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to refuse removal, measured quarterly | 27 000 | 27 000 | 27 000 | 28 496 | G2 | 27 000 | 28 610 | G2 | **27 000** | **28 610** | G2 | | |
| TL177 | KPI039 | Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to sanitation, measured quarterly | 27 000 | 27 000 | 27 000 | 28 496 | G2 | 27 000 | 28 610 | G2 | **27 000** | **28 610** | G2 | | |

## Summary of Results: SFA 4 - Dignified Living

| | | |
|---|---|---|
| | KPI Not Yet Measured | 3 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 0 |
| | KPI Met | 4 |
| | KPI Well Met | 5 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **12** |

## e) SFA 5 - Good Governance and Compliance

| SFA 5 - Good Governance and Compliance | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL147 | KPI059 | Submission of the revised Communication Policy to the MayCo | Number of revised Communication Policies submitted to the MayCo by 31 May | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL148 | KPI044 | Employment equity appointments made within the financial year in the three highest levels of management | Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June | 50% | 50% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |
| TL149 | KPI049 | Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC | Number of AGSA Audit Action Plans submitted to the APAC by 31 March | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL150 | KPI053 | Submission of the draft Integrated Development Plan (IDP) to the Council | Number of draft IDPs submitted to the Council by 31 March | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - Good Governance and Compliance | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| TL156 | KPI055 | Submission of the revised Sewer Master Plan to the Municipal Manager | Number of revised Sewer Master Plans submitted to the Municipal Manager by 30 June | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL157 | KPI060 | Submission of the updated Comprehensive Integrated Transport Plan (CITP) 2023 - 2028 to the Municipal Manager | Number of updated CITPs 2023 - 2028 submitted to the Municipal Manager by 30 June | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL178 | KPI042 | Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii)) | Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation) | 2 | 2 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL179 | KPI043 | Achieve an average payment percentage of 96% | (Gross Debtors Opening Balance + Billed Revenue - | 96% | 96% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - Good Governance and Compliance | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | | | | | | | | | | | | | |
| TL180 | KPI040 | Actual expenditure of the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c)) | Percentage of the approved Capital Budget for the municipality actually spent by 30 June | 90% | 90% | 10% | 7.54% | O | 30% | 25.36% | O | **30%** | **25.36%** | O | R171 850 247 / R677 608 824 x 100 = 25.36% | A detailed performance assessment was conducted with the Mid-Year Adjustment Budget 2025/26, and projects will be shifted to the outer financial years based on cash flow projections, as well as tenders that are not yet in place. |
| TL181 | KPI045 | The percentage of the payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f)) | Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll | 0.20% | 0.20% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - Good Governance and Compliance | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | | Budget) x 100), measured by 30 June | | | | | | | | | | | | | |
| TL182 | KPI046 | Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i)) | Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June | 15% | 15% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |
| TL183 | KPI047 | Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii)) | Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June | 27% | 27% | 0% | 0% | N/A | 0% | 0% | N/A | **0%** | **0%** | N/A | | |
| TL184 | KPI054 | Submission of the IDP / Budget / SDF time schedule (process plan) to the Council | Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August | 1 | 1 | 1 | 1 | G | 0 | 0 | N/A | **1** | **1** | G | | |
| TL185 | KPI051 | Submission of the revised Information and | Number of revised ICT Backup Disaster Recovery Plans | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - Good Governance and Compliance | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 July – 30 September 2025 | | | 01 October – 31 December 2025 | | | Overall Performance for the period 01 July – 31 December 2025 | | | Overall performance comment | Overall corrective measure |
| | | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | | |
| | | Communication Technology (ICT) Backup Disaster Recovery Plan to the ICT Steering Committee | submitted to the ICT Steering Committee by 31 March | | | | | | | | | | | | | |
| TL186 | KPI052 | Submission of the revised Strategic ICT Plan to the ICT Steering Committee | Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL187 | KPI048 | Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and Performance Audit Committee (APAC) | Number of revised RBAPs submitted to the APAC by 30 June | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL188 | KPI050 | Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee | Number of revised SRRs submitted to the Risk Management Committee by 30 June | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |
| TL189 | KPI056 | Submission of the revised Electrical Master Plan to the Council | Number of revised Electrical Master Plans submitted to the Council by 30 June | 1 | 1 | 0 | 0 | N/A | 0 | 0 | N/A | **0** | **0** | N/A | | |

**Summary of Results: Planning and Economic Development**

| | | |
|---|---|---|
| | KPI Not Yet Measured | 6 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 1 |
| | KPI Met | 1 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **18** |

## 7.2 ANNEXURE B — PROGRESS MADE WITH THE IMPLEMENTATION OF CORRECTIVE MEASURES OF KPIS NOT MET IN THE TOP LAYER SDBIP FOR 2024/25

## a) SFA 2 - Green and Sustainable Valley

| SFA 2 - GREEN AND SUSTAINABLE VALLEY | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| TL112 | KP022 | Wastewater quality measured ito the Department of Water and Sanitation's License Conditions for physical and micro parameters | Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly | 48.65% | 70% | 70% | **70%** | **58.74%** | O | Pre-audited results: = (Q1 + Q2 + Q3 + Q4) / 4 = (68.33% + 59.17% + 57.89% + 57.75%) / 4 = 58.74%<br><br>The municipality is experiencing a loss of critical staff to larger municipalities that are providing more competitive salary packages. Currently, a selection process is underway for certain critical posts.<br><br>The Department of Water and Sanitation has established the thresholds for specific indicators at a level that may be considered insufficient. The upgrade of the Wemmershoek Wastewater Treatment Work (WWTW) Phase 2 is necessary to improve the performance of this indicator. | The Wemershoek WWTW Phase 2 upgrade is currently under construction and proceeding well. A specialist service provider was deployed to Stellenbosch and Wemmershoek WWTWs. Budget allocated for equipment repairs and upgrades.<br><br>The process of filling vacancies is currently underway. Staff disciplinary matters are yielding positive results. | The upgrade of the Wemmershoek Wastewater Treatment Works (WWTW) is currently under construction, and it will further improve the quality of the effluent. The anticipated completion date is 31 March 2026.<br><br>The Raithby WWTW upgrade is currently under design by the consultant, and the advertisement of the construction tender is anticipated by March 2026. The upgrade is scheduled to commence by 30 September 2026.<br><br>The Klapmuts WWTW upgrade (Phase 1) is currently at the appointment stage for the contractor. The upgrade is scheduled |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 2 - GREEN AND SUSTAINABLE VALLEY | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| | | | | | | | | | | | | to commence by March 2026. |
| TL141 | KPI018 | Submission of a Waste Reclaimers Strategy to the Municipal Manager | Number of Waste Reclaimers Strategies submitted to the Municipal Manager by 30 June | New KPI | 1 | 1 | **1** | **0** | R | The finalisation of the Waste Reclaimer Strategy experienced delays, attributed to several necessary inputs that needed to be worked into it, as well as existing vacancies within the relevant department. | The Waste Reclaimer Strategy has been completed and will be presented to the Municipal Manager by 31 July 2025. Critical vacancies are being filled to mitigate potential delays. | The 1st round of public participation was conducted in November 2025. The draft Waste Reclaimers Strategy will be submitted to the Infrastructure Service Portfolio Committee meeting (the Section 80 committee) in March 2026 for consideration and input. |

## b) SFA 4 – Dignified Living

| SFA 4 - DIGNIFIED LIVING | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| TL120 | KPI030 | Water quality measured quarterly ito the SANS 241 physical and micro parameters | Percentage of water quality level as per the analysis certificate, measured quarterly | 95.26% | 95% | 95% | **95%** | **93.57%** | O | Total samples: 13 506; Failures: 868.<br><br>Compliance: (13 506 – 868) / 13 506 x 100 = 93.57%<br><br>The annual target for municipalities, as well as the national target, is 90%. The Stellenbosch Municipality set itself a higher target for the 2024/25 financial year of 95%. The municipality's water quality does surpass the national standards. The Water Quality leg is 80% vacant, and only the Assistant Superintendent: Water Quality is currently filled. Filling the remaining posts will | The municipality will prioritise filling of the remaining Water Quality Controller post. The recruitment processes have started. The Department: Human Resources is busy with the longlisting compilation, and the vacancy is aimed to be filled by 31 December 2025. | The Water Quality Controller post has been filled. Further recruitment processes for the Water Department are underway at present, and the positions are anticipated to be filled by 30 June 2026. |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 4 - DIGNIFIED LIVING | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| | | | | | | | | | | result in an improvement in test results. Some test failures occur due to sampling methods, disinfection improvements, and additional personnel required. | | |
| TL121 | KPI031 | Limit unaccounted water to less than 25% | Percentage of average unaccounted water, measured by 30 June | 31.29% | <25% | <25% | **<25%** | **31.20%** | R | 3 985 686kL / 12 774 943kL x 100 = 31.20%<br><br>The municipality is deploying water management devices to curb water losses as well as focusing on the removal of illegal connections, which is an ongoing issue.<br><br>Furthermore, the municipality is engaged in the permanent replacement of flood-damaged pipelines (previous repairs were temporary) and repairing and | The municipality now has a pipe replacement consultant tender, as well as a construction tender in place, and it is dealing with critical pipe repairs or replacements. Efforts will continue with the installation of water management devices and the removal of illegal connections in households. | The municipality has a pipe replacement consultant tender, as well as a construction tender in place, and it is dealing with critical pipe repairs or replacements. Efforts will continue with the installation of water management devices and the removal of illegal connections in households. |

| SFA 4 - DIGNIFIED LIVING | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| | | | | | | | | | | maintaining ageing pipes. | | |

## c) SFA 5 – Good Governance and Compliance

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from the target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| TL97 | KPI059 | Submission of the revised Communication Policy to the MayCo | Number of revised Communication Policies submitted to the MayCo by 31 May | 1 | 1 | 1 | **1** | **0** | R | The Section: Communication reviewed the Communication Policy and solicited input from the various user departments. The item was unable to serve at the MayCo meeting during the 2024/25 financial year since there are still numerous inputs that need to be | The draft revised Communication Policy will be submitted to the MayCo by 30 November 2025. | The draft revised Communication Policy was considered and adopted by the Council on 23 October 2025. |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from the target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| | | | | | | | | | | processed for inclusion in the draft revised Communication Policy. | | |
| TL107 | KPI055 | Submission of the revised Sewer Master Plan to the Municipal Manager | Number of revised Sewer Master Plans submitted to the Municipal Manager by 30 June | 1 | 1 | 1 | **1** | **0** | R | The completion of the Sewer Master Plan was delayed due to several inputs required as well as several vacancies within the relevant department. One of these critical vacancies is the Manager: Planning and Design, which is currently being filled. | The municipality has advertised its critical vacancies and is presently in the shortlisting phase for the positions of Manager: Planning and Design, Chief, Principal, and Engineering Technicians. It is anticipated that the municipality will fill these positions by 31 December 2025. | The post of Manager: Planning and Design has been advertised. Additional Wastewater positions will be readvertised during the third quarter, with the expectation that they will be filled by 30 June 2026 at the latest. |
| TL131 | KPI040 | Actual expenditure of the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c)) | Percentage of the approved Capital Budget for the municipality actually spent by 30 June | 85.88% | 90% | 90% | **90%** | **89.29%** | O | (R468 338 320 / R524 512 559) x 100 = 89.29% | | The municipality's spending patterns have increased based on the year-on-year actual spending comparison.<br><br>A detailed performance assessment was conducted with the Mid-Year Adjustment |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from the target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| | | | | | | | | | | | | Budget 2025/26, and projects will be shifted to the outer years based on cash flow projections, as well as tenders that are not yet in place. |
| TL140 | KPI056 | Submission of the revised Electrical Master Plan to the Council | Number of revised Electrical Master Plans submitted to the Council by 30 June | 1 | 1 | 1 | **1** | **0** | R | The Electrical Master Plan was revised and approved in the 2023/24 financial year and requires revisions every five years. The indicator was incorrectly incorporated into the 2024/25 financial year. | Enhanced supervision of the key performance indicator (KPI) and target-setting procedure will be implemented during the annual adjustment process. | The inclusion of this indicator was an error since it was achieved in the 2023/24 financial year and is valid for five years. This indicator will be removed during the revision of the Top Layer Service Delivery and Budget Implementation Plan. |
| TL144 | KPI057 | Submission of a draft Smart City Framework to the Municipal Manager | Number of draft Smart City Frameworks submitted to the Municipal Manager by 30 June | New KPI | 1 | 1 | **1** | **0** | R | The target could not be achieved due to the resignation of the Director: Corporate Services in May 2025. | The Director: Corporate Services position was advertised, and it is expected that an appointment will be made by 30 September 2025.<br>Consequently, the draft Smart City Framework key performance indicator will be | The Director: Corporate Services post was not filled due to a lack of suitable candidates. The post will be re-advertised in February 2026.<br>The KPI is still planned to be integrated into the performance agreement of the new |

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2025

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2024 to 30 June 2025 | | | Performance comments / Reason(s) for deviation from the target (underperformance) | Improvement Plan(s) to correct deviation from target (underperformance) | Progress as at 31 December 2025 |
| | | | | | | | Target | Actual | R | | | |
| | | | | | | | | | | | integrated into the performance agreement of the new Director: Corporate Services and submitted to the Municipal Manager by 30 June 2026. | the Director: Corporate Services.<br><br>Until the director is permanently appointed, the KPI will be removed from the Top Layer Service Delivery and Budget Implementation Plan 2025/26. |

| 6.8 | MFMA SECTION 52 REPORTING UP TO DECEMBER 2025 |
|---|---|

**Collaborator No:**
**IDP KPA Ref No:** **Good Governance and Compliance**
**Meeting Date:** **22 January 2026**

## 1. SUBJECT: MFMA SECTION 52 REPORTING UP TO DECEMBER 2025

## 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 2nd quarter of the 2025/2026 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*

## 4. EXECUTIVE SUMMARY

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

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

This report provides the overall performance of the Municipality for the period 1 October 2025 to 31 December 2025.

## 5. RECOMMENDATION

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

## 6. DISCUSSION / CONTENTS

### 6.1 Background

To comply with section 52 (d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan of the Municipality for the 2nd quarter of the financial year. The report is indicated under **APPENDIX 1**.

**6.2 Discussion**

This report illustrates the implementation of the budget as well as the non-financial performance of the municipality for quarter 2.

In terms of the Municipal Finance Management Act (MFMA) Section 52(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 state of affairs of the municipality;*""

**6.3 Financial Implications**

None.

**6.4 Legal Implications**

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

**6.5 Staff Implications**

This report has no staff implications to the Municipality.

**6.6 Previous / Relevant Council Resolutions:**

None.

**6.7 Risk Implications**

None.

**6.8 Comments from Senior Management:**

The item was not circulated for comment except to Municipal Manager.

**6.8.1 *Municipal Manager:***

Supports the recommendations.

## ANNEXURES

**Appendix 1 : Section 52 Report – Second Quarter**

## 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* | ***21 January 2026*** |

# APPENDIX 1

STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

# QUARTERLY BUDGET MONITORING REPORT

## 2nd Quarter 2025/26

# QUALITY CERTIFICATE

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby certify that the quarterly report the period ending December 2025 has been prepared in accordance with Section 52 of the Municipal Finance Management Act and regulations made under the Act and accordingly submit the required quarterly statement on the state of Stellenbosch Municipality's budget reflecting the particulars up until the end of December 2025.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality- WC024

Signature _____

Date: 21 January 2026

**To Council**

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit the required report on the implementation of the budget and the financial situation of Stellenbosch Municipality reflecting the particulars of the second quarter of the financial year 2025/26.

The submission of this report forms part of my general responsibilities as the Mayor of Stellenbosch Municipality. The purpose of the report serves to inform Council on the financial affairs of Stellenbosch Municipality and to enable Council to fulfil its oversight responsibility in this regard.

…….
Cllr Jeremy Fasser
Executive Mayor
Date: 28 January 2026

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# 1. Recommendations

These recommendations are linked to the responsibilities of the Mayor under Section 52 of the MFMA.

(a) That the content of the quarterly budget statement and supporting documentation be noted.

# 2. Executive Summary

## 2.1 Introduction

The mayor, who must provide general political guidance over the fiscal and financial affairs of the Municipality, 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 situation of the Municipality, to the Council within 30 days after end of each quarter.

This report is a summary of the main budget issues arising from the monitoring process. It compares the implementation of the budget to the commitments/promises made and contained in the Service Delivery and Budget Implementation Plan (SDBIP) and is intended to inform and enable the Council with a view of giving effect to Council's oversight responsibility.

## 2.2 Summary of 2025/26 budget progress / implementation

The following table summarises the overall position of the capital and operating budgets.

The above figures are explained in more detail throughout this report.

| **Detail** | **Capital Expenditure** | **Operating Expenditure** | **Operating Revenue** (excluding capital transfers and contributions) |
|---|---|---|---|
| Original Budget | 642 490 175 | 2 741 080 854 | 2 869 321 198 |
| Adjustment Budget | 677 608 824 | 2 748 524 997 | 2 876 765 341 |
| Plan to Date (SDBIP) | 314 208 933 | 1 164 609 567 | 1 217 427 908 |
| **Actual** | **171 850 247** | **1 092 977 616** | **1 358 048 280** |
| Variance to SDBIP | (142 358 686) | (71 631 951) | 140 620 372 |
| Year to date % Variance to SDBIP | **-45,31%** | **-6,15%** | **11,55%** |

# 3. Operating Revenue

The following table shows the actual operating revenue per National Treasury Reporting regulations against that planned in the SDBIP for the 2nd Quarter of 2025/26.

## Operating Revenue by Source

| Description | ORIGINAL BUDGET | ADJUSTMENT BUDGET | QUARTER 2 2025/26 | | | QUARTER 2 2024/25 | | |
|---|---|---|---|---|---|---|---|---|
| | | | PLANNED | ACTUAL | VAR | PLANNED | ACTUAL | VAR |
| **Exchange Revenue** | | | | | | | | |
| Service charges - Electricity | 1,215,948,763.00 | 1,215,948,763.00 | 215,114,009 | 248,728,925 | 16% | 205,113,467 | 235,317,354 | 15% |
| Service charges - Water | 201,453,009.00 | 201,453,009.00 | 43,752,860 | 56,572,009 | 29% | 43,882,840 | 49,403,948 | 13% |
| Service charges - Waste Water Management | 132,112,779.00 | 132,112,779.00 | 27,006,107 | 31,812,925 | 18% | 27,357,032 | 30,300,447 | 11% |
| Service charges - Waste management | 112,789,486.00 | 112,789,486.00 | 22,582,290 | 25,079,564 | 11% | 21,396,880 | 23,167,522 | 8% |
| Sale of Goods and Rendering of Services | 25,590,670.00 | 25,590,670.00 | 5,131,426 | 12,793,171 | 149% | 5,140,758 | 8,562,064 | 67% |
| Agency services | 3,961,303.00 | 3,961,303.00 | 660,828 | 1,050,874 | 59% | 660,828 | 725,214 | 10% |
| Interest earned from Receivables | 18,972,172.00 | 18,972,172.00 | 5,046,319 | 5,763,261 | 14% | 5,046,319 | 6,323,377 | 25% |
| Interest earned from Current and Non Current Asse | 63,979,577.00 | 63,979,577.00 | 15,994,893 | 12,465,398 | -22% | 11,058,036 | 15,706,578 | 42% |
| Rental from Fixed Assets | 14,249,488.00 | 14,249,488.00 | 2,432,607 | 2,073,324 | -15% | 2,432,607 | 2,318,351 | -5% |
| Licence and permits | 8,754,465.00 | 8,754,465.00 | 1,768,528 | 1,875,681 | 6% | 1,768,528 | 1,844,634 | 4% |
| Operational Revenue | 59,231,238.00 | 59,231,238.00 | 5,179,531 | 8,688,681 | 68% | 5,179,531 | 10,328,774 | 99% |
| **Non-Exchange Revenue** | | | | | | | | |
| Property rates | 571,650,678.00 | 571,650,678.00 | 101,786,753 | 123,813,646 | 22% | 96,297,998 | 114,074,608 | 18% |
| Fines, penalties and forfeits | 173,402,829.00 | 173,402,829.00 | 9,685,514 | 63,091,868 | 551% | 9,685,514 | 84,094 | -99% |
| Transfer and subsidies - Operational | 260,585,383.00 | 268,029,526.00 | 127,002,427 | 84,369,478 | -34% | 72,820,562 | 84,944,787 | 17% |
| Interest | 3,425,825.00 | 3,425,825.00 | 1,148,848 | 676,894 | -41% | 1,148,848 | 1,260,463 | 10% |
| Operational Revenue | 3,213,533.00 | 3,213,533.00 | 671,627 | 1,227,864 | 83% | - | - | |
| **Total Revenue (excluding capital transfers and contributions)** | **2,869,321,198** | **2,876,765,341** | **584,964,567** | **680,083,564** | **16%** | **508,989,748** | **584,362,213** | **15%** |

**NB: - The “year to date” actual for income refers to the total billed and earnings for the year and not actual receipts/collections.**

## Operating Revenue Variance Report

The variances between actual operating revenue and the planned operating revenue contained in the SDBIP are explained per revenue source and are as follows:

### Revenue by Source

### 3.1 Property Rates and Service Charges

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually.

### Property Rates

Property rates and service charges water are billed monthly. However, some consumers applied to have their property rates and service charges to be billed annually. This has resulted in an overperformance of R29 076 301 for property rates when compared to the year-to-date budget projections, as the annual applications do not form part of the monthly budgeted revenue projections. It is recommended that the budget be increased with approximately R6 112 090 during the Mid-year adjustment budget process

### 3.2 Service charges - electricity revenue

The municipality has billed R21 066 122 more electricity charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R93 066 219, was written back to the previous financial year.

Considering the consumption over the past 6 months of the current financial year, the actual electricity revenue billed over the past three financial years as well as the tariff increase of 9.95%, the current budget of R1 215 948 763 will be increased with approximately R25 000 000.

### 3.3 Service charges - water revenue

The municipality has billed R2 971 511 less water charges than initially anticipated. The billing run for June, which was invoiced in July 2025 for an amount of R24 895 324, was written back to the previous financial year.

Considering the monthly average billing (R12 322 123) as well as the tariff increase of 6.0%, it is recommended that the budget be increased with the Mid-year adjustment budget with approximately R12 500 000.

### 3.4 Service charges - Waste Water Management

The municipality has billed R12 833 985 more sanitation charges than initially anticipated. Considering the consumption over the past 6 months of the current financial year (average: R11 757 282) as well as the tariff increase of 6.0%, the current budget of R132 112 779 is deemed sufficient.

### 3.5 Service charges - Waste Management

The municipality has billed R3 651 850 more refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R9 945 703), annual consumption over the past three financial years (R95 866 674) as well as the tariff increase of 6.90%, it is recommended that the budget be increased with R5 000 000 during the Mid-year adjustment process.

### 3.6 Interest earned from Current and Non-Current Assets

An underperformance was noted for interest earned on external investments to the amount of R5 502 201. The variance is attributed to decreases in the interest rates and less funds being invested. Considering the monthly average over the past 6 months (R4 414 598) it is recommended that the budget be decreased with R11 000 000 during the Mid-year adjustment process.

### 3.7 Interest earned – outstanding debtors

An over performance was noted for the interest earned on outstanding debtors to the amount of R1 434 297. This is due to increases in debt. Considering the monthly average over the past 6 months (R1 865 575), the current budget of R18 972 172 is sufficient.

### 3.8 Fines, penalties and forfeits

An overperformance was noted to the amount of R30 707 274. The recognition of traffic fines in terms of iGRAP 1 is done monthly, including the journal processed on the financial system. The budget is deemed to be sufficient. It is recommended that the budget not be adjusted during the mid-year adjustment process.

### 3.9 Licences and permits

An under performance is noted for licences and permits to the amount of R344 704. The underperformance is due to less licences and permit renewals as well as accompanying applications being received than initially anticipated. Considering the actuals generated over the past three financial years (average: R8 151 042) and a monthly average over the past six months of the current financial year (R578 200), the current budget of R8 754 465 is deemed as attainable.

### 3.10 Rental from Fixed Assets

An under performance is noted for the Rental of facilities and equipment to the amount of R127 424. Considering the average of the actuals generated over the past three (3) financial years amounting to R11 70 733 and the average monthly revenue (R825 302), the current budget of R14 249 488 is deemed sufficient due to the annual levies that must still be billed. It is recommended that the budget not be adjusted during the mid-year adjustment process.

### 3.11 Sale of Goods and Rendering of Services

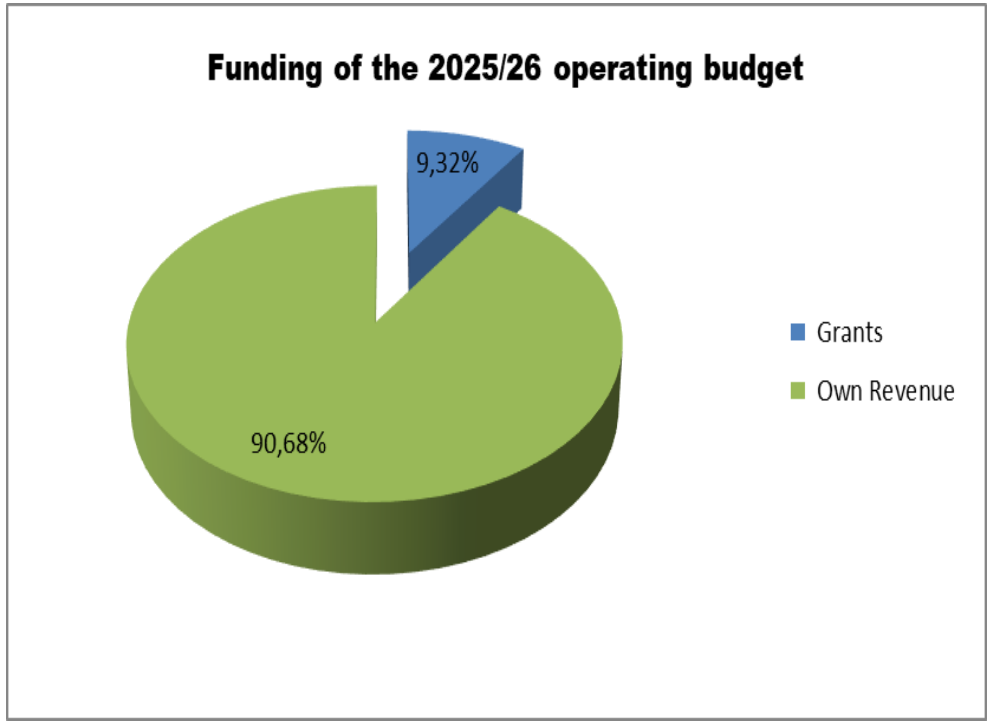
An over performance is noted for other revenue to the amount of R11 604 638. Considering the actual revenue in the first half of the financial year which amounted to R21 994 830 with a monthly average of R3 665 805, the budget is deemed sufficient and attainable.

The adjustment has been necessitated due to the following:

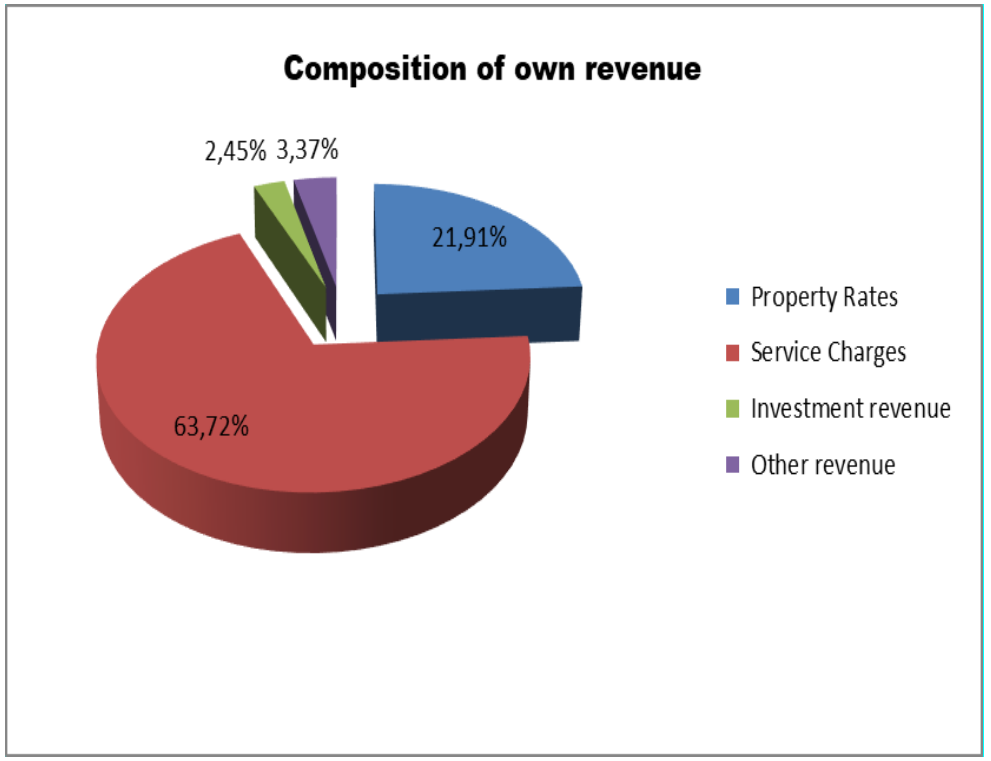
- **Sales of Goods and Rendering of Services: Encroachment Fees:** An over performance of R1 719 357 has been noted. Considering the monthly average over the past 6 months of R756 491 it renders the current budget amounting to R6 189 871 as sufficient. It is recommended that the budget not be adjusted during the mid-year adjustment process.

- **Sales of Goods and Rendering of Services: Building Plan Approval**. An over performance of R7 493 860 has been noted. Considering the monthly average over the past 6 months of R1 872 798 it renders the current budget amounting to R7 815 227 as insufficient based on historic trends. It is recommended that the budget be increased with approximately R7 000 000 during the mid-year adjustment process.

Stellenbosch municipality is not dependant on grant funding to fund the operating budget as is evident in the graph below.




Own revenue consists mainly of service charges at 63.72 per cent of the 2 608 735 815 billion own revenue budget.



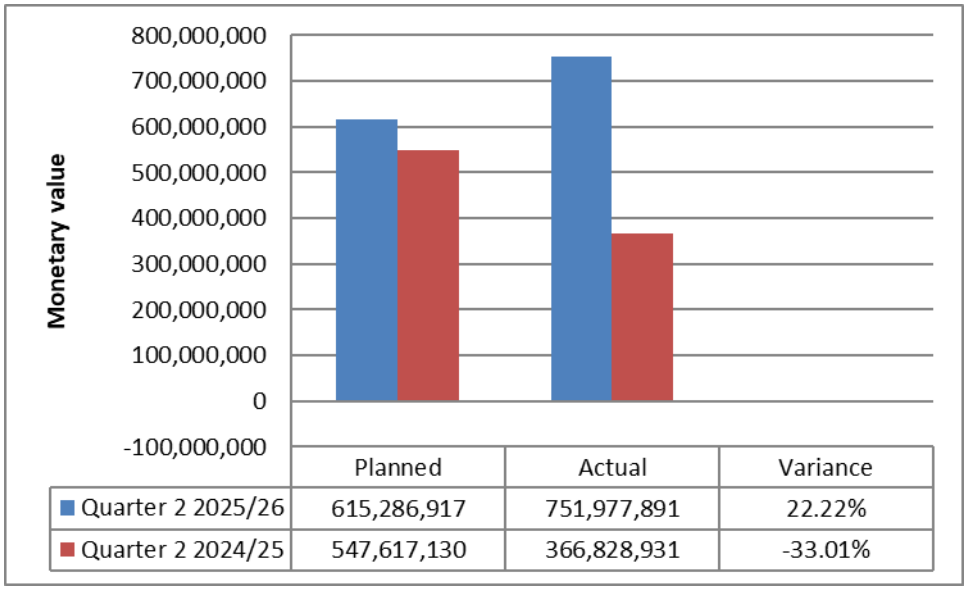
# 4. Operating Expenditure

The following table illustrates the actual operating expenditure for each Directorate against planned expenditure in the SDBIP for the 2nd Quarter of 2025/26.

### Operating Expenditure (Per Directorate):

| DIRECTORATE | ORIGINAL BUDGET | AMENDED BUDGET | QUARTER 2 2025/26 | | QUARTER 2 2024/25 | | Year To Date 2025/26 | |
|---|---|---|---|---|---|---|---|---|
| | | | PLANNED | ACTUALS | PLANNED | ACTUALS | Planned | Actuals |
| Municipal Manager | 23 693 262 | 23 693 262 | 4 917 667 | 9 065 224 | 5 391 777 | 438 551 | 9 711 993 | 9 687 389 |
| Planning & Development | 130 807 404 | 136 967 933 | 35 641 559 | 46 924 058 | 26 134 579 | 11 189 383 | 61 421 942 | 53 197 523 |
| Infrastructure Services | 1 636 652 537 | 1 637 936 151 | 405 627 631 | 435 954 224 | 343 640 523 | 291 479 870 | 768 144 125 | 673 430 621 |
| Community and Protection Services | 568 392 787 | 568 392 787 | 94 095 841 | 168 663 878 | 94 154 451 | 32 482 210 | 168 051 535 | 191 107 497 |
| Corporate Services | 236 951 689 | 236 951 689 | 41 705 470 | 71 956 775 | 42 841 096 | 18 962 944 | 82 001 777 | 88 483 063 |
| Financial Services | 144 583 175 | 144 583 175 | 33 298 749 | 19 413 733 | 35 454 704 | 12 275 973 | 75 278 195 | 77 071 524 |
| **TOTALS** | **2 741 080 854** | **2 748 524 997** | **615 286 917** | **751 977 891** | **547 617 130** | **366 828 931** | **1 164 609 567** | **1 092 977 616** |

During the second quarter of the financial year the directorates spent R136 690 974, 22.22% more than the planned expenditure. At the same period last year, the directorates spent R180 788 199, 33.01% less than the planned expenditure.




| | Planned | Actual | Variance |
|---|---|---|---|
| Quarter 2 2025/26 | 615,286,917 | 751,977,891 | 22.22% |
| Quarter 2 2024/25 | 547,617,130 | 366,828,931 | -33.01% |

The year on year comparison for the second quarter is 122.22%  actual spending rate of the planned operating budget for the financial year 2025/26, compared to a 66.99% actual spending rate for the same period in the previous financial year.

## Operating Expenditure Variance Report

The variances between actual operating expenditure and planned operating expenditure contained in the SDBIP are explained per item and are as follows:

## 4.1 Planning and Development Services

The Planning and Development Services directorate planned to spend R61 421 942 of the amended budget. The year- to- date actual expenditure incurred amounted to R53 197 523 which resulted in an underperformance of R8 224 419.

The items that attributed to the underperformance are as follows:

### 4.1.1 Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management (Housing Administration)

The user department planned to spend R1 540 132 of the amended budget. No expenditure has been incurred to date. The user department indicated that they are currently evaluating the tender for the appointment of a consultant.

### 4.1.2 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities (Housing Administration)

The user department planned to spend R2 749 998 of the amended budget. No expenditure has been incurred to date. The user department indicated that the previous tender has been cancelled as the bid value was above expected amount. A new tender was advertised and closed in December 2025.

### 4.1.3 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities (Informal Settlements)

The user department planned to spend R875 994 of the amended budget. The year-to-date actual expenditure incurred amounted to R264 223. Orders to the amount of R742 634 have been loaded onto the financial system. The user department indicated that the repair and replacement on the Wendy-house program commenced in October 2025 and work is done as-and-when needed.

### 4.1.4 Expenditure: Operational Cost: External Computer Service: GPS Licence Fees

The user department planned to spend R400 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that they are awaiting a quotation from the service provider appointed for all GIS services.

#### 4.1.5 Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management (Planning and development General)

The user department planned to spend R1 205 153 of the amended budget. The year-to-date actual expenditure incurred amounted to R24 900. Orders to the amount of R1 569 130 have been loaded onto the financial system. The user department indicated that work is currently underway.

#### 4.1.6 Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management (Human Settlement Development Grant)

The user department planned to spend R3 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R306 573. Orders to the amount of R683 556 have been loaded onto the financial system. The user department indicated that work is currently underway.

## 4.2 Infrastructure Services

The Infrastructure Services directorate planned to spend R768 144 125 of the amended budget. The year-to-date actual expenditure incurred amounted to R673 430 621 which resulted in an underperformance of R94 713 504. The items that attributed to the underperformance are as follows:

#### 4.2.1 Expenditure: Bulk Purchases: Electricity: ESKOM

The user department planned to spend R402 562 824 of the amended budget. The year-to-date actual expenditure incurred amounted to R377 048 420. Orders to the amount of R321 325 have been loaded onto the financial system. The user department indicated that the invoices were below the budgeted cash flow projections.

#### 4.2.2 Expenditure: Contracted Services: Outsourced Services: Refuse Removal (Landfill Site)

The user department planned to spend R13 125 534 of the amended budget. The year-to-date actual expenditure incurred amounted to R7 089 991. Orders to the amount of R14 084 399 have been loaded onto the financial system. The user department indicated that the invoice for December 2025 will be paid in the next financial period.

#### 4.2.3 Expenditure: Operational Cost: Uniform and Protective Clothing (Cleaning of Streets)

The user department planned to spend R1 600 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R339 810. The user department indicated that they are awaiting delivery of the goods.

#### 4.2.4 Expenditure: Inventory Consumed: Water (Department of Water Affairs)

The user department planned to spend R8 467 572 of the amended budget. The year-to-date actual expenditure incurred amounted to R2 843 538. The user department indicated that there is currently a delay with the receiving of invoices from the service provider.

#### 4.2.5 Expenditure: Contracted Services: Contractors: Transportation (Sewerage purification Stellenbosch)

The user department planned to spend R3 180 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 257 322. Orders to the amount of R2 359 944 have been loaded onto the financial system. The user department indicated that the tender for the transportation of sludge is in place and work has commenced.

#### 4.2.6 Expenditure: Contracted Services: Contractors: Maintenance of Unspecified Assets (Storm Water)

The user department planned to spend R3 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 097 942. Orders to the amount of R508 892 have been loaded onto the financial system. The user department indicated that the tender for maintenance is now active, and they are in the process of rolling out the winter readiness programme.

## 4.3 Community and Protection Services

The Community and Protection Services directorate planned to spend R168 051 535 of the amended budget. The year-to-date actual expenditure incurred amounted to R191 107 497 which resulted in an overperformance of R23 055 962. The items that attributed to the overperformance are as follows:

#### 4.3.1 Expenditure: Contracted Services: Outsourced Services: Security Services

The user department planned to spend R8 600 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R28 668 686. Orders to the amount of R5 652 760 have been loaded onto the financial system. The user department indicated that additional sites for armed security were identified and as a result, additional funding have been requested in the Mid-year adjustment budget.

#### 4.3.2 Expenditure: Contracted Services: Contractors: Forestry

The user department planned to spend R218 053 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 177 391. Orders to the amount of R159 104 have been loaded onto the financial system. The user department indicated that a service provider has been appointed.

#### 4.3.3 Expenditure: Operational Cost: External Computer Service: Software Licences

The user department planned to spend R1 500 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R3 259 423. The user department indicated that the expenditure was incurred earlier than envisaged cash flow and remains within the approved budget allocation.

#### 4.3.4 Expenditure: Operational Cost: Uniform and Protective Clothing (Law enforcement)

The user department planned to spend R347 957 of the amended budget. The year-to-date actual expenditure incurred amounted to R870 778. Orders to the amount of R238 143 have been loaded onto the financial system.

## 4.4 Corporate Services

The Corporate Services directorate planned to spend R82 001 777 of the budget. The year-to-date actual expenditure incurred amounted to R88 483 063 which resulted in an overperformance of R6 481 286. The items that attributed to the underperformance are as follows:

#### 4.4.1 Expenditure: Operational Cost: Skills Development Fund Levy

The user department had no planned expenditure on the amended budget. The year-to-date actual expenditure incurred amounted to R3 037 988. The user department indicated that the expenditure is still in line with the approved budget.

#### 4.4.2 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities

The user department planned to spend R247 221 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 701 176. Orders to the amount of R1 978 689 have been loaded onto the financial system. The user department indicated that the project is on track and payments are made on receipt of invoices.

#### 4.4.3 Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Legal Advice and Litigation

The user department planned to spend R1 647 767 of the amended budget. The year-to-date actual expenditure incurred amounted to R2 645 420. The user department indicated that expenditure is incurred as and when needed and remains within the approved budget.

#### 4.4.4 Expenditure: Operational Cost: External Computer Service: Software Licences

The user department planned to spend R13 038 541 of the amended budget. The year-to-date actual expenditure incurred amounted to R13 919 386. Orders to the amount of R122 678 have been loaded onto the financial system. The user department indicated that the expenditure is still in line with the approved budget.

## 4.5 Financial Services

The Financial Services directorate planned to spend R75 728 195 of the budget. The year-to-date actual expenditure incurred amounted to R77 071 524 which resulted in an overperformance of R1 793 329. The items that attributed to the overperformance are as follows:

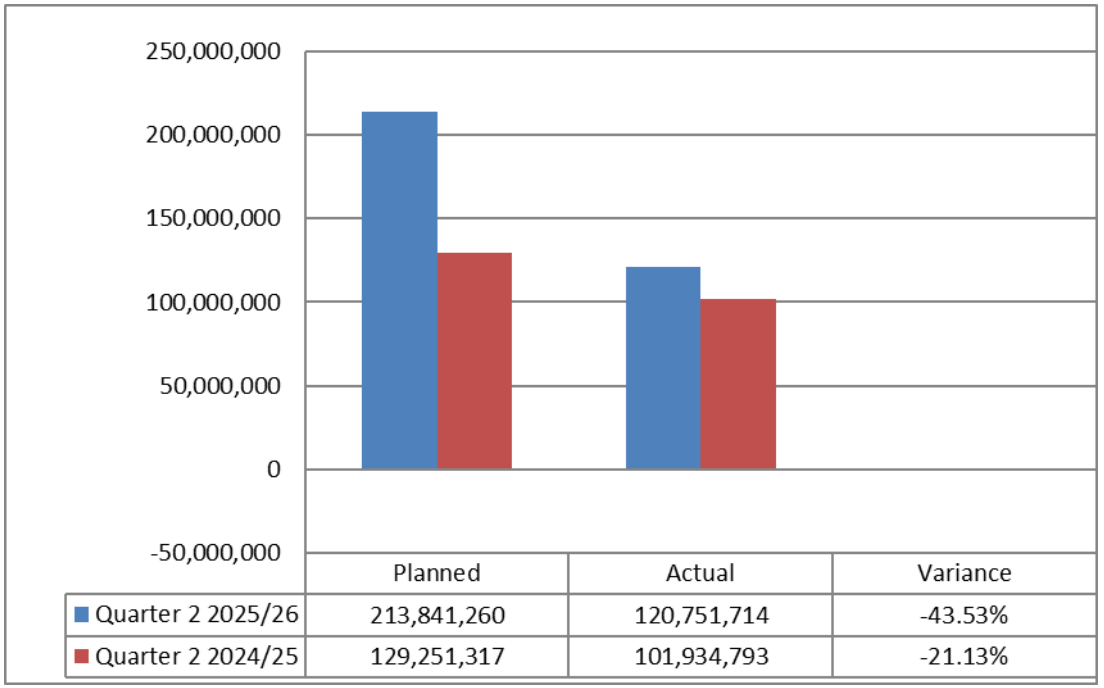
#### 4.5.1 Expenditure: Operational Cost: External Audit Fees

The user department planned to spend R7 344 101 of the amended budget. The year-to-date actual expenditure incurred amounted to R8 247 768. The user department indicated that the audit fees are within the approved budget for the line item.

## 5. Capital Expenditure

The following table illustrates the actual capital expenditure per directorate against the planned in the SDBIP for the 2nd Quarter of 2025/26.

| DIRECTOR | ORIGINAL BUDGET | AMENDED BUDGET | QUARTER 2 2025/26 | | | QUARTER 2 2024/25 | | |
|---|---|---|---|---|---|---|---|---|
| | | | PLANNED | ACTUAL EXPENDITURE | VAR % | PLANNED | ACTUAL EXPENDITURE | VAR % |
| Municipal Manager | 100,000 | 100,000 | 40,000 | 35,006 | -12% | 38,203 | 28,485 | -25% |
| Planning & Development | 35,403,912 | 37,349,558 | 12,620,295 | 5,432,270 | -57% | 2,616,772 | 1,609,787 | -38% |
| Infrastructure Services | 470,181,540 | 485,177,392 | 152,202,911 | 79,093,446 | -48% | 93,486,862 | 92,661,748 | -1% |
| Corporate Services | 81,584,723 | 98,818,255 | 20,241,502 | 7,407,314 | -63% | 3,331,744 | 4,616,827 | 39% |
| Community and Protection Services | 50,920,000 | 51,863,619 | 24,486,552 | 26,596,782 | 9% | 29,717,736 | 2,879,216 | -90% |
| Financial Services | 4,300,000 | 4,300,000 | 4,250,000 | 2,186,895 | -49% | 60,000 | 138,731 | 131% |
| **TOTALS** | **642,490,175** | **677,608,824** | **213,841,260** | **120,751,714** | **-44%** | **129,251,317** | **101,934,793** | **-21%** |




| | Planned | Actual | Variance |
|---|---|---|---|
| Quarter 2 2025/26 | 213,841,260 | 120,751,714 | -43.53% |
| Quarter 2 2024/25 | 129,251,317 | 101,934,793 | -21.13% |

The year-on-year comparison at the end of the second quarter indicates that **R120 751 714** of the planned **R213 841 260** was spent during the second quarter of the **2025/26 financial year**, reflecting a **43.43% expenditure rate**.

In comparison, expenditure for the same period in the **previous financial year** amounted to **R101 934 793** out of a planned **R129 251 317**, resulting in a significantly lower **spending rate of 21.13%**.

This represents a notable increase in the rate of expenditure in the current financial year when compared to the corresponding period of the previous year.

## Capital Expenditure Variance Report

The variances between actual capital expenditure and the planned capital expenditure contained in the SDBIP are explained per directorate and are as follows:

### 5.1 Planning and Development

The Directorate planned to spend R15 250 295 of the amended budget. The year-to-date actual expenditure incurred amounted to R9 533 653. This resulted in an underperformance of R5 716 642. The projects that attributed to the overperformance are as follows:

#### 5.1.1 Flats: Interior Upgrading - Kayamandi

The user department planned to spend R1 650 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that the previous tender was cancelled due to the bid values received being too high. Revised tender specifications have been approved and will be advertised. The budget will be reduced with approximately R1 650 000 during the Mid-year adjustment budget process, and the funds will be rolled over to the next financial year.

#### 5.1.2 Rehabilitation of Langrug Dam and Engineering Services

The user department planned to spend R3 130 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 152 351. Orders to the amount of R428 418 have been loaded onto the financial system. The user department indicated that the service provider is currently on site and invoices are received in accordance with the cash flow and program.

#### 5.1.3 Kayamandi Hostels

The user department planned to spend R1 610 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R91 128. The user department indicated that a tender for the appointment of electrical consultants to monitor the electrification during the demolition was advertised and will serve at the bid evaluation committee.

## 5.2 Community and Protection Services

The Directorate planned to spend R45 431 385 of the amended budget. The year-to-date actual expenditure incurred amounted to R42 536 113. This resulted in an underperformance of R2 895 272. The projects that attributed to the underperformance are as follows:

### 5.2.1 Upgrading: Early Childhood Development Centres on Municipal Land

The user department planned to spend R3 507 910 of the amended budget. The year-to-date actual expenditure incurred amounted to R541 445. Orders to the amount of R4 088 667 have been loaded onto the financial system. The user department indicated that construction expected to commence in January 2026.

### 5.2.2 Install and Upgrade CCTV/ LPR Cameras In WC024

The user department planned to spend R1 700 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R276 295. Orders to the amount of R2 629 073 have been loaded onto the financial system. The user department indicated that installations and upgrades are currently underway.

### 5.2.3 Vehicle Fleet: Law Enforcement

The user department planned to spend R1 302 632 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R1 302 632 have been loaded onto the financial system. The user department indicated that they are awaiting delivery of the vehicle which is anticipated in February 2026.

## 5.3 Infrastructure Services

The Directorate planned to spend R225 100 025 the amended budget. The year-to-date actual expenditure incurred amounted to R107 765 843. This resulted in an underperformance of R117 334 182. The projects that attributed to the underperformance are as follows:

### 5.3.1 Bulk Water Supply Pipe and Reservoir: Stellenbosch

The user department planned to spend R47 267 215 of the amended budget. The year-to-date actual expenditure incurred amounted to R24 286 440. Orders to the amount of R58 054 940 have been loaded onto the financial system. The

user department indicated that the project is in its construction phase, and the contractor is on site.

### 5.3.2 Upgrade of WWTW: Klapmuts

The user department planned to spend R15 326 087 of the amended budget. No expenditure has been incurred to date. Orders to the amount of R1 027 312 have been loaded onto the financial system. The user department indicated that the tender has been advertised, however a portion of the funds will be rolled over to the next financial year.

### 5.3.3 Upgrade of WWTW Wemmershoek

The user department planned to spend R28 250 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R19 866 628. Orders to the amount of R2 937 435 have been loaded onto the financial system. The user department indicated that the contractor and consultant have been appointed and are currently on site.

### 5.3.4 Lanquedoc Access road and Bridge

The user department planned to spend R18 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R9 804 457. The project has been completed, and the municipality is awaiting final invoices. The budget will be reduced with the Mid-Year adjustment budget.

### 5.3.5 Bien don 66/11kV substation new

The user department planned to spend R7 500 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R242 805. Orders to the amount of R23 000 000 have been loaded onto the financial system. The user department indicated that a contractor has been appointed and work is currently underway.

### 5.3.6 Bulk Water Supply Pipeline & Pumpstations: Franschhoek

The user department planned to spend R16 122 200 of the amended budget. The year-to-date actual expenditure incurred amounted to R11 455 031. Orders to the amount of R1 280 168 have been loaded onto the financial system. The user department indicated that a contractor has been appointed but there were delays in the construction process due to the servitude agreement with the landowner.

### 5.3.7 Uniepark & Helshoogte Storage and Supply scheme

The user department planned to spend R4 000 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that the project is planned to commence in March 2026.

### 5.3.8 Kayamandi new substation 11 kV switching station

The user department planned to spend R4 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R776 260. Orders to the amount of R16 233 740 have been loaded onto the financial system. The user department indicated that a service provider has been appointed.

## 5.4 Corporate Services

The Directorate planned to spend R24 047 228 of the amended budget. The year-to-date actual expenditure incurred amounted to R8 714 788. This resulted in an underperformance of R15 332 440. The projects that attributed to the underperformance are as follows:

### 5.4.1 Kayamandi: Upgrading of Makapula Hall

The user department planned to spend R2 400 000 of the amended budget. No expenditure has been incurred to date. The user department indicated that the tender was advertised and is currently being evaluated and will be completed in the current financial year.

### 5.4.2 Upgrading: Law Enforcement Offices

The user department planned to spend R2 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R1 003 821. Orders to the amount of R570 449 have been loaded onto the financial system. The user department indicated that phase one is envisaged to be completed in January 2026 with the tender for the principal agent running concurrently.

### 5.4.3 Upgrade Millenium Hall Pniel

The user department planned to spend R2 346 429 of the amended budget. The year-to-date actual expenditure incurred amounted to R394 903. Orders to the amount of R1 405 097 have been loaded onto the financial system. The user department indicated that they experienced a few delays in completing the project; however, the project is underway and will be completed within the current financial year.

### 5.4.4 Purchase and Replacement of Computer/software and Peripheral devices

The user department planned to spend R3 000 000 of the amended budget. The year-to-date actual expenditure incurred amounted to R395 371. Orders to the amount of R594 413 have been loaded onto the financial system. The user department indicated that a portion of the computer hardware was delivered in December 2025 and the remaining hardware expected in January 2026.

### 5.4.5 Structural Maintenance/Upgrade: Beltana

The user department planned to spend R7 486 631 of the amended budget. The year-to-date actual expenditure incurred amounted to R4 800 916. Orders to the amount of R3 570 741 have been loaded onto the financial system. The user department indicated that a substantial amount of the project will be rolled over to the 2025/2026 financial year as the construction tender will be awarded in May 2026.

# 6. Investments and Borrowings

## 6.1 Investments

| ACC. NR | BANK | Type/ Period | INTEREST RATE | MATURITY DATE | OPENING BALANCE 01 JULY 2025 | Quarter 2 | | TOTAL INVESTMENTS/ WITHDRAWALS | INTEREST CAPITALISED FOR THE QUARTER UNDER REVIEW | CLOSING BALANCE YTD |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | INVEST | WITHDRAWAL | | | |
| | | | | | | | | | | |
| | **ABSA BANK** | | | | | | - 20 000 000,00 | | | |
| 93-6748-9415 | A#9415 | CALL | 7,800% | | **11 261 535,17** | | | 40 000 000,00 | 989 013,14 | 53 906 825,61 |
| 20-8179-5573 | A#5573 | 9 MTHS | 8,820% | 07-Jul-25 | **169 344 970,14** | | | - 169 575 720,88 | - | - 0,00 |
| 20-8213-6172 | A#6172 | 12 MTHS | 8,150% | 10-Jul-26 | | | | 100 000 000,00 | 2 054 246,58 | 103 907 534,25 |
| | | | | | **180 606 505,31** | | **(20 000 000,00)** | **(29 575 720,88)** | **3 043 259,71** | **157 814 359,85** |
| | **NEDBANK** | | | | | | | | | |
| 03/7881123974/...036 | N#036 | 12 MTHS | 8,695% | 19-Mar-26 | **204 954 958,90** | | | - | 4 383 232,88 | 213 721 424,66 |
| 03/7881123974/...037 | N#037 | 10 MTHS | 7,900% | 19-Jun-26 | | | | 100 000 000,00 | 1 991 232,88 | 102 900 273,97 |
| | | | | | **204 954 959,88** | | | **100 000 000,00** | **6 374 465,75** | **316 621 698,63** |
| | **SBSA** | | | | | | | | | |
| 258489367-043 | S#043 | 9 MNTHS | 8,775% | 09-Jul-25 | **43 448 808,09** | | | - 43 527 367,70 | - | - 0,00 |
| 258489367-046 | S#046 | 6 MNTHS | 8,300% | 17-Nov-25 | **101 046 027,40** | | - 104 229 589,04 | - 104 229 589,04 | 1 068 767,12 | 0,00 |
| | | | | | **144 494 835,49** | | **(104 229 589,04)** | **(147 756 956,74)** | **1 068 767,12** | **0,00** |
| | | | | | | | | | | |
| **INVESTMENT TOTAL** | | | | | **530 056 300,68** | | **(124 229 589,04)** | **(77 332 677,62)** | **10 486 492,59** | **474 436 058,48** |

## 6.2 Borrowings

| Lending Institition | Balance 1/10/2025 | Received Quarter 2 | Interest Capitalised Quarter 2 | Capital Repayments Quarter 2 | Balance 31/12/2025 | Percentage | Sinking Funds |
|---|---|---|---|---|---|---|---|
| | | | | | | | (R'000) |
| DBSA@ 10.25% | 9 753 287 | - | - | 4 751 703 | 5 001 584 | 10,25% | |
| DBSA @ 9.74% | 46 199 297 | - | - | 4 196 911 | 42 002 386 | 9,74% | |
| NEDBANK @ 9.70% | 82 515 584 | - | - | 8 657 243 | 73 858 341 | 9,70% | |
| NEDBANK @ 8.8% | 71 853 078 | - | - | 4 647 847 | 67 205 231 | 6,73% | |
| STANDARD BANK @ 11.00% | 115 563 587 | - | - | 5 646 204 | 109 917 383 | 11,00% | |
| NEDBANK @10,21% | 60 533 810 | - | - | 2 438 257 | 58 095 553 | 9,70% | |
| NEDBANK @10,71% | 128 283 020 | - | - | 4 581 536 | 123 701 484 | 10,71% | |
| TOTAL | 514 701 663 | - | - | 34 919 702 | 479 781 962 | | |

## 7. Allocations and grant receipts and expenditure for the 2nd Quarter of 2025/26

| OPERATING & CAPITAL GRANTS | TOTAL 2025/26 | EXPECTED ALLOCATION | UNSPENT CONDITIONAL GRANTS (ROLL OVERS) | CAPITAL DEBTORS | ACCUMULATED ACTUAL RECEIPTS | ACCUMULATED ACTUAL EXPENDITURE | QUARTER 2 ACTUAL RECEIPTS | QUARTER 2 ACTUAL EXPENDITURE | UNSPENT CONDITIONAL GRANTS - 31 DECEMBER 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Unconditonal Grant:Equitable Share | 231 793 000 | 231 793 000 | - | | 173 845 000 | 76 794 130 | 77 264 000 | 37 295 512 | 97 050 870 |
| **Grand Total (Unconditional Grants)** | **231 793 000** | **231 793 000** | **-** | **-** | **173 845 000** | **76 794 130** | **96 581 000** | **39 498 618** | **97 050 870** |
| EPWP Integrated Grant for Municipalities | 3 202 000 | 3 202 000 | | | 2 241 000 | 854 562 | 1 441 000 | 854 562 | 1 386 438 |
| Local Government Financial Management Grant | 1 700 000 | 1 700 000 | | | 1 700 000 | 216 000 | - | 216 000 | 1 484 000 |
| Integrated National Electrification Programme (Municipal) Grant | 6 188 000 | 6 188 000 | | | 4 023 000 | 1 059 965 | 1 238 000 | 110 400 | 2 963 035 |
| Integrated Urban Development Grant | 64 530 000 | 64 530 000 | | | 49 996 000 | 36 069 004 | 25 377 000 | 22 406 842 | 13 926 996 |
| Energy Efficiency and Demand Side | 5 000 000 | 5 000 000 | | | 3 000 000 | - | 1 000 000 | - | 3 000 000 |
| Local Government, Water and Related Service SETA | 550 000 | 550 000 | | | - | 351 621 | - | - | -351 621 |
| Community Development Workers Operational Support Grant | 38 000 | 38 000 | | | 38 000 | 1 247 | 38 000 | - | 36 753 |
| Community Library Service Grant | 11 576 000 | 11 576 000 | | | 7 718 000 | 7 401 569 | 3 859 000 | 7 397 095 | 316 431 |
| Human Settlements Development Grant | 17 283 614 | 16 000 000 | 1 283 614 | | - | 306 573 | - | 78 850 | -306 573 |
| Informal Settlements Upgrading Partnership Grant: Provinces | 15 912 485 | 14 212 000 | 1 700 485 | 2 807 460 | 7 218 000 | 1 730 075 | 1 200 000 | 1 022 128 | 5 487 925 |
| Title Deeds Restoration Grant | 1 162 000 | 1 162 000 | | 438 717 | - | | - | - | - |
| Integrated Transport Planning | 656 000 | 656 000 | | | 656 000 | - | 656 000 | - | 656 000 |
| Maintenance and Construction of Transport Infrastructure | 335 000 | 335 000 | | | - | - | - | - | - |
| Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU) | 1 337 008 | 800 000 | 537 008 | | 800 000 | 399 213 | 800 000 | 54 555 | 400 787 |
| Cape Winelands Disaster Grant | - | | | | | | - | - | - |
| Cape Wineland District Community safety | 100 000 | 100 000 | | | | 80 000 | - | 80 000 | -80 000 |
| Development of Sport and Recreational Facilities | 300 000 | 300 000 | | | - | 226 843 | - | 226 843 | -226 843 |
| Provincial Acceleration Grant | 6 160 529 | | 6 160 529 | | | - | - | - | - |
| Khaya Lam Free Market Foundation | 293 271 | | 293 271 | | 150 000 | | 150 000 | - | 150 000 |
| Global Environment Fund (GEF) | 2 412 150 | 2 412 150 | - | | 858 884 | - | | - | 858 884 |
| **Grand total (Conditional Grants)** | **138 736 057** | **128 761 150** | **9 974 907** | **3 246 177** | **78 398 884** | **48 696 672** | **35 759 000** | **32 447 275** | **29 702 211** |

## 8. Personnel Expenditure

In terms of Section 66 of the MFMA, all expenditure incurred by the municipality on staff salaries, wages, allowances, and benefits must be reported to council.

| Employee - Related Costs | Original Budget | Adjustments Budget | Quarter 2 Budget | Quarter 2 Actual | YTD Budget | YTD Actual | YTD % |
|---|---|---|---|---|---|---|---|
| Basic Salary and Wages | 428,933,361 | 428,933,361 | 107,089,522 | 208,529,223 | 211,388,240 | 208,529,223 | -1% |
| Bonus | 35,332,275 | 35,332,275 | 8,833,071 | 30,594,361 | 17,666,142 | 30,594,361 | 73% |
| Acting and Post Related Allowances | 963,892 | 963,892 | 240,975 | 58,973 | 481,950 | 58,973 | -88% |
| Non Structured | 46,078,463 | 46,078,463 | 11,519,604 | 26,295,534 | 23,039,208 | 26,295,534 | 14% |
| Standby Allowance | 16,764,045 | 16,764,045 | 4,191,009 | 8,608,208 | 8,382,018 | 8,608,208 | 3% |
| Travel or Motor Vehicle | 14,521,949 | 14,521,949 | 3,630,495 | 5,649,856 | 7,260,990 | 5,649,856 | -22% |
| Accomodation, Travel and Incidental | 65,930 | 65,930 | 195,659 | 3,855 | 212,144 | 3,855 | -98% |
| Bargaining Council | 231,436 | 231,436 | 60,849 | 147,356 | 118,716 | 147,356 | 24% |
| Cellular and Telephone | 3,381,116 | 3,381,116 | 845,283 | 1,194,292 | 1,690,566 | 1,194,292 | -29% |
| Current Service Cost | 6,285,000 | 6,285,000 | - | - | - | - | |
| Essential User | 926,862 | 926,862 | 231,714 | 382,589 | 463,428 | 382,589 | -17% |
| Entertainment | - | - | - | - | - | - | |
| Fire Brigade | 3,486,434 | 3,486,434 | 856,648 | 1,590,561 | 1,728,256 | 1,590,561 | -8% |
| Group Life Insurance | 6,523,464 | 6,523,464 | 1,630,869 | 4,263,544 | 3,261,738 | 4,263,544 | 31% |
| Housing Benefits | 3,655,660 | 3,655,660 | 913,905 | 1,436,471 | 1,827,810 | 1,436,471 | -21% |
| Interest Cost | 24,676,000 | 24,676,000 | - | - | - | - | |
| Leave Gratuity | 10,370,784 | 10,370,784 | 1,063,554 | 1,705,376 | 2,127,108 | 1,705,376 | -20% |
| Leave Pay | - | - | - | - | - | - | |
| Long Term Service Awards | 5,852,000 | 5,852,000 | - | 2,445,737 | - | 2,445,737 | |
| Medical | 34,527,989 | 34,527,989 | 8,608,583 | 17,621,014 | 17,240,558 | 17,621,014 | 2% |
| Non-pensionable | 276,095 | 276,095 | 69,027 | 50,432 | 138,054 | 50,432 | -63% |
| Pension | 73,550,219 | 73,550,219 | 18,387,552 | 34,134,778 | 36,775,104 | 34,134,778 | -7% |
| Scarcity Allowance | 1,716,541 | 1,716,541 | 429,135 | 747,789 | 858,270 | 747,789 | -13% |
| Shift Additional Remuneration | 5,211,933 | 5,211,933 | 1,302,984 | 2,625,747 | 2,605,968 | 2,625,747 | 1% |
| Structured | 2,921,902 | 2,921,902 | 730,476 | 1,391,087 | 1,460,952 | 1,391,087 | -5% |
| Unemployment Insurance | 3,381,543 | 3,381,543 | 845,373 | 1,303,528 | 1,690,746 | 1,303,528 | -23% |
| Totals | 729,634,893 | 729,634,893 | 171,676,287 | 350,780,310 | 340,417,966 | 350,780,310 | 3% |

The total employee-related cost expenditure incurred for the year amounted to R350 780 310, against a planned expenditure of R340 417 966, resulting in a year-to-date budget overspending of 3%.

The variance is primarily attributable to bonus payments made in November. Despite this variance, the expenditure remains within the approved budget, and projected cash flows will be adjusted accordingly to accommodate the timing difference of these payments.

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## 9. Withdrawals

*Consolidated Quarterly Report for period 01/10/2025 to 31/12/2025*

| Date | Payee | Amount in R'000 | Description and Purpose (including section reference e.g. sec 11(f)) | Authorised by (name) |
|---|---|---|---|---|
| Monthly | Provincial Government Western Cape | 9 879 062 | The Municipality acts as an agent for PAWC for collection of licencing fees. S 11(e)(i) | Acting Director: Community and Protection Services |
| Monthly | VERSO Group Insurance and Sanlam Group Insurance | 2 570 159 | Group Insurance. S11(e) (ii) | Council |
| Ad Hoc | Investment Management | - | Investment in accordance with the Cash Management and Investment Policy. S11(h) | Accouting Officer (Municipal Manager) |

## 10. Cost Containment Reporting

| | Cost Containment In - Year Report | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Quarter 1 | | | Quarter 2 | | | YTD | | |
| Measures | Original Budget | Amended Budget | Budget | Actual | Saving/ (Over spending) | Budget | Actual | Saving/ (Overspending) | Total YTD Budget | Total YTD Actual | Saving/ (Over spending) |
| Use of consultants | 31 490 112 | 38 563 255 | 4 516 590 | 3 513 501 | 1 003 089 | 9 503 589 | 3 093 161 | 6 410 428 | 4 516 590 | 3 513 501 | 1 003 089 |
| Vehicles used for political office -bearer | - | - | - | - | - | - | - | - | - | - | - |
| Accomodation, Travel and Incidental cos | 16 646 681 | 16 963 681 | 4 161 694 | 268 062 | 3 893 632 | 4 096 453 | 6 661 254 | - 2 564 801 | 4 161 694 | 268 062 | 3 893 632 |
| Sponsorships, events and catering | 5 360 019 | 14 260 799 | 1 263 808 | 3 786 620 | - 2 522 812 | 5 818 118 | 5 815 529 | 2 589 | 1 263 808 | 3 786 620 | - 2 522 812 |
| Communication | 15 147 259 | 14 467 259 | 2 937 727 | 1 944 395 | 993 332 | 3 736 144 | 3 802 672 | - 66 528 | 2 937 727 | 1 944 395 | 993 332 |
| Other related expenditure items | 54 263 706 | 54 263 706 | 13 572 954 | - | 13 572 954 | 13 553 064 | 30 312 368 | - 16 759 304 | 13 572 954 | - | 13 572 954 |
| **Grand Total** | **122 907 777** | **138 518 700** | **26 452 773** | **9 512 578** | **16 940 195** | **36 707 368** | **49 684 984** | **- 12 977 616** | **26 452 773** | **9 512 578** | **16 940 195** |

The largest year to date spending was noted for Other related expenditure items of which the largest component relates to Overtime: Non-Structured.

QUARTERLY BUDGET STATEMENT FOR DECEMBER 2025

| Item for report | Item longcode | Description | Original Budget | Amended Budget | Quarter 1 | | Saving/ (Over spending) | Quarter 2 | | Saving/ (Overspending | YTD | | Saving/ (Overspending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Budget | Actual | | Budget | Actual | | Total YTD Budget | Total YTD Actual | |
| | IE0030020010010000000000000000000000000( | Business and Advisory:Accounting and Auditing | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020010030000000000000000000000000( | Business and Advisory:Audit Committee | 442 380 | 442 380 | 138 000 | 63 048 | 74 952 | 133 250 | 93 500 | 39 750 | 271 250 | 156 548 | 114 702 |
| | IE0030020010050000000000000000000000000( | Business and Advisory:Business and Financial Manag | 4 636 883 | 4 056 883 | 805 681 | 885 467 | - 79 786 | 480 782 | 205 128 | 275 654 | 1 286 463 | 1 090 595 | 195 868 |
| | IE0030020010060000000000000000000000000( | Business and Advisory:Commissions and Committees | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020010070000000000000000000000000( | Business and Advisory:Communications | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020010080000000000000000000000000( | Business and Advisory:Human Resources | 112 200 | 112 200 | - | - | - | - | 1 890 | - 1 890 | - | 1 890 | - 1 890 |
| | IE0030020010100000000000000000000000000( | Business and Advisory:Occupational Health and Safe | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020010110000000000000000000000000( | Business and Advisory:Organisational | 121 352 | 121 352 | - | - | - | - | - | - | - | - | - |
| | IE0030020010120000000000000000000000000( | Business and Advisory:Project Management | 9 829 087 | 18 012 230 | 1 460 227 | 227 723 | 1 232 504 | 6 004 461 | 473 416 | 5 531 045 | 7 464 688 | 701 139 | 6 763 549 |
| | IE0030020010130000000000000000000000000( | Business and Advisory:Research and Advisory | 3 316 405 | 2 816 405 | 5 000 | 423 443 | - 418 443 | 711 716 | 52 800 | 658 916 | 716 716 | 476 243 | 240 473 |
| Use of consultants | IE0030020010140000000000000000000000000( | Business and Advisory:Qualification Verification | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020010150000000000000000000000000( | Business and Advisory:Quality Control | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020010160000000000000000000000000( | Business and Advisory:Valuer and Assessors | 2 759 295 | 2 729 295 | 679 522 | 592 268 | 87 254 | 327 500 | 268 442 | 59 058 | 1 007 022 | 860 710 | 146 312 |
| | IE0030020010170000000000000000000000000( | Business and Advisory:Forensic Investigators | 1 050 938 | 1 050 938 | - | 8 000 | - 8 000 | - | 12 000 | - 12 000 | - | 20 000 | - 20 000 |
| | IE0030020020010000000000000000000000000( | Infrastructure and Planning:Architectural | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020020040040000000000000000000000( | Engineering:Civil | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020020040100000000000000000000000( | Engineering:Structural | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020020080000000000000000000000000( | Infrastructure and Planning:Land and Quantity Surv | - | - | - | - | - | - | - | - | - | - | - |
| | IE0030020030040000000000000000000000000( | Laboratory Services:Water | 2 927 400 | 2 927 400 | 641 250 | 194 468 | 446 782 | 641 250 | 338 544 | 302 706 | 1 282 500 | 533 013 | 749 487 |
| | IE0030020040010000000000000000000000000( | Legal Cost:Legal Advice and Litigation | 5 675 140 | 5 675 140 | 664 160 | 1 113 840 | - 449 680 | 1 081 880 | 1 623 286 | - 541 406 | 1 746 040 | 2 737 126 | - 991 086 |
| | IE0030020040020000000000000000000000000( | Legal Cost:Issue of Summons | 619 032 | 619 032 | 122 750 | 5 244 | 117 506 | 122 750 | 24 155 | 98 595 | 245 500 | 29 399 | 216 101 |
| Vehicles used for political office - bearers | N/A | N/A | - | - | - | - | - | - | - | - | - | - | - |

# QUARTERLY BUDGET STATEMENT FOR DECEMBER 2025

| Item for report | Item longcode | Description | Original Budget | Amended Budget | Quarter 1 | | Saving/ (Over spending) | Quarter 2 | | Saving/ (Overspending | YTD | | Saving/ (Overspending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Budget | Actual | | Budget | Actual | | Total YTD Budget | Total YTD Actual | |
| Accomodation, Travel and Incidental | IE0050010010010050050000000000000000000( | Allowance:Travel or Motor Vehicle | 151 776 | 151 776 | 37 944 | - | 37 944 | 37 944 | 92 539 | - 54 595 | 75 888 | 92 539 | - 16 651 |
| | IE0050010020010050050000000000000000000( | Allowance:Travel or Motor Vehicle | 324 799 | 324 799 | 81 201 | - | 81 201 | 81 201 | 120 000 | - 38 799 | 162 402 | 120 000 | 42 402 |
| | IE0050010020010050070000000000000000000( | Allowance:Accommodation, Travel and Incidental | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010040010050050000000000000000000( | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010070010050050000000000000000000( | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010090010050070000000000000000000( | Allowance:Accommodation, Travel and Incidental | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010100010050050000000000000000000( | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010110010050050000000000000000000( | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010140010050070000000000000000000( | Allowance:Accommodation, Travel and Incidental | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050010170010050050000000000000000000( | Allowance:Travel or Motor Vehicle | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050020010050010000000000000000000000( | Allowances:Accommodation, Travel and Incidental | 52 870 | 52 870 | 13 221 | - | 13 221 | 13 221 | 3 855 | 9 366 | 26 442 | 3 855 | 22 587 |
| | IE0050020010050060000000000000000000000( | Allowances:Travel or Motor Vehicle | 13 817 354 | 13 817 354 | 3 454 344 | - | 3 454 344 | 3 454 344 | 5 407 133 | - 1 952 789 | 6 908 688 | 5 407 133 | 1 501 555 |
| | IE0080010010030000000000000000000000000( | Allowances and Service Related Benefits:Travelling | 212 360 | 212 360 | 53 091 | - | 53 091 | 53 091 | 90 000 | - 36 909 | 106 182 | 90 000 | 16 182 |
| | IE0080020010030000000000000000000000000( | Allowances and Service Related Benefits:Travelling | 21 205 | 21 205 | 5 301 | - | 5 301 | 5 301 | 83 978 | - 78 677 | 10 602 | 83 978 | - 73 376 |
| | IE0080030010030000000000000000000000000( | Allowances and Service Related Benefits:Travelling | 212 360 | 212 360 | 53 091 | - | 53 091 | 53 091 | 91 892 | - 38 801 | 106 182 | 91 892 | 14 290 |
| | IE0080040010030000000000000000000000000( | Allowances and Service Related Benefits:Travelling | - | - | - | - | - | - | - | - | - | - | - |
| | IE0080050010030000000000000000000000000( | Allowances and Service Related Benefits:Travelling | 190 852 | 190 852 | 47 712 | - | 47 712 | 47 712 | 209 519 | - 161 807 | 95 424 | 209 519 | - 114 095 |
| | IE0080060010030000000000000000000000000( | Allowances and Service Related Benefits:Travelling | 212 794 | 212 794 | 53 199 | - | 53 199 | 53 199 | 133 017 | - 79 818 | 106 398 | 133 017 | - 26 619 |
| | IE0100390000000000000000000000000000000( | Travel Agency and Visa's | 35 858 | 45 858 | 8 965 | - | 8 965 | 4 000 | 32 403 | - 28 403 | 12 965 | 32 403 | - 19 438 |
| | IE0100570010010000000000000000000000000( | Travel and Subsistence:Domestic:Accommodation | 481 539 | 589 539 | 120 387 | 107 149 | 13 238 | 124 000 | 143 566 | - 19 566 | 244 387 | 250 716 | - 6 329 |
| | IE0100570010020000000000000000000000000( | Travel and Subsistence:Domestic:Daily Allowance | 238 782 | 273 782 | 59 696 | 49 868 | 9 828 | 35 000 | 45 443 | - 10 443 | 94 696 | 95 311 | - 615 |
| | IE0100570010030000000000000000000000000( | Travel and Subsistence:Domestic:Food and Beverage (Served | 402 554 | 402 554 | 100 639 | 66 613 | 34 026 | - | 63 264 | - 63 264 | 100 639 | 129 877 | - 29 238 |
| | IE0100570010040000000000000000000000000( | Travel and Subsistence:Domestic:Incidental Cost | 16 717 | 16 717 | 4 185 | 607 | 3 578 | - | 1 038 | - 1 038 | 4 185 | 1 645 | 2 540 |
| | IE0100570010050010000000000000000000000( | Travel and Subsistence:Domestic:Transport without Operator:( | 36 456 | 36 456 | 9 114 | 414 | 8 700 | - | 4 794 | - 4 794 | 9 114 | 5 208 | 3 906 |
| | IE0100570010060010000000000000000000000( | Travel and Subsistence:Domestic:Transport with Operator:Oth | 14 600 | 14 600 | 3 652 | - | 3 652 | - | - | - | 3 652 | - | 3 652 |
| | IE0100570010060020010000000000000000000( | Travel and Subsistence:Domestic:Transport with Operator:Pub | 223 805 | 387 805 | 55 952 | 43 412 | 12 540 | 134 349 | 138 812 | - 4 463 | 190 301 | 182 224 | 8 077 |
| Sponsorships, events and catering | IE0030030100000000000000000000000000000( | Contractors:Catering Services | 1 978 052 | 2 296 052 | 336 521 | 370 132 | - 33 611 | 907 115 | 708 701 | 198 414 | 1 243 636 | 1 078 833 | 164 803 |
| | IE0030010060000000000000000000000000000( | Outsourced Services:Catering Services | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100020050000000000000000000000000000( | Advertising, Publicity and Marketing:Gifts and Pro | 465 939 | 465 939 | - | 177 747 | - 177 747 | 15 000 | - | 15 000 | 15 000 | 177 747 | - 162 747 |
| | IE0030030140000000000000000000000000000( | Contractors:Event Promoters | 2 916 028 | 11 498 808 | 927 287 | 3 238 740 | - 2 311 453 | 4 896 003 | 5 106 828 | - 210 825 | 5 823 290 | 8 345 568 | - 2 522 278 |
| Communication | IE0100150010000000000000000000000000000( | Communication:Cellular Contract (Subscription and | 2 928 720 | 2 928 720 | 336 177 | 522 785 | - 186 608 | 505 278 | 758 983 | - 253 705 | 841 455 | 1 281 767 | - 440 312 |
| | IE0100150020000000000000000000000000000( | Communication:Licences (Radio and Television) | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100150040000000000000000000000000000( | Communication:Radio and TV Transmissions | 3 301 020 | 2 751 020 | 636 296 | 1 051 133 | - 414 837 | 994 462 | 693 610 | 300 852 | 1 630 758 | 1 744 743 | - 113 985 |
| | IE0100150030000000000000000000000000000( | Communication:Postage/Stamps/Franking Machines | 2 294 250 | 2 164 250 | 646 749 | 203 919 | 442 830 | 646 749 | 512 213 | 134 536 | 1 293 498 | 716 132 | 577 366 |
| | IE0100150070000000000000000000000000000( | Communication:SMS Bulk Message Service | 26 000 | 26 000 | 5 000 | - | 5 000 | 5 000 | - | 5 000 | 10 000 | - | 10 000 |
| | IE0100150090000000000000000000000000000( | Communication:Telemetric Systems | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050020010050030000000000000000000000( | Allowances:Cellular and Telephone | 3 190 232 | 3 190 232 | 797 565 | - | 797 565 | 797 565 | 1 112 692 | - 315 127 | 1 595 130 | 1 112 692 | 482 438 |
| | IE0100150080000000000000000000000000000( | Communication:Telephone, Fax, Telegraph and Telex | 3 407 037 | 3 407 037 | 515 940 | 166 559 | 349 381 | 787 090 | 725 174 | 61 916 | 1 303 030 | 891 733 | 411 297 |
| Other related expenditure items | IE0100230030000000000000000000000000000( | Entertainment:Senior Management | 30 600 | 30 600 | 18 200 | - | 18 200 | - | - | - | 18 200 | - | 18 200 |
| | IE0100230020000000000000000000000000000( | Entertainment:Total for All Other Councillors | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100230010000000000000000000000000000( | Entertainment:Executive Mayor | 20 808 | 20 808 | 1 690 | - | 1 690 | - | - | - | 1 690 | - | 1 690 |
| | IE0100230040000000000000000000000000000( | Entertainment:Deputy Executive Mayor | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100230050000000000000000000000000000( | Entertainment:Speaker | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100230060000000000000000000000000000( | Entertainment:Chief Whip | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100230070000000000000000000000000000( | Entertainment:Executive Committee | - | - | - | - | - | - | - | - | - | - | - |
| | IE0100230080000000000000000000000000000( | Entertainment:Section 79 committee chairperson | - | - | - | - | - | - | - | - | - | - | - |
| | IE0050020010050090120020000000000000000( | Overtime:Non Structured | 46 078 463 | 46 078 463 | 11 519 604 | - | 11 519 604 | 11 519 604 | 26 295 534 | - 14 775 930 | 23 039 208 | 26 295 534 | - 3 256 326 |
| | IE0050020010050090120040000000000000000( | Overtime:Shift Additional Remuneration | 5 211 933 | 5 211 933 | 1 302 984 | - | 1 302 984 | 1 302 984 | 2 625 747 | - 1 322 763 | 2 605 968 | 2 625 747 | - 19 779 |
| | IE0050020010050090120030000000000000000( | Overtime:Structured | 2 921 902 | 2 921 902 | 730 476 | - | 730 476 | 730 476 | 1 391 087 | - 660 611 | 1 460 952 | 1 391 087 | 69 865 |
| **Grand Total** | | | **122 907 777** | **138 518 700** | **26 452 773** | **9 512 578** | **16 940 195** | **36 707 368** | **49 684 984** | **- 12 977 616** | **63 160 141** | **59 197 562** | **3 962 579** |

# 11. Quarterly Budget Statements

## Table C1: Quarterly Budget Statement Summary

WC024 Stellenbosch - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

| Description | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| Financial Performance | | | | | | | | | |
| Property rates | 530 581 | 571 651 | 571 651 | 40 642 | 324 344 | 295 268 | 29 076 | 10% | 571 651 |
| Service charges | 1 465 254 | 1 662 304 | 1 662 304 | 123 164 | 702 454 | 667 873 | 34 580 | 5% | 1 662 304 |
| Investment revenue | 61 434 | 63 980 | 63 980 | 3 985 | 26 488 | 31 990 | (5 502) | -17% | 63 980 |
| Transfers and subsidies - Operational | 234 414 | 260 585 | 268 030 | 84 228 | 181 540 | 132 414 | 49 126 | 37% | 268 030 |
| Other own revenue | 333 429 | 310 802 | 310 802 | 72 168 | 123 223 | 89 883 | 33 340 | 37% | 310 802 |
| Total Revenue (excluding capital transfers and | 2 625 112 | 2 869 321 | 2 876 765 | 324 186 | 1 358 048 | 1 217 428 | 140 620 | 12% | 2 876 765 |
| Employee costs | 667 940 | 729 635 | 729 635 | 350 781 | 350 780 | 340 418 | 10 362 | 3% | 729 635 |
| Remuneration of Councillors | 22 989 | 24 593 | 24 593 | 7 655 | 11 457 | 12 297 | (840) | -7% | 24 593 |
| Depreciation and amortisation | 205 229 | 225 960 | 225 960 | – | 82 099 | 112 980 | (30 881) | -27% | 225 960 |
| Interest | 72 867 | 77 649 | 77 649 | 25 340 | 25 340 | 32 352 | (7 012) | -22% | 77 649 |
| Inventory consumed and bulk purchases | 857 552 | 928 091 | 924 861 | 67 198 | 416 161 | 454 444 | (38 283) | -8% | 924 861 |
| Transfers and subsidies | 17 868 | 22 631 | 14 048 | 552 | 5 273 | 6 261 | (988) | -16% | 14 048 |
| Other expenditure | 654 789 | 732 522 | 751 779 | 47 005 | 201 868 | 205 858 | (3 990) | -2% | 751 779 |
| Total Expenditure | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6% | 2 748 525 |
| Surplus/(Deficit) | 125 878 | 128 240 | 128 240 | (174 345) | 265 071 | 52 818 | 212 252 | 402% | 128 240 |
| Transfers and subsidies - capital (monetary allocations) | 125 957 | 98 415 | 100 653 | 9 291 | 37 832 | 59 894 | (22 063) | -37% | 100 653 |
| Transfers and subsidies - capital (in-kind) | 4 682 | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after capital transfers & | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 169% | 228 893 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| Surplus/ (Deficit) for the year | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 169% | 228 893 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 473 053 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Capital transfers recognised | 157 500 | 118 636 | 121 055 | 10 822 | 49 002 | 75 559 | (26 557) | -35% | 121 055 |
| Borrowing | 109 725 | 198 019 | 198 019 | 7 203 | 24 291 | 83 342 | (59 052) | -71% | 198 019 |
| Internally generated funds | 201 145 | 325 835 | 358 534 | 23 596 | 98 557 | 155 307 | (56 750) | -37% | 358 534 |
| Total sources of capital funds | 468 371 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Financial position | | | | | | | | | |
| Total current assets | 1 048 614 | 932 399 | 900 442 | | 1 140 468 | | | | 900 442 |
| Total non current assets | 6 178 786 | 7 047 276 | 7 082 395 | | 6 689 376 | | | | 7 082 395 |
| Total current liabilities | 562 293 | 498 267 | 499 191 | | 435 960 | | | | 499 191 |
| Total non current liabilities | 824 107 | 1 168 172 | 1 168 172 | | 824 107 | | | | 1 168 172 |
| Community wealth/Equity | 6 277 967 | 6 313 236 | 6 315 474 | | 6 266 866 | | | | 6 315 474 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 1 022 487 | 572 998 | 579 423 | 447 032 | 1 040 472 | 182 114 | (858 359) | -471% | 2 803 827 |
| Net cash from (used) investing | (486 602) | (738 582) | (779 037) | (46 446) | (265 714) | 362 499 | 628 213 | 173% | 779 037 |
| Net cash from (used) financing | – | 198 019 | 198 019 | – | – | – | – | | 198 019 |
| Cash/cash equivalents at the month/year end | 1 864 481 | 711 243 | 677 212 | – | 2 531 854 | 1 223 419 | (1 308 435) | -107% | 5 537 980 |

| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
|---|---|---|---|---|---|---|---|---|---|
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 87 778 | 8 350 | – | 22 598 | – | 6 977 | 44 590 | 314 760 | 485 053 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 27 748 | – | – | – | – | – | – | – | 27 748 |

## Table C2: Monthly Budget Statement – Financial Performance (standard classification)

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| | | | | | | | | | % | |
| Revenue - Functional | | | | | | | | | | |
| *Governance and administration* | | 720 352 | 743 393 | 743 393 | 72 508 | 421 257 | 380 766 | 40 491 | 11% | 743 393 |
| Executive and council | | 980 | 3 585 | 3 585 | 102 | 246 | 1 640 | (1 394) | -85% | 3 585 |
| Finance and administration | | 719 372 | 739 808 | 739 808 | 72 405 | 421 011 | 379 126 | 41 885 | 11% | 739 808 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | 230 780 | 248 319 | 256 180 | 71 772 | 85 892 | 65 138 | 20 754 | 32% | 256 180 |
| Community and social services | | 13 895 | 18 523 | 18 523 | 6 211 | 7 968 | 8 492 | (524) | -6% | 18 523 |
| Sport and recreation | | 778 | 809 | 809 | 289 | 386 | 132 | 254 | 192% | 809 |
| Public safety | | 196 820 | 188 885 | 188 885 | 64 260 | 71 575 | 39 856 | 31 718 | 80% | 188 885 |
| Housing | | 19 288 | 40 102 | 47 963 | 1 013 | 5 964 | 16 659 | (10 695) | -64% | 47 963 |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 120 534 | 96 123 | 97 944 | 11 513 | 52 897 | 63 091 | (10 194) | -16% | 97 944 |
| Planning and development | | 98 633 | 81 016 | 82 837 | 11 043 | 50 202 | 56 761 | (6 559) | -12% | 82 837 |
| Road transport | | 21 370 | 13 547 | 13 547 | 468 | 2 609 | 6 240 | (3 631) | -58% | 13 547 |
| Environmental protection | | 530 | 1 560 | 1 560 | 2 | 86 | 90 | (4) | -5% | 1 560 |
| *Trading services* | | 1 684 085 | 1 879 901 | 1 879 901 | 177 684 | 835 834 | 768 327 | 67 506 | 9% | 1 879 901 |
| Energy sources | | 1 135 871 | 1 326 497 | 1 326 497 | 113 411 | 567 719 | 526 360 | 41 359 | 8% | 1 326 497 |
| Water management | | 246 151 | 236 747 | 236 747 | 26 469 | 91 859 | 93 226 | (1 367) | -1% | 236 747 |
| Waste water management | | 165 340 | 172 165 | 172 165 | 20 443 | 94 721 | 76 737 | 17 984 | 23% | 172 165 |
| Waste management | | 136 723 | 144 492 | 144 492 | 17 361 | 81 535 | 72 004 | 9 531 | 13% | 144 492 |
| *Other* | 4 | – | – | – | – | – | – | – | | – |
| Total Revenue - Functional | 2 | 2 755 751 | 2 967 736 | 2 977 418 | 333 477 | 1 395 880 | 1 277 322 | 118 558 | 9% | 2 977 418 |
| Expenditure - Functional | | | | | | | | | | |
| *Governance and administration* | | 368 083 | 397 039 | 397 039 | 34 773 | 169 164 | 161 125 | 8 040 | 5% | 397 039 |
| Executive and council | | 32 505 | 39 693 | 39 778 | 10 950 | 16 676 | 18 056 | (1 381) | -8% | 39 778 |
| Finance and administration | | 330 276 | 349 590 | 349 505 | 20 949 | 149 460 | 140 290 | 9 170 | 7% | 349 505 |
| Internal audit | | 5 302 | 7 756 | 7 756 | 2 875 | 3 028 | 2 778 | 250 | 9% | 7 756 |
| *Community and public safety* | | 532 918 | 639 347 | 645 500 | 152 327 | 209 908 | 201 182 | 8 726 | 4% | 645 500 |
| Community and social services | | 29 016 | 57 081 | 57 081 | 18 341 | 24 821 | 26 752 | (1 931) | -7% | 57 081 |
| Sport and recreation | | 73 303 | 81 539 | 81 036 | 26 539 | 30 281 | 38 589 | (8 308) | -22% | 81 036 |
| Public safety | | 389 008 | 437 480 | 437 983 | 91 909 | 134 687 | 107 650 | 27 036 | 25% | 437 983 |
| Housing | | 41 591 | 63 247 | 69 399 | 15 538 | 20 119 | 28 191 | (8 072) | -29% | 69 399 |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 161 639 | 186 646 | 188 327 | 68 805 | 88 857 | 86 377 | 2 481 | 3% | 188 327 |
| Planning and development | | 78 879 | 87 905 | 89 586 | 40 901 | 49 126 | 43 093 | 6 033 | 14% | 89 586 |
| Road transport | | 66 783 | 77 812 | 77 812 | 21 959 | 31 590 | 33 877 | (2 288) | -7% | 77 812 |
| Environmental protection | | 15 977 | 20 929 | 20 929 | 5 945 | 8 142 | 9 406 | (1 264) | -13% | 20 929 |
| *Trading services* | | 1 436 593 | 1 518 048 | 1 517 659 | 242 625 | 625 048 | 715 926 | (90 878) | -13% | 1 517 659 |
| Energy sources | | 901 048 | 960 718 | 960 718 | 98 512 | 424 428 | 470 027 | (45 599) | -10% | 960 718 |
| Water management | | 175 030 | 185 692 | 185 692 | 37 211 | 57 071 | 81 662 | (24 592) | -30% | 185 692 |
| Waste water management | | 199 254 | 217 041 | 217 041 | 66 890 | 85 268 | 107 162 | (21 894) | -20% | 217 041 |
| Waste management | | 161 262 | 154 598 | 154 209 | 40 011 | 58 281 | 57 075 | 1 206 | 2% | 154 209 |
| *Other* | | – | – | – | – | – | – | – | | – |
| Total Expenditure - Functional | 3 | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6% | 2 748 525 |
| Surplus/ (Deficit) for the year | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 169% | 228 893 |

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and public safety; Economic and environmental services; and Trading services.

## Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | 2 412 | 2 412 | – | – | 1 206 | (1 206) | -100,0% | 2 412 |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 33 804 | 51 760 | 60 158 | 2 464 | 19 519 | 23 111 | (3 592) | -15,5% | 60 158 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 1 794 294 | 1 962 772 | 1 964 055 | 187 743 | 875 089 | 824 876 | 50 214 | 6,1% | 1 964 055 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 202 004 | 209 812 | 209 812 | 70 762 | 80 014 | 48 570 | 31 444 | 64,7% | 209 812 |
| Vote 5 - CORPORATE SERVICES | | 14 493 | 13 891 | 13 891 | 793 | 6 254 | 4 266 | 1 987 | 46,6% | 13 891 |
| Vote 6 - FINANCIAL SERVICES | | 706 399 | 727 090 | 727 090 | 71 715 | 415 003 | 375 293 | 39 710 | 10,6% | 727 090 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Revenue by Vote | 2 | 2 750 995 | 2 967 736 | 2 977 418 | 333 477 | 1 395 880 | 1 277 322 | 118 558 | 9,3% | 2 977 418 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 16 728 | 23 693 | 23 693 | 8 719 | 9 687 | 9 712 | (25) | -0,3% | 23 693 |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 102 613 | 130 807 | 136 968 | 41 906 | 53 198 | 61 422 | (8 224) | -13,4% | 136 968 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 1 537 458 | 1 636 653 | 1 637 936 | 272 320 | 673 431 | 768 144 | (94 714) | -12,3% | 1 637 936 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 496 038 | 568 393 | 568 393 | 143 877 | 191 107 | 168 052 | 23 056 | 13,7% | 568 393 |
| Vote 5 - CORPORATE SERVICES | | 196 593 | 236 952 | 236 952 | 55 190 | 88 483 | 82 002 | 6 481 | 7,9% | 236 952 |
| Vote 6 - FINANCIAL SERVICES | | 149 803 | 144 583 | 144 583 | (23 482) | 77 072 | 75 278 | 1 793 | 2,4% | 144 583 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Expenditure by Vote | 2 | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6,2% | 2 748 525 |
| Surplus/ (Deficit) for the year | 2 | 251 761 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | 190 190 | 168,7% | 228 893 |

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Infrastructure Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

## Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)

WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| Revenue | | | | | | | | | % | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | | 1 026 379 | 1 215 949 | 1 215 949 | 83 572 | 498 303 | 477 237 | 21 066 | 4% | 1 215 949 |
| Service charges - Water | | 209 832 | 201 453 | 201 453 | 20 564 | 73 933 | 76 904 | (2 972) | -4% | 201 453 |
| Service charges - Waste Water Management | | 127 606 | 132 113 | 132 113 | 10 651 | 70 544 | 57 710 | 12 834 | 22% | 132 113 |
| Service charges - Waste management | | 101 437 | 112 789 | 112 789 | 8 377 | 59 674 | 56 022 | 3 652 | 7% | 112 789 |
| Sale of Goods and Rendering of Services | | 39 900 | 25 591 | 25 591 | 2 806 | 21 995 | 10 390 | 11 605 | 112% | 25 591 |
| Agency services | | 3 817 | 3 961 | 3 961 | 130 | 1 891 | 1 572 | 318 | 20% | 3 961 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 26 447 | 18 972 | 18 972 | 1 814 | 11 193 | 9 759 | 1 434 | 15% | 18 972 |
| Interest earned from Current and Non Current Assets | | 61 434 | 63 980 | 63 980 | 3 985 | 26 488 | 31 990 | (5 502) | -17% | 63 980 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 11 733 | 14 249 | 14 249 | 729 | 4 952 | 5 079 | (127) | -3% | 14 249 |
| Licence and permits | | 7 896 | 8 754 | 8 754 | 280 | 3 469 | 3 814 | (345) | -9% | 8 754 |
| Special rating levies | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 50 025 | 59 231 | 59 231 | 2 605 | 12 061 | 23 014 | (10 953) | -48% | 59 231 |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | | 530 581 | 571 651 | 571 651 | 40 642 | 324 344 | 295 268 | 29 076 | 10% | 571 651 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 187 263 | 173 403 | 173 403 | 62 996 | 63 139 | 32 432 | 30 707 | 95% | 173 403 |
| Licence and permits | | – | – | – | – | – | – | – | | – |
| Transfer and subsidies - Operational | | 234 414 | 260 585 | 268 030 | 84 228 | 181 540 | 132 414 | 49 126 | 37% | 268 030 |
| Interest | | 4 522 | 3 426 | 3 426 | 372 | 1 685 | 2 082 | (397) | -19% | 3 426 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | – | 3 214 | 3 214 | 435 | 2 839 | 1 741 | 1 098 | 63% | 3 214 |
| Gains on disposal of Assets | | 2 317 | – | – | – | – | – | – | | – |
| Other Gains | | (491) | – | – | – | – | – | – | | – |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| Total Revenue (excluding capital transfers and | | 2 625 112 | 2 869 321 | 2 876 765 | 324 186 | 1 358 048 | 1 217 428 | – | | 2 876 765 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 667 940 | 729 635 | 729 635 | 350 781 | 350 780 | 340 418 | 10 362 | 3% | 729 635 |
| Remuneration of councillors | | 22 989 | 24 593 | 24 593 | 7 655 | 11 457 | 12 297 | (840) | -7% | 24 593 |
| Bulk purchases - electricity | | 764 398 | 805 126 | 805 126 | 59 517 | 377 048 | 402 563 | (25 514) | -6% | 805 126 |
| Inventory consumed | | 93 155 | 122 965 | 119 735 | 7 682 | 39 113 | 51 881 | (12 769) | -25% | 119 735 |
| Debt impairment | | 24 479 | 77 289 | 77 289 | – | – | – | – | | 77 289 |
| Depreciation and amortisation | | 205 229 | 225 960 | 225 960 | – | 82 099 | 112 980 | (30 881) | -27% | 225 960 |
| Interest | | 72 867 | 77 649 | 77 649 | 25 340 | 25 340 | 32 352 | (7 012) | -22% | 77 649 |
| Contracted services | | 283 732 | 328 381 | 343 682 | 25 613 | 105 312 | 113 207 | (7 896) | -7% | 343 682 |
| Transfers and subsidies | | 17 868 | 22 631 | 14 048 | 552 | 5 273 | 6 261 | (988) | -16% | 14 048 |
| Irrecoverable debts written off | | 176 955 | 126 724 | 126 724 | 363 | 385 | – | 385 | | 126 724 |
| Operational costs | | 161 092 | 199 498 | 203 455 | 21 028 | 96 171 | 92 651 | 3 521 | 4% | 203 455 |
| Losses on Disposal of Assets | | 348 | – | – | – | – | – | – | | – |
| Other Losses | | 8 183 | 630 | 630 | – | – | – | – | | 630 |
| Total Expenditure | | 2 499 234 | 2 741 081 | 2 748 525 | 498 531 | 1 092 978 | 1 164 610 | (71 632) | -6% | 2 748 525 |
| Surplus/(Deficit) | | 125 878 | 128 240 | 128 240 | (174 345) | 265 071 | 52 818 | 71 632 | 0 | 128 240 |
| Transfers and subsidies - capital (monetary allocations) | | 125 957 | 98 415 | 100 653 | 9 291 | 37 832 | 59 894 | (22 063) | (0) | 100 653 |
| Transfers and subsidies - capital (in-kind) | | 4 682 | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after capital transfers & | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |
| Income Tax | | – | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after income tax | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | | | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | | | – |
| Surplus/(Deficit) attributable to municipality | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | | | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | | | – |
| Surplus/ (Deficit) for the year | | 256 517 | 226 656 | 228 893 | (165 054) | 302 902 | 112 713 | | | 228 893 |

## Table C5: Monthly Budget Statement – Capital Expenditure

WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited | Original | Adjusted | Monthly | YearTD | YearTD | YTD | YTD | Full Year |
| | | Outcome | Budget | Budget | Actual | Actual | Budget | Variance | Variance | Forecast |
| R thousands | 1 | | | | | | | | % | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 40 | 100 | 100 | 20 | 35 | 80 | (45) | -56% | 100 |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 29 731 | 29 824 | 32 320 | 2 964 | 7 508 | 11 304 | (3 795) | -34% | 32 320 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 338 562 | 447 282 | 462 102 | 29 911 | 107 091 | 217 357 | (110 266) | -51% | 462 102 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 32 523 | 66 675 | 74 679 | 6 776 | 37 138 | 36 187 | 950 | 3% | 74 679 |
| Vote 5 - CORPORATE SERVICES | | 43 743 | 50 920 | 51 864 | 1 127 | 8 715 | 24 047 | (15 332) | -64% | 51 864 |
| Vote 6 - FINANCIAL SERVICES | | 9 320 | 600 | 600 | 23 | 49 | 600 | (551) | -92% | 600 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Capital Multi-year expenditure | 4,7 | 453 918 | 595 400 | 621 664 | 40 821 | 160 535 | 289 575 | (129 040) | -45% | 621 664 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | – | – | – | – | | – |
| Vote 2 - PLANNING AND DEVELOPMENT SERVICES | | 1 162 | 5 580 | 5 030 | 2 | 2 025 | 3 947 | (1 921) | -49% | 5 030 |
| Vote 3 - INFRASTRUCTURE SERVICES | | 8 383 | 22 900 | 23 075 | – | 675 | 7 744 | (7 068) | -91% | 23 075 |
| Vote 4 - COMMUNITY AND PROTECTION SERVICES | | 8 283 | 14 910 | 24 140 | 775 | 5 399 | 9 244 | (3 845) | -42% | 24 140 |
| Vote 5 - CORPORATE SERVICES | | 64 | – | – | – | – | – | – | | – |
| Vote 6 - FINANCIAL SERVICES | | 1 242 | 3 700 | 3 700 | 24 | 3 216 | 3 700 | (484) | -13% | 3 700 |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| Total Capital single-year expenditure | 4 | 19 134 | 47 090 | 55 945 | 800 | 11 315 | 24 634 | (13 319) | -54% | 55 945 |
| Total Capital Expenditure | 3 | 473 053 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| *Governance and administration* | | 45 826 | 55 320 | 56 264 | 1 194 | 12 015 | 28 427 | (16 413) | -58% | 56 264 |
| Executive and council | | 40 | 100 | 100 | 20 | 35 | 80 | (45) | -56% | 100 |
| Finance and administration | | 45 786 | 55 220 | 56 164 | 1 174 | 11 980 | 28 347 | (16 368) | -58% | 56 164 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | 69 497 | 106 629 | 124 738 | 9 556 | 49 627 | 56 901 | (7 274) | -13% | 124 738 |
| Community and social services | | 24 173 | 56 631 | 65 441 | 6 126 | 31 266 | 31 385 | (119) | 0% | 65 441 |
| Sport and recreation | | 12 117 | 10 093 | 12 965 | 1 358 | 6 199 | 4 603 | 1 596 | 35% | 12 965 |
| Public safety | | 5 788 | 8 261 | 13 209 | 63 | 4 946 | 8 043 | (3 097) | -39% | 13 209 |
| Housing | | 27 419 | 31 644 | 33 123 | 2 009 | 7 215 | 12 870 | (5 655) | -44% | 33 123 |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 114 732 | 99 849 | 98 513 | 4 246 | 20 936 | 40 945 | (20 009) | -49% | 98 513 |
| Planning and development | | 26 522 | 5 135 | 5 878 | 956 | 3 591 | 3 247 | 344 | 11% | 5 878 |
| Road transport | | 85 532 | 94 464 | 92 386 | 3 286 | 17 220 | 37 548 | (20 328) | -54% | 92 386 |
| Environmental protection | | 2 678 | 250 | 250 | 4 | 125 | 150 | (25) | -17% | 250 |
| *Trading services* | | 242 998 | 380 693 | 398 094 | 26 625 | 89 273 | 187 935 | (98 662) | -52% | 398 094 |
| Energy sources | | 73 910 | 126 332 | 124 536 | 1 120 | 9 127 | 39 689 | (30 562) | -77% | 124 536 |
| Water management | | 73 254 | 148 159 | 159 767 | 15 623 | 48 274 | 79 817 | (31 543) | -40% | 159 767 |
| Waste water management | | 59 260 | 87 200 | 88 291 | 9 375 | 25 497 | 57 895 | (32 399) | -56% | 88 291 |
| Waste management | | 36 574 | 19 002 | 25 501 | 506 | 6 376 | 10 534 | (4 158) | -39% | 25 501 |
| *Other* | | – | – | – | – | – | – | – | | – |
| Total Capital Expenditure - Functional Classification | 3 | 473 053 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |
| Funded by: | | | | | | | | | | |
| National Government | | 95 420 | 63 693 | 63 693 | 8 738 | 35 475 | 46 778 | (11 303) | -24% | 63 693 |
| Provincial Government | | 27 322 | 21 885 | 23 831 | 553 | 2 356 | 7 127 | (4 771) | -67% | 23 831 |
| District Municipality | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | 34 759 | 33 057 | 33 531 | 1 531 | 11 170 | 21 654 | (10 484) | -48% | 33 531 |
| Transfers recognised - capital | | 157 500 | 118 636 | 121 055 | 10 822 | 49 002 | 75 559 | (26 557) | -35% | 121 055 |
| Borrowing | 6 | 109 725 | 198 019 | 198 019 | 7 203 | 24 291 | 83 342 | (59 052) | -71% | 198 019 |
| Internally generated funds | | 201 145 | 325 835 | 358 534 | 23 596 | 98 557 | 155 307 | (56 750) | -37% | 358 534 |
| Total Capital Funding | 7 | 468 371 | 642 490 | 677 609 | 41 622 | 171 850 | 314 209 | (142 359) | -45% | 677 609 |

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections: Appropriations by vote; Standard classification and funding portion.

## Table C6: Monthly Budget Statement – Financial Position

WC024 Stellenbosch - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | |
|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | YearTD Actual | Full Year Forecast |
| ASSETS | 1 | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 549 503 | 649 027 | 614 996 | 555 248 | 614 996 |
| Trade and other receivables from exchange transactions | | 262 898 | 223 917 | 223 917 | 156 029 | 223 917 |
| Receivables from non-exchange transactions | | 93 221 | 15 459 | 15 459 | 154 974 | 15 459 |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 44 756 | 34 328 | 37 558 | 59 950 | 37 558 |
| VAT | | 41 976 | 3 707 | 2 551 | 124 129 | 2 551 |
| Other current assets | | 56 258 | 5 961 | 5 961 | 90 137 | 5 961 |
| Total current assets | | 1 048 614 | 932 399 | 900 442 | 1 140 468 | 900 442 |
| Non current assets | | | | | | |
| Investments | | – | – | – | – | – |
| Investment property | | 415 993 | 425 813 | 425 813 | 415 859 | 425 813 |
| Property, plant and equipment | | 5 745 961 | 6 605 601 | 6 640 720 | 6 256 698 | 6 640 720 |
| Biological assets | | 2 800 | 5 877 | 5 877 | 2 800 | 5 877 |
| Living and non-living resources | | – | – | – | – | – |
| Heritage assets | | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 |
| Intangible assets | | 4 398 | 4 074 | 4 074 | 4 385 | 4 074 |
| Trade and other receivables from exchange transactions | | 8 304 | 4 582 | 4 582 | 8 304 | 4 582 |
| Non-current receivables from non-exchange transactions | | 17 | 17 | 17 | 17 | 17 |
| Other non-current assets | | – | – | – | – | – |
| Total non current assets | | 6 178 786 | 7 047 276 | 7 082 395 | 6 689 376 | 7 082 395 |
| TOTAL ASSETS | | 7 227 400 | 7 979 675 | 7 982 837 | 7 829 844 | 7 982 837 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | 71 571 | 62 457 | 62 457 | 36 651 | 62 457 |
| Consumer deposits | | 25 395 | 23 689 | 23 689 | 25 964 | 23 689 |
| Trade and other payables from exchange transactions | | 320 477 | 334 833 | 354 022 | 89 179 | 354 022 |
| Trade and other payables from non-exchange transactions | | 28 865 | (4 638) | (22 903) | 58 209 | (22 903) |
| Provision | | 76 144 | 57 205 | 57 205 | 69 786 | 57 205 |
| VAT | | 39 841 | 24 721 | 24 721 | 156 171 | 24 721 |
| Other current liabilities | | – | – | – | – | – |
| Total current liabilities | | 562 293 | 498 267 | 499 191 | 435 960 | 499 191 |
| Non current liabilities | | | | | | |
| Financial liabilities | | 443 131 | 775 285 | 775 285 | 443 131 | 775 285 |
| Provision | | 176 222 | 161 010 | 161 010 | 176 222 | 161 010 |
| Long term portion of trade payables | | – | – | – | – | – |
| Other non-current liabilities | | 204 754 | 231 878 | 231 878 | 204 754 | 231 878 |
| Total non current liabilities | | 824 107 | 1 168 172 | 1 168 172 | 824 107 | 1 168 172 |
| TOTAL LIABILITIES | | 1 386 400 | 1 666 439 | 1 667 363 | 1 260 067 | 1 667 363 |
| NET ASSETS | 2 | 5 841 000 | 6 313 236 | 6 315 474 | 6 569 778 | 6 315 474 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 5 942 247 | 5 950 789 | 5 953 026 | 5 931 146 | 5 953 026 |
| Reserves and funds | | 335 720 | 362 447 | 362 447 | 335 720 | 362 447 |
| Other | | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 6 277 967 | 6 313 236 | 6 315 474 | 6 266 866 | 6 315 474 |

## Table C7: Monthly Budget Statement – Cash Flow

WC024 Stellenbosch - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | 1 | | | | | | | | % | |
| Receipts | | | | | | | | | | |
| Property rates | | 1 149 536 | 548 788 | 548 788 | 126 509 | 627 216 | 283 457 | 343 759 | 121% | 548 788 |
| Service charges | | 1 270 229 | 1 858 920 | 1 858 920 | 106 275 | 738 449 | 758 728 | (20 279) | -3% | 1 858 920 |
| Other revenue | | 114 956 | 230 996 | 237 420 | 8 194 | 63 686 | 89 913 | (26 227) | -29% | 237 420 |
| Transfers and Subsidies - Operational | | 1 666 | 262 139 | 262 139 | 2 | 7 857 | 131 009 | (123 152) | -94% | 262 139 |
| Transfers and Subsidies - Capital | | 8 002 | 98 415 | 98 415 | 26 333 | 72 463 | 58 050 | 14 413 | 25% | 98 415 |
| Interest | | 9 985 | 63 980 | 63 980 | 2 885 | 15 613 | 31 990 | (16 377) | -51% | 63 980 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (1 531 887) | (2 405 393) | (2 405 393) | 176 834 | (484 812) | (1 128 821) | (644 008) | 57% | (180 989) |
| Interest | | – | (62 215) | (62 215) | – | – | (32 352) | (32 352) | 100% | (62 215) |
| Transfers and Subsidies | | – | (22 631) | (22 631) | – | – | (9 861) | (9 861) | 100% | (22 631) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 1 022 487 | 572 998 | 579 423 | 447 032 | 1 040 472 | 182 114 | (858 359) | -471% | 2 803 827 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current receivables | | 1 813 | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Capital assets | | (488 415) | (738 582) | (779 037) | (46 446) | (265 714) | 362 499 | 628 213 | 173% | 779 037 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (486 602) | (738 582) | (779 037) | (46 446) | (265 714) | 362 499 | 628 213 | 173% | 779 037 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | 198 019 | 198 019 | – | – | – | – | | 198 019 |
| Increase (decrease) in consumer deposits | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | | – |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | – | 198 019 | 198 019 | – | – | – | – | | 198 019 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 535 885 | 32 436 | (1 595) | 400 586 | 774 758 | 544 612 | | | 3 780 884 |
| Cash/cash equivalents at beginning: | | 1 328 597 | 678 807 | 678 807 | | 1 757 096 | 678 807 | | | 1 757 096 |
| Cash/cash equivalents at month/year end: | | 1 864 481 | 711 243 | 677 212 | | 2 531 854 | 1 223 419 | | | 5 537 980 |

# 12. Supporting Documentation

## Debtors Age Analysis

## Supporting Table SC3: Monthly Budget Statement - Aged Debtors

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

| Description | NT Code | Budget Year 2025/26 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 19 771 | 3 133 | – | 5 287 | – | 2 477 | 20 968 | 102 914 | 154 549 | 131 645 | – | – |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 50 391 | 1 494 | – | 2 583 | – | 969 | 1 895 | 11 794 | 69 126 | 17 240 | – | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 23 234 | 1 577 | – | 3 135 | – | 1 199 | 5 369 | 18 888 | 53 402 | 28 591 | – | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 7 527 | 701 | – | 2 503 | – | 633 | 4 359 | 26 826 | 42 550 | 34 321 | – | – |
| Receivables from Exchange Transactions - Waste Management | 1600 | 6 123 | 959 | – | 4 073 | – | 970 | 6 517 | 37 990 | 56 632 | 49 550 | – | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 920 | 261 | – | 663 | – | 346 | 1 437 | 14 004 | 17 631 | 16 451 | – | – |
| Interest on Arrear Debtor Accounts | 1810 | 91 | 133 | – | 581 | – | 257 | 3 359 | 89 011 | 93 432 | 93 208 | – | – |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 1900 | (20 279) | 92 | – | 3 773 | – | 127 | 687 | 13 333 | (2 268) | 17 919 | – | – |
| Total By Income Source | 2000 | 87 778 | 8 350 | – | 22 598 | – | 6 977 | 44 590 | 314 760 | 485 053 | 388 926 | – | – |
| 2024/25 - totals only | | | | | | | | | | – | – | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 3 122 | 1 333 | – | 5 196 | – | 1 051 | 1 594 | 9 795 | 22 091 | 17 637 | – | – |
| Commercial | 2300 | 37 029 | 568 | – | 1 791 | – | 310 | 2 715 | 40 357 | 82 770 | 45 174 | – | – |
| Households | 2400 | 41 298 | 6 093 | – | 13 696 | – | 5 476 | 39 166 | 251 830 | 357 558 | 310 168 | – | – |
| Other | 2500 | 6 330 | 356 | – | 1 914 | – | 141 | 1 115 | 12 778 | 22 633 | 15 948 | – | – |
| Total By Customer Group | 2600 | 87 778 | 8 350 | – | 22 598 | – | 6 977 | 44 590 | 314 760 | 485 053 | 388 926 | – | – |

## Creditors Age Analysis

## Supporting Table SC4: Monthly Budget Statement – Aged Creditors

WC024 Stellenbosch - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

| Description | NT Code | Budget Year 2025/26 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| Bulk Electricity | 0100 | – | – | – | – | – | – | – | – | – |
| Bulk Water | 0200 | – | – | – | – | – | – | – | – | – |
| PAYE deductions | 0300 | 9 925 | – | – | – | – | – | – | – | 9 925 |
| VAT (output less input) | 0400 | – | – | – | – | – | – | – | – | – |
| Pensions / Retirement deductions | 0500 | – | – | – | – | – | – | – | – | – |
| Loan repayments | 0600 | – | – | – | – | – | – | – | – | – |
| Trade Creditors | 0700 | 17 823 | – | – | – | – | – | – | – | 17 823 |
| Auditor General | 0800 | – | – | – | – | – | – | – | – | – |
| Other | 0900 | – | – | – | – | – | – | – | – | – |
| Medical Aid deductions | 0950 | – | – | – | – | – | – | – | – | – |
| Total By Customer Type | 1000 | 27 748 | – | – | – | – | – | – | – | 27 748 |

## Investments and Borrowings

## Supporting Table SC5: Monthly Budget Statement – Investment Portfolio

WC024 Stellenbosch - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

| Investments by maturity<br>Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate ³ | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Yrs/Months | | | | | | | | | | | | |
| Municipality | | | | | | | | | | | | | | |
| A#9415 | | CALL ACCO | Deposits - Ba | No | Yes | 7,00% | No | No | 30/06/2025 | 53 579 | 328 | - | – | 53 907 |
| A#5573 | | 9M | Deposits - Ba | No | Yes | 8,82% | No | No | 10/07/2025 | – | – | - | – | – |
| A#6172 | | 1Y | Deposits - Ba | No | Yes | 8,15% | No | No | 10/07/2026 | 103 215 | 692 | - | – | 103 908 |
| N#036 | | 1Y | Deposits - Ba | No | Yes | 8,65% | No | No | 31/03/2025 | 212 244 | 1 477 | - | – | 213 721 |
| N#037 | | 10M | Deposits - Ba | No | Yes | 7,90% | No | No | 19/06/2026 | 102 229 | 671 | - | – | 102 900 |
| S#043 | | 9M | Deposits - Ba | No | Yes | 8,80% | No | No | 10/092025 | – | – | - | – | – |
| S#046 | | 6M | Deposits - Ba | No | Yes | 8,30% | No | No | 17/11/2025 | – | – | - | – | – |
| Municipality sub-total | | | | | | | | | | 471 268 | 3 168 | | – | 474 436 |
| Entities | | | | | | | | | | | | | | |
| Entities sub-total | | | | | | | | | | – | – | – | – | – |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | | | | | | 471 268 | 3 168 | | – | 474 436 |

## Supporting Table SC6: Monthly Budget Statement – Transfers and grant receipts

WC024 Stellenbosch - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 221 280 | 239 166 | 239 166 | 77 264 | 177 786 | 119 583 | 58 203 | 48,7% | 239 166 |
| Operational Revenue:General Revenue:Equitable Share | | 215 604 | 231 793 | 231 793 | 77 264 | 173 845 | 115 897 | 57 948 | 50,0% | 231 793 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | 2 021 | 3 202 | 3 202 | – | 2 241 | 1 601 | 640 | 40,0% | 3 202 |
| Local Government Financial Management Grant [Schedule 5B] | | 1 600 | 1 700 | 1 700 | – | 1 700 | 850 | 850 | 100,0% | 1 700 |
| Programme and Project Preparation Support Grant | | 2 055 | 2 471 | 2 471 | – | – | 1 235 | (1 235) | -100,0% | 2 471 |
| Provincial Government: | | 21 914 | 18 358 | 24 518 | 300 | 8 556 | 9 116 | (560) | -6,1% | 18 358 |
| Community Library Service Grant | | 11 333 | 10 023 | 10 023 | – | 7 718 | 5 011 | 2 707 | 54,0% | 10 023 |
| Municipal Accreditation and Capacity Building Grant | | 249 | – | – | – | – | – | – | | – |
| Title Deeds Restoration Grant | | 364 | 1 162 | 1 162 | – | – | 581 | (581) | -100,0% | 1 162 |
| Maintenance and Construction of Transport Infrastructure | | 380 | 335 | 335 | – | – | 109 | (109) | -100,0% | 335 |
| Community Development Workers Operational Support Grant | | 38 | 38 | 38 | – | 38 | 15 | 23 | 159,1% | 38 |
| RSEP/ VPUU | | – | 800 | 800 | 300 | 800 | 400 | 400 | 100,0% | 800 |
| Provincial Acceleration Grant | | – | – | – | – | – | – | – | | – |
| Human Settlements Development Grant | | 3 150 | 6 000 | 6 000 | – | – | 3 000 | (3 000) | -100,0% | 6 000 |
| District Municipality: | | 1 319 | 100 | 100 | – | – | 52 | (52) | -100,0% | 100 |
| Cape Winelands District Municipality (Local Economic Development) | | | 100 | 100 | – | – | 52 | (52) | -100,0% | 100 |
| CAPE WINELANDS DISTRICT TOURISM GRANT | | 1 319 | – | – | – | – | – | – | | – |
| Other grant providers: | | 2 133 | 2 962 | 2 962 | 31 | 1 037 | 1 481 | (444) | -30,0% | 2 962 |
| Departmental Agencies and Accounts | | – | 550 | 550 | – | – | 275 | (275) | -100,0% | 550 |
| Foreign Government and International Organisations | | – | 2 412 | 2 412 | 2 | 859 | 1 206 | (347) | -28,8% | 2 412 |
| Households | | – | – | – | – | – | – | – | | – |
| Non-profit Institutions | | – | – | – | – | 150 | – | 150 | | – |
| Private Enterprises | | 2 133 | – | – | 28 | 28 | – | 28 | | – |
| Public Corporations | | – | – | – | – | – | – | – | | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | | – |
| Parent Municipality / Entity | | – | – | – | – | – | – | – | | – |
| Total Operating Transfers and Grants | 5 | 246 646 | 260 585 | 266 746 | 77 595 | 187 379 | 130 232 | 57 147 | 43,9% | 260 585 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 80 802 | 73 247 | 73 247 | 25 377 | 57 019 | 52 000 | 5 019 | 9,7% | 73 247 |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | | 9 556 | 6 188 | 6 188 | – | 4 023 | 2 182 | 1 841 | 84,4% | 6 188 |
| Municipal Disaster Relief Grant | | 6 000 | – | – | – | – | – | – | | – |
| Metro Informal Settlements Partnership Grant | | 60 246 | 62 059 | 62 059 | 25 377 | 49 996 | 47 739 | 2 257 | 4,7% | 62 059 |
| Integrated Urban Development Grant | | 5 000 | 5 000 | 5 000 | – | 3 000 | 2 079 | 921 | 44,3% | 5 000 |
| Provincial Government: | | 24 231 | 25 168 | 25 168 | 656 | 7 874 | 6 050 | 1 824 | 30,1% | 25 168 |
| Integrated Transport Planning | | 628 | 656 | 656 | 656 | 656 | – | 656 | | 656 |
| Human Settlements Development Grant | | – | 10 000 | 10 000 | – | – | 1 800 | (1 800) | -100,0% | 10 000 |
| Development od Sport and Recreational Facilities | | – | 300 | 300 | – | – | – | – | | 300 |
| Informal Settlements Upgrading Partnership Grant: Provinces(Beneficiaries) | | 22 103 | 14 212 | 14 212 | – | 7 218 | 4 250 | 2 968 | 69,8% | 14 212 |
| RSEP/ VPUU | | 1 500 | – | – | – | – | – | – | | – |
| District Municipality: | | – | – | – | – | – | – | – | | – |
| Other grant providers: | | – | – | – | – | 0 | – | 0 | | – |
| Departmental Agencies and Accounts | | – | – | – | – | – | – | – | | – |
| Foreign Government and International Organisations | | – | – | – | – | – | – | – | | – |
| Households | | – | – | – | – | – | – | – | | – |
| Non-Profit Institutions | | – | – | – | – | – | – | – | | – |
| Private Enterprises | | – | – | – | – | – | – | – | | – |
| Public Corporations | | – | – | – | – | – | – | – | | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | | – |
| Parent Municipality / Entity | | – | – | – | – | 0 | – | 0 | | – |
| Transfer from Operational Revenue | | – | – | – | – | – | – | – | | – |
| Total Capital Transfers and Grants | 5 | 105 033 | 98 415 | 98 415 | 26 033 | 64 893 | 58 050 | 6 843 | 11,8% | 98 415 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 351 679 | 359 001 | 365 161 | 103 628 | 252 272 | 188 282 | 63 990 | 34,0% | 359 001 |

## Supporting Table SC7 (1) Monthly Budget Statement – transfers and grant expenditure

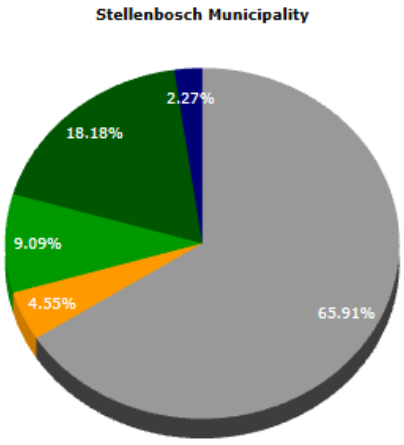
WC024 Stellenbosch - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

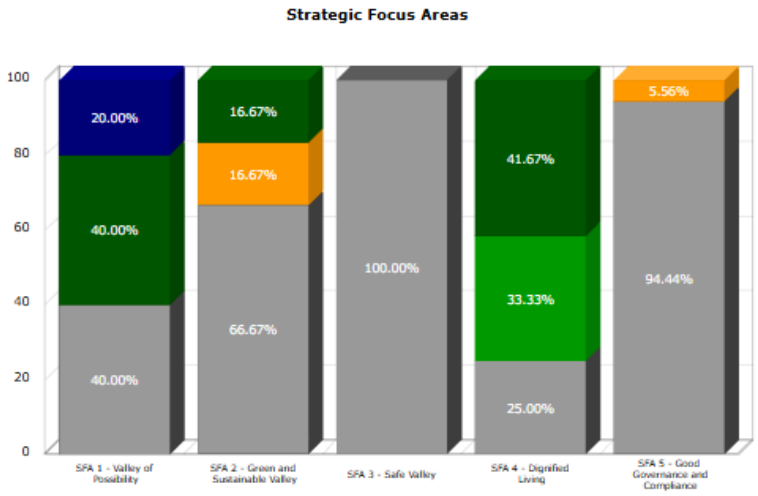
| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 221 290 | 239 166 | 239 166 | 14 394 | 79 518 | 119 583 | (40 065) | -33,5% | (239 166) |
| Operational Revenue:General Revenue:Equitable Share | | 215 604 | 231 793 | 231 793 | 11 670 | 76 794 | 115 897 | (39 102) | -33,7% | (231 793) |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | 2 021 | 3 202 | 3 202 | 855 | 855 | 1 601 | (746) | -46,6% | (3 202) |
| Local Government Financial Management Grant [Schedule 5B] | | 1 611 | 1 700 | 1 700 | 216 | 216 | 850 | (634) | -74,6% | (1 700) |
| Integrated Urban Development Grant | | 2 055 | 2 471 | 2 471 | 1 654 | 1 654 | 1 235 | 418 | 33,9% | (2 471) |
| Provincial Government: | | 15 754 | 18 358 | 24 518 | 7 397 | 7 709 | 11 298 | (3 589) | -31,8% | (25 802) |
| Community Library Service Grant | | 11 333 | 10 023 | 10 023 | 7 397 | 7 402 | 5 011 | 2 390 | 47,7% | (10 023) |
| Municipal Accreditation and Capacity Building Grant | | 249 | – | – | – | – | – | – | | – |
| Title Deeds Restoration Grant | | 364 | 1 162 | 1 162 | – | – | 581 | (581) | -100,0% | (1 162) |
| Maintenance and Construction of Transport Infrastructure | | 380 | 335 | 335 | – | – | 109 | (109) | -100,0% | (335) |
| Community Development Workers Operational Support Grant | | 38 | 38 | 38 | – | 1 | 15 | (13) | -91,5% | (38) |
| RSEP/ VPUU | | – | 800 | 800 | – | – | 400 | (400) | -100,0% | (800) |
| Provincial Acceleration Grant | | 239 | – | 6 161 | – | – | – | – | | – |
| Human Settlements Development Grant | | 3 150 | 6 000 | 6 000 | – | 307 | 5 182 | (4 875) | -94,1% | (13 444) |
| District Municipality: | | 1 319 | 100 | 100 | 20 | 80 | 52 | 28 | 53,8% | (100) |
| Cape Winelands District Municipality (Local Economic Development) | | | 100 | 100 | 20 | 80 | 52 | 28 | 53,8% | (100) |
| CAPE WINELANDS DISTRICT TOURISM GRANT | | 1 319 | – | – | – | – | – | – | | – |
| Other grant providers: | | 182 | 2 962 | 2 962 | – | 352 | 1 481 | (1 129) | -76,3% | (2 962) |
| Departmental Agencies and Accounts | | – | 550 | 550 | – | 352 | 275 | 77 | 27,9% | (550) |
| Foreign Government and International Organisations | | – | 2 412 | 2 412 | – | – | 1 206 | (1 206) | -100,0% | (2 412) |
| Households | | – | – | – | – | – | – | – | | – |
| Non-profit Institutions | | 67 | – | – | – | – | – | – | | – |
| Private Enterprises | | 115 | – | – | – | – | – | – | | – |
| Public Corporations | | – | – | – | – | – | – | – | | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | | – |
| Parent Municipality / Entity | | – | – | – | – | – | – | – | | – |
| Total operating expenditure of Transfers and Grants: | | 238 545 | 260 585 | 266 746 | 21 811 | 87 659 | 132 414 | (44 755) | -33,8% | (268 030) |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 84 036 | 73 247 | 73 247 | 8 738 | 35 475 | 52 000 | (16 524) | -31,8% | (73 247) |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | | 15 556 | 6 188 | 6 188 | 31 | 1 060 | 2 182 | (1 122) | -51,4% | (6 188) |
| Municipal Disaster Relief Grant | | 6 000 | – | – | – | – | – | – | | – |
| Municipal Emergency Housing Grant | | – | – | – | – | – | – | – | | – |
| Integrated Urban Development Grant | | 60 246 | 62 059 | 62 059 | 8 708 | 34 415 | 47 739 | (13 323) | -27,9% | (62 059) |
| Energy Efficiency and Demand Side Management Grant | | 2 234 | 5 000 | 5 000 | – | – | 2 079 | (2 079) | -100,0% | (5 000) |
| Provincial Government: | | 25 606 | 25 168 | 27 405 | 553 | 2 356 | 7 895 | (5 538) | -70,2% | (27 405) |
| Human Settlements Development Grant | | 1 680 | 10 000 | 10 000 | – | – | 1 800 | (1 800) | -100,0% | (10 000) |
| Development od Sport and Recreational Facilities | | – | 300 | 300 | 227 | 227 | – | 227 | | (300) |
| Informal Settlements Upgrading Partnership Grant: Provinces(Beneficiaries) | | 22 335 | 14 212 | 15 912 | 279 | 1 730 | 5 558 | (3 827) | -68,9% | (15 912) |
| Integrated Transport Planning | | 628 | 656 | 656 | – | – | – | – | | (656) |
| RSEP/ VPUU | | 963 | – | 537 | 47 | 399 | 537 | (138) | -25,7% | (537) |
| District Municipality: | | – | – | – | – | – | – | – | | – |
| Other grant providers: | | – | – | – | – | – | – | – | | – |
| Departmental Agencies and Accounts | | – | – | – | – | – | – | – | | – |
| Foreign Government and International Organisations | | – | – | – | – | – | – | – | | – |
| Households | | – | – | – | – | – | – | – | | – |
| Non-Profit Institutions | | – | – | – | – | – | – | – | | – |
| Private Enterprises | | – | – | – | – | – | – | – | | – |
| Public Corporations | | – | – | – | – | – | – | – | | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | | – |
| Parent Municipality / Entity | | – | – | – | – | – | – | – | | – |
| Transfer from Operational Revenue | | – | – | – | – | – | – | – | | – |
| Total capital expenditure of Transfers and Grants | | 109 642 | 98 415 | 100 653 | 9 291 | 37 832 | 59 894 | (22 063) | -36,8% | (100 653) |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 348 187 | 359 001 | 367 399 | 31 102 | 125 491 | 192 308 | (66 818) | -34,7% | (368 682) |

# 12. QUARTERLY PERFORMANCE ASSESSMENT REPORT 2025/26, Q2 (01 October – 31 December 2025)

## 12.1 OVERALL PERFORMANCE OF THE MUNICIPALITY

(a) Dashboard summary per Municipal Strategic Focus Area (SFA) for the 2nd Quarter **(01 October – 31 December 2025)** of the 2025/26 financial year.




| Stellenbosch Municipality | | Municipal Strategic Focus Areas (SFAs) | | | | |
|---|---|---|---|---|---|---|
| | | SFA 1 - Valley of Possibility | SFA 2 - Green and Sustainable Valley | SFA 3 - Safe Valley | SFA 4 - Dignified Living | SFA 5 - Good Governance and Compliance |
| KPI Not Yet Measured | 29 (65.91%) | 2 (40%) | 4 (66.67%) | 3 (100%) | 3 (25%) | 17 (94.44%) |
| KPI Not Met | - | - | - | - | - | - |
| KPI Almost Met | 2 (4.55%) | - | 1 (16.67%) | - | - | 1 (5.56%) |
| KPI Met | 4 (9.09%) | - | - | - | 4 (33.33%) | - |
| KPI Well Met | 8 (18.18%) | 2 (40%) | 1 (16.67%) | - | 5 (41.67%) | - |
| KPI Extremely Well Met | 1 (2.27%) | 1 (20%) | - | - | - | - |
| Total: | 44 | 5 | 6 | 3 | 12 | 18 |
| | 100% | 11.36% | 13.64% | 6.82% | 27.27% | 40.91% |

***Table: 1 Overall performance for Quarter 2 (01 October – 31 December 2025) per SFA***

# 13. ACTUAL PERFORMANCE AND CORRECTIVE MEASURES TO BE IMPLEMENTED

## 13.1 SFA 1 - Valley of Possibility

| SFA 1 - Valley of Possibility | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| TL151 | KPI002 | Submission of the revised Economic Development Strategy to the Municipal Manager | Number of the revised Economic Development Strategies submitted to the Municipal Manager by 31 May | 1 | 1 | 0 | 0 | N/A | | |
| TL152 | KPI003 | The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d)) | Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June | 1 100 | 1 100 | 660 | 770 | G2 | The overperformance is attributable to excellent liaison and proactive coordination between the Local Economic Development Section (Stellenbosch EPWP Lead Coordinator) and the respective user departments, leading to the prompt registration and commencement of EPWP-related projects. | The overall target of 1 100 is not too low, as it aligns with the budget allocated for the municipality's EPWP programme for the financial year. However, the target for quarter 2 (currently set at 660) is likely too conservative, and there will be consideration given to increasing the quarter 2 target during the 2026/27 financial year. |
| TL153 | KPI004 | Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application | Percentage of Land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application | 80% | 80% | 80% | 100% | G2 | 3 / 3 x 100 = 100%<br>Improved application management and improved case officer management resulted in the performance target being overachieved. | |
| TL154 | KPI005 | Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs) | Number of quarterly training opportunities provided to entrepreneurs and SMMEs | 4 | 4 | 1 | 24 | B | The overperformance is attributable to a strategic collaboration between the municipality and the Start-Up Tribe, leading to a total of 24 training opportunities in quarter 2. Of these, 23 out of 24 reported training opportunities involved a | If the strategic partnership with the Start-Up Tribe persists into the 2026/27 financial year, consideration will be given to increasing the annual and quarterly targets accordingly. This matter will be addressed during the upcoming KPI target review. |

| SFA 1 - Valley of Possibility | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| | | | | | | | | | variety of online training sessions accessed via the Start-Up Tribe platform during quarter 2. | |
| TL155 | KPI007 | Submission of the revised Housing Pipeline (document) to the MayCo | Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May | 1 | 1 | 0 | 0 | N/A | | |

**Summary of Results: SFA 1 - Valley of Possibility**

| | | |
|---|---|---|
| | KPI Not Yet Measured | 2 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 0 |
| | KPI Met | 0 |
| | KPI Well Met | 2 |
| | KPI Extremely Well Met | 1 |
| **Total KPIs** | | **5** |

## 13.2 SFA 2 - Green and Sustainable Valley

| SFA 2 - Green and Sustainable Valley | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures | |
| TL158 | KPI019 | Conduct an external audit of the Stellenbosch Municipal Waste Disposal Facilities | Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June | 1 | 1 | 0 | 0 | N/A | | | |
| TL159 | KPI021 | Implementation of identified waste minimisation projects | Number of identified waste minimisation projects implemented by 30 June | 2 | 2 | 0 | 0 | N/A | | | |
| TL160 | KPI014 | Process building plan applications of <500sqm within 30 days after the date of receipt | Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt | 75% | 75% | 75% | 91.30% | G2 | 462 / 506 x 100 = 91.30%<br>Improved application management and workflow management resulted in the performance target being overachieved in Q2.<br>Capacity issues need to be addressed, as it is not sustainable to maintain these performance standards moving forward. | | |
| TL161 | KP022 | Wastewater quality measured ito the Department of Water and Sanitation's License Conditions for physical and micro parameters | Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly | 70% | 70% | 70% | 54.66% | O | December 2025, 51%; November 2025, 59%; and October 2025, 54%<br>Average 164 / 3 = 54.66%<br>Performance is measured against the Special Limits, which the municipality is engaging the Department of Water and Sanitation (DWS) to change.<br>Actual performance (against the General Limits) is expected | The municipality is in the process of applying to the Department of Water Services (DWS) for the correction of the municipality's licence limits. The evaluation report for this appointment was submitted to the Department: Supply Chain Management (SCM) in the first week of January 2026.<br>The upgrade of the | |

| SFA 2 - Green and Sustainable Valley | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 01 October – 31 December 2025 | | | | | |
| Ref | KPI Not Yet Measured 4<br>IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | Target | Actual | R | Performance Comment | Corrective Measures | |
| | | | | | | | | | to be equal to 76% in October 2025. November 2025, 81%, and December, 82%.<br>Quality deterioration due to the vacancies and the need for more skilled staff in the Wastewater Treatment Works (WWTWs) section, as well as the impact of the resignation of the Manager: WWTW. | Wemmershoek Wastewater Treatment Works (WWTWs) is currently under construction, and it will further improve the quality of the effluent. The anticipated completion date is 31 March 2026.<br>The Raithby WWTWs upgrade is currently under design by the consultant, and the advertisement of the construction tender is anticipated by 31 March 2026. The upgrade is scheduled to commence in September 2026.<br>The Klapmuts WWTWs upgrade (Phase 1) is currently at the appointment stage of the contractor. The upgrade is scheduled to commence by 31 March 2026. | |
| TL162 | KPI016 | Reduce organic waste | Percentage of organic waste reduced by 30 June | 20% | 20% | 0% | 0% | N/A | | | |
| TL193 | TL009 | Construction of a new intake substation in Dwarsriver Valley | Number of new intake substations constructed in Dwarsriver Valley by 30 June | 1 | 1 | 0 | 0 | N/A | | | |

| | | |
|---|---|---|
| | KPI Not Met | 0 |
| | KPI Almost Met | 1 |
| | KPI Met | 0 |
| | KPI Well Met | 1 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **6** |

**Summary of Results: SFA 2 - Green and Sustainable Valley**

## 13.3 SFA 3 - Safe Valley

| SFA 3 - Safe Valley | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures | |
| TL163 | KPI024 | Submission of the revised Disaster Management Plan to the Municipal Manager | Number of revised Disaster Management Plans submitted to the Municipal Manager by 31 March | 1 | 1 | 0 | 0 | N/A | | | |
| TL164 | KPI025 | Submission of the revised Safety and Security Strategy to the Municipal Manager | Number of revised Safety and Security Strategies submitted to the Municipal Manager by 30 April | 1 | 1 | 0 | 0 | N/A | | | |
| TL165 | KPI026 | Submission of the revised Traffic Management Plan to the Municipal Manager | Number of revised Traffic Management Plans submitted to the Municipal Manager by 31 March | 1 | 1 | 0 | 0 | N/A | | | |

### Summary of Results: SFA 3 - Safe Valley

| | | |
|---|---|---|
| | KPI Not Yet Measured | 3 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 0 |
| | KPI Met | 0 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **3** |

## 13.4 SFA 4 - Dignified Living

| SFA 4 - Dignified Living | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| TL166 | KPI028 | Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements | Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June | 30 | 30 | 0 | 0 | N/A | | |
| TL167 | KPI032 | Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b) | Percentage of registered indigent formal households with access to free basic water, measured quarterly | 100% | 100% | 100% | 100% | G | 6 580 / 6 580 x 100 = 100% | |
| TL168 | KPI029 | Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100} | Percentage of average electricity losses, measured by 30 June | <9% | <9% | 0% | 0% | N/A | | |
| TL169 | KPI030 | Water quality measured quarterly ito the SANS 241 physical and micro parameters | Percentage of water quality level as per the analysis certificate, measured quarterly | 90% | 90% | 90% | 97.70% | G2 | Total Samples: 3 438<br><br>Failures: 81 (3 438 – 81) / 3 438 = 97.70% | |
| TL170 | KPI031 | Limit unaccounted water to less than 25% | Percentage of average unaccounted water, measured by 30 June | <25% | <25% | 0% | 0% | N/A | | |
| TL171 | KPI033 | Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b) | Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly | 100% | 100% | 100% | 100% | G | 6 580 / 6 580 x 100 = 100% | |
| TL172 | KPI034 | Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - | Percentage of registered indigent formal households with access to free basic refuse | 100% | 100% | 100% | 100% | G | 6 580 / 6 580 x 100 = 100% | |

| SFA 4 - Dignified Living | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| | | MSA, Reg. S10(a), (b) | removal, measured quarterly | | | | | | | |
| TL173 | KPI035 | Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b) | Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly | 100% | 100% | 100% | 100% | G | 6 580 / 6 580 x 100 = 100% | |
| TL174 | KPI036 | Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to water, measured quarterly | 27 000 | 27 000 | 27 000 | 28 610 | G2 | | |
| TL175 | KPI037 | Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to electricity, measured quarterly | 27 000 | 27 000 | 27 000 | 28 610 | G2 | | |
| TL176 | KPI038 | Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to refuse removal, measured quarterly | 27 000 | 27 000 | 27 000 | 28 610 | G2 | | |
| TL177 | KPI039 | Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households with access to sanitation, measured quarterly | 27 000 | 27 000 | 27 000 | 28 610 | G2 | | |

**Summary of Results: SFA 4 - Dignified Living**

| | | |
|---|---|---|
| | KPI Not Yet Measured | 3 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 0 |
| | KPI Met | 4 |
| | KPI Well Met | 5 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **12** |

## 13.5 SFA 5 - Good Governance and Compliance

| SFA 5 - Good Governance and Compliance | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| TL147 | KPI059 | Submission of the revised Communication Policy to the MayCo | Number of revised Communication Policies submitted to the MayCo by 31 May | 1 | 1 | 0 | 0 | N/A | | |
| TL148 | KPI044 | Employment equity appointments made within the financial year in the three highest levels of management | Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June | 50% | 50% | 0% | 0% | N/A | | |
| TL149 | KPI049 | Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC | Number of AGSA Audit Action Plans submitted to the APAC by 31 March | 1 | 1 | 0 | 0 | N/A | | |
| TL150 | KPI053 | Submission of the draft Integrated Development Plan (IDP) to the Council | Number of draft IDPs submitted to the Council by 31 March | 1 | 1 | 0 | 0 | N/A | | |
| TL156 | KPI055 | Submission of the revised Sewer Master Plan to the Municipal Manager | Number of revised Sewer Master Plans submitted to the Municipal Manager by 30 June | 1 | 1 | 0 | 0 | N/A | | |
| TL157 | KPI060 | Submission of the updated Comprehensive Integrated Transport Plan (CITP) 2023 - 2028 to the Municipal Manager | Number of updated CITPs 2023 - 2028 submitted to the Municipal Manager by 30 June | 1 | 1 | 0 | 0 | N/A | | |
| TL178 | KPI042 | Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii)) | Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation) | 2 | 2 | 0 | 0 | N/A | | |

| SFA 5 - Good Governance and Compliance | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| TL179 | KPI043 | Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | 96% | 96% | 0% | 0% | N/A | | |
| TL180 | KPI040 | Actual expenditure of the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c)) | Percentage of the approved Capital Budget for the municipality actually spent by 30 June | 90% | 90% | 30% | 25.36% | O | R171 850 247 / R677 608 824 x 100 = 25.36% | A detailed performance assessment was conducted with the Mid-Year Adjustment Budget 2025/26, and projects will be shifted to the outer financial years based on cash flow projections, as well as tenders that are not yet in place. |
| TL181 | KPI045 | The percentage of the payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f)) | Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x 100), measured by 30 June | 0.20% | 0.20% | 0% | 0% | N/A | | |
| TL182 | KPI046 | Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i)) | Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June | 15% | 15% | 0% | 0% | N/A | | |
| TL183 | KPI047 | Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii)) | Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June | 27% | 27% | 0% | 0% | N/A | | |
| TL184 | KPI054 | Submission of the IDP / Budget / SDF time schedule (process plan) to the Council | Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August | 1 | 1 | 0 | 0 | N/A | | |
| TL185 | KPI051 | Submission of the revised Information and | Number of revised ICT Backup Disaster Recovery Plans submitted | 1 | 1 | 0 | 0 | N/A | | |

| SFA 5 - Good Governance and Compliance | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Original Annual Target | Revised Annual Target | 01 October – 31 December 2025 | | | | |
| | | | | | | Target | Actual | R | Performance Comment | Corrective Measures |
| | | Communication Technology (ICT) Backup Disaster Recovery Plan to the ICT Steering Committee | to the ICT Steering Committee by 31 March | | | | | | | |
| TL186 | KPI052 | Submission of the revised Strategic ICT Plan to the ICT Steering Committee | Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March | 1 | 1 | 0 | 0 | N/A | | |
| TL187 | KPI048 | Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and Performance Audit Committee (APAC) | Number of revised RBAPs submitted to the APAC by 30 June | 1 | 1 | 0 | 0 | N/A | | |
| TL188 | KPI050 | Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee | Number of revised SRRs submitted to the Risk Management Committee by 30 June | 1 | 1 | 0 | 0 | N/A | | |
| TL189 | KPI056 | Submission of the revised Electrical Master Plan to the Council | Number of revised Electrical Master Plans submitted to the Council by 30 June | 1 | 1 | 0 | 0 | N/A | | |

**Summary of Results: SFA 5 - Good Governance and Compliance**

| | | |
|---|---|---|
| | KPI Not Yet Measured | 17 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 1 |
| | KPI Met | 0 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| **Total KPIs** | | **18** |

## 14. STRATEGIC PERFORMANCE CONCLUSION

(a) Out of the 44 Key Performance Indicators (KPIs) listed on the Top layer SDBIP 2025/26, 29 were not measured during quarter 2 (01 October – 31 December 2025. 02 of the measured KPIs were not achieved, 04 were met, and 08 were well met.

| | | |
|---|---|---|
| | KPI Not Yet Measured | 29 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 2 |
| | KPI Met | 4 |
| | KPI Well Met | 8 |
| | KPI extremely well met | 1 |
| **Total KPIs** | | **44** |

**Summary of Results: Strategic Focus Areas 1 - 5**

| 7.3 | CORPORATE SERVICES: (PC: CLLR L NKAMISA) |
|---|---|

| 7.3.3 | REVIEW OF POLICY ON THE MANAGEMENT OF STELLENBOSCH MUNICIPALITY'S IMMOVABLE PROPERTY |
|---|---|

**Collaborator No:**
**IDP KPA Ref No:** **Good Governance**
**Meeting Date:** **22 January 2026**

## 1. SUBJECT: REVIEW OF POLICY ON THE MANAGEMENT OF STELLENBOSCH MUNICIPALITY'S IMMOVABLE PROPERTY

## 2. PURPOSE

To inform Council of the comments received from National Treasury in respect of the Municipality's Policy on the Management of Stellenbosch Municipality's Immovable Property and advise on the way forward.

## 3. DELEGATED AUTHORITY

Council.

## 4. EXECUTIVE SUMMARY

On 26 February 2025 Council gave an in-principle approval for a 30-year lease agreement for one of the properties owned by the Stellenbosch Municipality. The approval was subject to a public participation process as well as obtaining inputs and comments from National and Provincial Treasury.

National Treasury filed their inputs and mentions in the comments that the Policy on the Management of Stellenbosch Municipality's Immovable Property is not in line with the Municipal Finances Management Act and the Municipal Asset Transfer Regulations. National Treasury suggests that the Municipality review its policy and bring same in line with legislation.

## 5. RECOMMENDATIONS

(a) that Council takes note of the inputs received from National Treasury in respect of the Policy on the Management of Stellenbosch Municipality's Immovable Property;

(b) that Council agrees that the Policy on the Management of Stellenbosch Municipality's Immovable Property be reviewed as a matter of urgency; and

(c) that Council approves the task team to attend to the review of the Policy on the Management of Stellenbosch Municipality's Immovable Property to include:

i) The Manager Property Management and Municipal Builing Maintenance – Ehrel Maletzky;

ii) The Head Contract Management – Yolande Van den Berg;

iii) Chief Legal Advisor – Mervin Williams; and

iv) Chief Financial Officer – Kevin Carolus and or his secundi.

(d) that Council rescind the Policy on the Management of Stellenbosch Municipality's Immovable Property and that all disposal of capital assets and lease applications be dealt with strictly in accordance with the Municipal Management Finances Act, Municipal Asset Transfer Regulations, Supply Chain Management Policy and the Supply Chain Management Regulations issued thereunder; and

(e) that a report with all leases granted in terms of 9.2.2 of the Policy be brought to Council with the legal implications and a way forward.

## 6. DISCUSSION / CONTENT

### 6.1 Background

On 26 February 2025 and item was before Council to consider an application from an existing tenant to extend their current lease agreement to a period of 30 years. Council gave an in-principle approval for the 30-year lease agreement subject to a public participation process as well as soliciting comments from National and Provincial Treasury. National Treasury filed their comments and inputs, a copy of which is attached hereto as **APPENDIX 1**.

### 6.2 Discussion

#### 6.2.1 Comments from National Treasury

National Treasury notes that the Municipality has an approved Policy titled "Management of Council owned Property" wherein both the Municipal Council and the Executive Mayor have been given certain powers to decide on deviations from public competition. They advise that the Municipality review this policy considering regulation 40 of the Municipal Supply Chain Management Regulations, read together with Sections 115 and 117 of the Municipal Finances Management Act.

#### 6.2.2 Policy on the Management of Stellenbosch Municipality's Immovable Property

The closing comment from National Treasury is that the Municipality should review its policy on the Management of its Immovable Property.

The policy was first tabled before the Executive Mayoral Committee as far back as 2013, whereafter the policy was workshopped and the draft policy was approved by Council on 23 April 2014 as a Draft Policy, subject to Public Participation. A public participation process was followed and after considering the inputs received a second draft was placed before Council for consideration on 20 August 2014. Council referred the matter back to the Administration.

On 23 September 2014 the policy was re-submitted to Council and Council resolved that an Ad Hoc Committee be established which committee, under the guidance of experts will investigate the policy before bringing same back to Council. This was done and on 15 June 2016 a third draft of the policy was before Council. During this period the law firm Webber Wentzel was approached and asked for input, which they gave. The updated draft Policy was approved subject to a further round of public participation. Webber Wentzel again filed inputs on the Policy. The third draft of the Policy was

approved by Council with immediate effect on 13 March 2018 and has been in operation and implemented since then.

A copy of the Policy on the Management of the Stellenbosch Municipality's Immovable Property is attached hereto as **APPENDIX 2.**

National Treasury has suggested in their comments that the Municipality review and update this Policy, which process is underway.

**6.2.5 Legal requirements**

**6.2.5.1 Asset Transfer Regulations**

**6.2.5.1.1 Granting of rights to use, control or manage a capital asset**

In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset only after:

1) a) The accounting officer has, in terms of Regulation 35, concluded a public participation process regarding the proposed granting of the right; and

b) The municipal Council has approved in principle that the right may be granted.

2) Sub-regulation (1)(a) must be complied with only if:

a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and

b) a long-term right is proposed.

3) a) Only a Municipal Council may authorise the public participation process referred to in sub-regulation (a);

b) a request to the Municipal Council for the authorisation of a public participation process must be accompanied by an Information Statement*, stating:

i) the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;

ii) any expected benefit to the municipality that may result from the granting of the right;

iii) any expected proceeds to be received by the municipality from the granting of the right; and

iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right.

**6.2.5.1.2 Consideration of proposals**

In terms of Regulation 36, the Municipal Council must, when considering the approval of any such right, take into account:

a) whether such asset may be required for the municipality's own use during the period for which such right is to be granted;
b) the extent to which any compensation to be received will result in a significant economic or financial benefit to the municipality;
c) the risks and rewards associated with such right to use; and
d) the interest of the local community.

**6.2.5.1.3 Conditional approval of rights**

In terms of Regulation 40, an approval in principle in terms of Regulation 34(1) (b) that a right to use, control or manage a capital asset may be granted, may be given subject to any conditions, including conditions specifying: -

a) The type of right that may be granted, the period for which it is to be granted and the way in which it is to be granted;

b) The minimum compensation to be paid for the right, and

c) A framework within which direct negotiations *for the granting of the right must be conducted.

**6.2.5.1.4 Granting of rights to be in accordance with disposal management system**

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality may grant the right only in accordance with the disposal management system* of the municipality, irrespective of:-

a) the value of the asset; or

b) the period for which the right is granted; or

c) whether the right is to be granted to a private sector party or organ of state.

**6.2.5.2 Policy on the Management of Council owned property**

**6.2.5.2.1 Competitive process**

In terms of paragraph 7.2.1, unless otherwise provided for in the policy, the disposal of viable immovable property shall be affected by means of a process of public competition.

In terms of paragraph 9.1.1 of the Policy, the type of a formal tender may vary, depending on the nature of the transaction:

i) Outright tender may be appropriate where the Immovable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.

ii) Qualified tenders/call for proposals will be appropriate where the Immovable property ownership position is complex or the development proposals for the Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.

iii) Call for proposals on a build-operate transfer (B.O.T) basis will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term.

**6.2.5.2.2 Deviation from competitive process**

In terms of paragraph 9.2.2 of the Policy, the Municipal Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct negotiations, but only in specific circumstances, and only after having advertised Council's intention so to act. Should any objections be received as a consequence of such a notice, such objections first be considered before a final decision is taken to dispense with the competitive process established in this policy. 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):

a) Due to specific circumstances peculiar to the property under consideration, it can only be utilized by the one person/organisation wishing to enter into the Property Transaction.

(b) In exceptional cases where the Municipal Council is of the opinion the public competition would not serve a useful purpose or that it is in the interest of the community and the Municipality. In such cases reasons for preferring such out-of hand sale or lease to those by public competition must be recorded".

(c) lease contracts with existing tenants of immovable properties, not exceeding ten (10) years, may be renegotiated where the Executive Mayor is of the opinion that public competition would not serve a useful purpose or that renewal is aligned with the Municipality's strategic objectives and in the interest of the Community, subject to such renewal being advertised calling for public comment. The existing tenant shall give notice of the intention to renegotiate the lease at least six months before the date of termination;

The reasons for any such deviation from the competitive disposal process must be recorded.

*This section of the Policy is the section that National Treasury is suggesting being reviewed and brought in line with the Municipal Finances Management Act.

### 6.3 Financial Implications

None at this stage. If necessary, the Municipality will have to appoint attorneys to review the updated policy and pay their fees.

### 6.4 Legal Implications

The legal implications are discussed throughout the item.

### 6.5 Staff Implications

A task team of four members (Manager: Property Management and Municipal Building Maintenance, Head Contract Management, the Chief Legal Adviser and the Chief Financial Officer or his secundi) will be tasked with updating and reviewing the current policy.

### 6.6 Previous / Relevant Council Resolutions

**17TH COUNCIL MEETING: 2014-01-16: ITEM 7.4**

**RESOLVED**

that the Policy be referred back to the Administration, inter alia, to consider the lease of agricultural land as a separate chapter as very particular criteria should be taken into account.

**19TH COUNCIL MEETING: 2014-04-23: ITEM 7.3**

**RESOLVED**

(a) That the proposed Policy on Management of Stellenbosch Municipality's immovable property, as per APPENDIX 1, be approved by Council as a Draft Policy, subject to a public participation process;

(b) That chapter 5 of the Supply Chain Management Policy be repealed insofar as it relates to immovable property;

(c) That the attached policy be regarded as Stellenbosch Municipality's Disposal Management Policy, as required by Section 40 of the Supply Chain Management Regulations; and

(d) That the administration, concurrently with the above process, be tasked to draft an Agricultural Land Reform Policy, following a workshop involving all relevant stakeholders for subsequent consideration by Council.

**22ND COUNCIL MEETING: 2014-08-20: ITEM 7.7**

**RESOLVED**

That this matter be referred back to the Administration and that same be resubmitted at a next meeting for consideration.

**23RD COUNCIL MEETING: 2014-09-23: ITEM 7.1**

**RESOLVED**

(a) That an Ad Hoc Committee of Council be established;

(b) That the latter shall comprise of a member of each political party;

(c) That the Executive Mayor appoint the Chairperson;

(d) That the investigation shall include a Policy for Immovable Property as well as a Policy for agricultural land;

(e) That external experts be invited to advise to Committee; and

(f) That an investigation and recommendations be submitted to Council at the meeting to be held on 26 November 2014.

**42ND COUNCIL MEETING: 2016-06-15: ITEM 7.7**

**RESOLVED**

(a) That Council approves the attached updated Draft Policy on the Management of Stellenbosch Municipality's Immovable Property as a draft policy; and

(b) That the Draft Policy be advertised for a further round of public participation.

**16TH COUNCIL MEETING: 2018-03-28: ITEM 7.5.1**

**RESOLVED**

That the Draft Policy on the Management of Stellenbosch Municipality's Immovable Property, attached hereto as APPENDIX 3, as amended, be approved with immediate effect.

### 6.7 Risk Implications

The risks of not reviewing and updating the policy is that the Municipality will be managing the Immovable Properties not in accordance with the Municipal Finances Management Act or the Municipal Asset Transfer Regulations.

### 6.8 Comments from Senior Management

#### 6.8.1 Municipal Manager

Following the comments received from National Treasury the municipality notes certain provisions of the currently approved municipal policy are not fully aligned with the requirements of the Municipal Finance Management Act, the Municipal Asset Transfer Regulations, Supply Chain Management Policy, Supply Chain Management Regulations and recognised best practices.

Upon becoming aware of these discrepancies, the Municipality has consistently applied the relevant legislative prescripts, specifically the Asset Transfer Regulations, in practice to ensure that all asset-related decisions and transactions remain compliant

with applicable laws and regulatory requirements, notwithstanding the policy misalignment.

Management has initiated a comprehensive review of the Immovable Asset Management Policy with the intention of amending it to fully align with the MFMA, the Asset Transfer Regulations and best practices. The revised policy will also provide clearer articulation of roles and responsibilities, including appropriate segregation of duties, to strengthen governance, accountability and internal control processes.

The Municipality will continue to apply the provisions of the Asset Transfer Regulations pending the finalisation and formal approval of the revised policy. It is anticipated that the policy review and amendment process will be concluded by the end of March 2026, whereafter the updated policy be submitted to Council for approval.

It is also recommended that the current Immovable Asset Management Policy be rescinded and the provisions of the MFMA and its regulations be applied for the disposal of immovable assets.

**ANNEXURES:**

**Annexure 1: Letter from National Treasury**

**Annexure 2: Policy on Management of Stellenbosch Municipality's Immovable Properties**

**FOR FURTHER DETAILS CONTACT:**

| | |
|---|---|
| ***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*** | ***2026/01/19*** |

# APPENDIX 1

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111, Fax: +27 12 406 9055 • www.treasury.gov.za

**Email:** mfma@treasury.gov.za

The City Manager
Stellenbosch Municipality
PO Box 17
**STELLENBOSCH**
7600

**For Attention: Ms Geraldine Mettler** **Fax: (021) 808 8111**

Dear Madam

**RE: PROPOSED AWARDING OF LONG-TERM RIGHTS: LEASE FARM 502L, STELLENBOSCH: STELLENBOSCH FLYING CLUB**

The letter received on 19 May 2025 requesting the National Treasury's comments on the municipality's intention to lease a municipal capital asset has reference.

We have noted the contents of the documents. The municipality intends to lease Farm 502L, to the Stellenbosch Flying Club. We have noted that there is currently a lease which was concluded in 2021 and the municipality was approached by the same lessee to enter into a lease for a longer period. According to the information provided, the public notice included a call for alternative proposals. It is not clear whether any such proposals were received and how these were addressed. We draw your attention to section 14(5) of the MFMA read with regulation 40 of the Municipal SCM Regulations.

Section 14 of the MFMA read with the Municipal Asset Transfer Regulations (MATR) sets the legal framework for the disposal and the granting of rights to use, control or manage municipal capital assets. In this instance, Chapter 4 of the MATR is applicable as the municipality intends to grant the right to use, control or manage a municipal capital asset.

The council item refers to an information statement, however, this was not provided. Kindly ensure that a copy of the information statement is submitted for our records. According to the information provided, a 2017 valuation indicated that the property was valued at R20.3 million. The current lease agreement sets the rental amount at R30 080 (inclusive of VAT), with an annual escalation of 6% effective from March 2022. The municipality has indicated that two valuers will assess a new market

rental for the proposed lease extension. Kindly ensure that a copy is provided for our records and that same is retained for audit purposes. It is important that council ensures that it receives maximum compensation in exchange for its assets.

We draw your attention to regulation 35 of the MATR which sets out the process which must be followed if the proposed granting of a long term right to use, control or manage a capital asset with a value in excess of R10 million.

Regulation 36 of the MATR sets out matters to be considered for any proposal of granting of the right to use, control or manage a capital asset. One of the matters to be considered is whether the capital asset may be required for the municipality's own use during the period for which the right is to be granted. The municipality has not addressed this in its correspondence. We trust that this matter will be addressed accordingly in line with section 14(2)(a) of the MFMA.

Regulation 45 of the MATR sets out the minimum requirements for the ensuing lease agreement, including the requirement for the private sector party to whom the right has been granted to maintain and safeguard the asset for its intended purpose. The municipality received several objections during the public participation process in relation to excessive aircraft noise affecting nearby residents.

However, the council item merely noted these objections without clear consideration or a proposed response to address the concerns raised. Regulation 36 requires the municipal council to take into account, any comments or representations on the proposed granting of the rights received from the local community. In terms of Sections 152 of the Constitution, municipalities are obliged to promote a safe and healthy environment. A 30-year lease implies long-term, possibly, exclusive use of the property, and if this contributes to harmful noise levels, it may undermine the municipality's constitutional duties. We urge the municipality to consider and implement possible measures to mitigate the noise impact.

The municipality has provided a copy of the current lease agreement. We have noted that the lease agreement does not address all the minimum terms and conditions outlined in regulation 45 of the MATR. Any new lease agreement must fully address the minimum terms and conditions as noted above. It is important for the municipality to ensure full compliance with all applicable legislation including regulation 40 of the Municipal SCM Regulations.

We have noted that the municipality has a council approved policy titled “management of council owned property” wherein both the municipal council and the Executive Mayor have been given certain powers to decide on deviations from public competition. The municipality is advised to review

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this policy taking into account regulation 40 of the Municipal SCM Regulations, read together with sections 115 and 117 of the MFMA.

We trust that you will be guided accordingly.

Yours sincerely

**Wayne McComans**
**Chief Director: MFMA Implementation**
**Date:** 27 June 2025

Cc: Chief Financial Officer
Cc: Executive Director: Coporate Services
Cc: MFMA Coordinator: Western Cape Provincial Treasury

# APPENDIX 2

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

**POLICY ON**

# THE MANAGEMENT OF STELLENBOSCH MUNICIPALITY'S IMMOVABLE PROPERTY

**Directorate: Integrated Human Settlements**

**Department: Property Management**

**Approved by Council: 28-03-2018**

## PREAMBLE

Stellenbosch Municipality is the owner of a large number of immovable properties. In the exercise of its powers, duties and functions the Municipality has the right to acquire, hold, enhance, lease and alienate Immovable property. The inequitable spread of ownership of Immovable property throughout the municipal area and the historical causes thereof are recognized, and the Municipality acknowledges that it has a leading role to play in redressing these imbalances by ensuring that the Immovable property assets under its control are dealt with in a manner that ensures the greatest possible benefit to the Municipality and the community that it serves.

**WHEREAS** Stellenbosch Municipality is the custodian of the Immovable property of the Municipality and is responsible for the proper management and administration thereof;

**WHEREAS** Stellenbosch Municipality is required and committed to manage its Immovable property in a fair, transparent and equitable manner; and

**WHEREAS** Stellenbosch Municipality realise that Immovable property held by it, should be dealt with in a manner which will ensure the greatest benefit to the Municipality and the public in a sustainable manner;

**AND IN ORDER TO-**

- make available economic opportunities in the municipality;
- promote an efficient administration and good governance; and
- create a culture of accountability, openness and transparency in its administration or in the exercise of its powers or the performance of its functions, by giving effect to the right to just administrative action,

**NOW THEREFORE** this policy provides, as follows:

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# CHAPTER 1: INTERPRETATION, SCOPE, PURPOSE AND OBJECTIVES OF POLICY

## 1. DEFINITIONS

1.1 In this policy, unless inconsistent with the context, the following expressions bear the meanings assigned to them below:

"**adequate notice**" means a notice period of not less than 30 days within which representations, comments or objections may be made.

"**advertise**" means the giving of adequate notice of the nature and purpose including the material substance of the proposed administrative actions, by publishing a notice in one or more of the local newspapers, and where deemed necessary by the Municipal Manager, any additional form of notice, which may include-

(a) serving of a notice; or

(b) displaying on a notice board; or

(c) holding a public meeting.

"**agricultural allotments**" means portions of agricultural land, demarcated and set aside for "*bona fide*" emerging farmers.

"**alienate**" means to dispose with ownership of Immovable property in favour of another person with the intention of transferring the ownership of the Immovable property to the acquirer thereof.

**"BBBEE Act"** means the Broad-Based Black Economic Empowerment Act, 53 of 2003.

**"BEE"** means the economic empowerment envisaged by the BEE Act of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to-

(a) increasing the number of black people that manage, own and control enterprises and productive assets;

(b) facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises;

(c) human resources and skill development;

(d) achieving equitable representation in all occupational categories and levels in the workforce;

(e) preferential procurement; and

(f) investments in enterprises that are owned or managed by black people.

"**basic municipal service**" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"**bid**" means a written offer submitted in a prescribed or stipulated form, in response to an invitation by the Municipality for a procurement or disposal, as part of the competitive bidding process of the Municipality;

"**Black people**" means Africans, Coloured and Indians, as referred to in the B-BBEE Act, No. 53 of 2005.

**''Buffer 1''** means endangered areas of biodiversity overlapping with extensive agriculture.

"**calendar month**" means a period extending from a specific day in one calendar month to the preceding day in the following month;

"**chief financial officer**" means a person designated in terms of Section 80(2)(a) of the MFMA.

"**close"** in relation to a public street or public place, means to close for all public purposes or for vehicular or pedestrian traffic only.

**''Core 1"'** means proclaimed national parks, provincial and municipal nature reserves, mountain catchment areas, unprotected but critically endangered areas of biodiversity;

**''Core 2''** means river and ecological corridors outside areas earmarked for urban development

"**corrupt practice**" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution;

"**commercial service**" means a commercial service as defined in section 1 of the MATR;

"**competitive bidding process**" means a process whereby prospective bidders are invited through public media to submit bids and such bids are administered in a fair, transparent, competitive and cost effective manner;

"**constitution**" means the Constitution of the Republic of South Africa, 1996

"**Council**" means the Municipal Council of the Municipality of Stellenbosch and includes any Political Structure, Political Office Bearer, Councillor or Official, acting under delegated authority.

"**disposal**", means the sale, exchange or donation, of Immovable property, the conclusion of any form of land availability agreement in respect of immovable property with any person and the registration of any real or personal right in respect of Municipal land, including s servitudes;

**''EIA''** means an Environmental Impact Assessment in terms of the NEMA Regulations promulgated from time to time.

"**emergency**" means an emergency dispensation in which one or more of the following conditions are present –

the possibility of human injury or death;

the prevalence of human suffering or deprivation of rights;

the possibility of damage to property, or suffering and death of livestock and animals;

the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole;

the possibility of serious damage occurring to the natural environment;

the possibility that failure to take necessary action may result in the municipality not being able to render an essential service; and

the possibility that the security of the state could be compromised.

"**exchange"** means the simultaneous acquisition and disposal of Immovable property or any right in respect of Immovable property in terms of an agreement between the Municipality and any other party or parties where the compensation payable by the parties to each other, are offset and only the difference, if any, is payable to the appropriate party.

"**fair market value**" means the value at which a knowledgeable willing buyer would buy and a knowledgeable willing seller would sell the capital asset in an arm's length transaction.

"**fraudulent practice**" means a misrepresentation of fact in order to influence a selection process and includes:

collusive practices among bidders (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive the municipality of the benefits of free and open competition.

"**high value**" means that the fair market value of the Immovable property exceeds R50 million or 1% of the total value of the capital assets of the Municipality as determined from the latest available audited annual financial statements of the Municipality, or such lower amount as may from time to time be determined by resolution of the Municipal Council;

"**housing stock**" means housing units that are leased to members of the public and or members of staff as well as subsidised housing units that are earmarked for disposal to qualifying beneficiaries.

"**IDP**" means the approved Integrated Development Plan of Stellenbosch Municipality, as provided for in Chapter 5 of the Systems Act, as amended from time to time.

"**Immovable property**" includes, but is not limited to –

(a) any land registered under separate title and includes the ownership therein, whether in full or reduced form, and any improvements in, on, over or under such land or unregistered land where the ownership can be determined/property or buildings or any share therein registered in the name of a person or entity, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person or entity;

(b) a right to an exclusive use area held in terms of a notarial deed of cession;

(c) a real right registered against Immovable property in the name of a person or entity, excluding a mortgage bond registered against the Immovable property;

(d) any share in a share block company as defined in section 1 of the Share Blocks Control Act, 59 of 1980;

(e) a *"public place"* or *"public street"* as defined in this policy ;

(f) Immovable property as defined in section 107 of the Deeds Registries Act, 47 of 1937; and including property consisting of land, buildings, crops, or other resources still attached to or within the land or improvements or fixtures permanently attached to the land or a structure on it.

"**Income tax act**" means Act 58/1962

"**land**" means-

(a) any land registered under separate title and includes the ownership therein, whether in full or reduced form, and any improvements in, on, over or under such land; or

(b) unregistered land where the ownership can be determined.

"**Land Availability Agreement**" means an agreement that has been concluded between the municipality and a developer, in terms whereof the developer is allowed to develop the municipal land on behalf of the municipality, whilst the ownership of the land remains with the municipality.

"**lease**" means the letting of Municipal land/Immovable property/buildings in terms of which the use and enjoyment of the land/property/building is granted for a specified period exceeding 1 month without ceding legal ownership in the asset or any form of land availability agreement in respect of Immovable property and letting has a corresponding meaning.

"**lease agreement**" means a written agreement entered into between the Municipality and the lessee specifying rights and duties pertaining to the exclusive use of Immovable property for a continuous period of time longer than thirty (30) calendar days, and which sets forth the terms and conditions of the use, management and control of the Immovable property.

"**MATR**" means the Municipal Asset Transfer Regulations promulgated in terms of the MFMA and published in *Government Gazette* No. 31346 of 22 August 2008;

**"MFMA"** means the Local Government: Municipal Finance Management Act, 56 of 2003, including any Regulations promulgated in terms thereof from time to time**;**

"**municipality**" means the Stellenbosch Municipality established in terms of Section 4 of the Establishment Notice (PN 489 of 22 September 2000), as amended;

"**municipal area**" means the area under the jurisdiction and control of Stellenbosch Municipality.

"**municipal function**" means any of those functions set out in Schedule 4 B and 5 B of the Constitution.

"**municipal land audit (MLA)**" means the audit of municipal owned properties which was conducted during 2003 and as updated from time to time

"**municipal manager**" means a person appointed in terms of Section 82 of the Municipal Structures Act, No 117 of 1998 as the head of the Municipality's administration and accounting officer of the Municipality or his/her delegate.

"**municipality's property**" or "**property**" means all the Immovable property owned and

managed by the Municipality in terms of this Policy;

"**Municipal Systems Act**" means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

**"NEMA"** means the National Environmental Management Act no 107 of 1998

"**non-viable Immovable property**" means Immovable property that, owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner's Immovable property;

"**official**" means an employee of the Municipality or a person seconded to the Municipality or contracted by the Municipality to work as a member of staff..

"**owner**" in relation to Immovable property, means the person in whose name that Immovable property is registered in a deeds registry, which may include the holder of a registered servitude right or lease and any successor in title of such a person, and includes any person authorized to act as such by the registered owner, any person who in law has been entrusted with the control of such assets or a person to whom Immovable property has been made available in terms of a land availability agreement.

"**plight of the poor**" means the needs of the people that are vulnerable and unable to meet their socio-economic needs independently or to support themselves and their dependents and are in need of social assistance.

"**public interest**" means disposal or letting to:-

a) promote the achievement of equality by taking measures to protect or advance persons or categories of persons, disadvantaged by unfair discrimination;

b) afford black people who are South African citizens a preference in respect of the disposal and letting of Immovable property as envisaged in Section 9(2) of the Constitution;

c) promote BBBEE through disposal and letting;

d) ensure and promote first time home ownership and enterprise development of black people that qualify in terms of the Municipality's GAP housing policy have access to adequate housing on a progressive basis;

e) advance agricultural projects for land reform purposes;

f) promote welfare and charitable purposes including non-profit rehabilitation facilities; shelters for the indigent and destitute, youth development and drug counseling; or

g) foster equitable access to public amenities, social and/or sports clubs and similar organizations by providing discounted prices or rates in the event that the beneficiaries or the membership component of such institution or body consist of at least 50% black people and/or the membership or subscription fee of black people is less than 50% of the normal membership or subscription fee.

"**property laws**" means the relevant provisions of the MFMA and the MATR collectively;

"**property right**" means a right to use, control or manage an Immovable

property for a period exceeding a calendar month, as granted by the Municipality without ceding legal ownership in the Property. For the sake of clarity , a servitude, way leave or encroachment in, on, over or under Immovable property granted by the Municipality, or a lease agreement entered into by the Municipality as lessor, constitutes a Property Right and it expressly excludes any reference to land use rights in terms of the Municipality's Integrated Zoning Scheme/Bylaw;

"**private treaty**" means where the proposed disposal involves a disposal without public competition as defined in the MFMA to a non-government entity.

"**property transaction**" means either a Disposal of Immovable property or the granting of a Property Right in Immovable property;

"**public place**" means any Immovable property indicated on an approved plan, diagram or map as an open space of which ownership as such vests in the Municipality.

"**public street**" means-

(a) any street which has at any time been-

(i) used without interruption by the public for a period of at least thirty years;

(ii) declared or rendered such by a Municipality or other competent authority; or

(iii) constructed by the Municipality; and

(iv) constructed by someone other than the Municipality and which vests in the Municipality.

(b) any Immovable property, with or without buildings or structures thereon, which is shown as a street on-

(i) any plan of subdivision or diagram approved by the Municipality or other competent authority and acted upon, or

(ii) any plan or diagram as defined in Section 15 of the Land Survey Act, 1997 (Act 8 of 1997), registered or filed in the office of the Registrar of Deeds or the Surveyor-General's office.

unless such Immovable property is on such plan or diagram described as a private street.

"**real rights**" means the rights to traverse privately owned property with servitudes which are notarially registered in the Deeds Office or contained in Title Deed Conditions

"**SCM policy**" means the Supply Chain Management Policy of the Municipality, as approved and amended from time to time and implemented in terms of section 111 of the MFMA, read with the SCM Regulations;

"**SCM regulations**" means the Municipal Supply Chain Management Regulations promulgated in terms of the MFMA and published under GN 868 in *Government Gazette* No. 27636 of 30 May 2005;

"**significant Property Right**" means a Property Right with a value in excess of R10 million which is granted for a period exceeding 3 years;

"**spatial development framework**" means a spatial development framework referred to in Chapter 4 of Act No. 16 of 2013 Spatial Planning and Land Use Management Act, 2013 and the framework contemplated in Section 26(1)(e) of the Municipal Systems Act.

"**Systems act**" means the Local Government: Municipal Systems Act, 32 of 2000, including any Regulations promulgated in terms thereof from time to time;

"**unsolicited bid**" is a bid/proposal received from a developer to acquire Immovable property, or rights in immovable property, that is owned by the Municipality, outside the normal bidding process, i.e. without the Municipality having asked for such proposal/bid.

"**viable Immovable property**" means Immovable property that can be developed and function as a separate entity capable of registration by the Registrar of Deeds.

1.2 Words and phrases not defined in this Policy have the meaning assigned to them in the MATR.

## 2. SCOPE AND PURPOSE

2.1 The purpose of this Policy is to provide a framework for the management and disposal of the municipality's Immovable property that are not needed to provide the minimum level of basic municipal services and that are surplus to the municipality's requirements.

2.2 The Municipality's Immovable property shall be disposed of in the manner as provided for in this policy. The Property Management Department is responsible for the administration of this Policy, and shall in this regard, in consultation with the Supply Chain Management Unit of the municipality, be responsible for the administration of the competitive bidding process relating to the disposal and leasing of the Municipality's Immovable property.

2.3 In compliance with the provisions of section 14(1) of the MFMA, the Municipality shall not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of an Immovable property that is needed to provide the minimum level of basic municipal services. The local government matters listed in Schedule 4B and 5B of the Constitution must be used as a basis to determine whether a service is regarded as a municipal service.

# CHAPTER 2: POLICY FRAMEWORK, APPLICATION AND GUIDING PRINCIPLES

## 3. LEGISLATIVE AND POLICY FRAMEWORK FOR THE MANAGEMENT OF THE MUNICIPALITY'S IMMOVABLE PROPERTY

3.1 The legislative framework for the management of the Municipality's Immovable property is contained in a number of legislation, including but not limited to:

3.1.1 the MFMA, in particular section 14, which deals with disposal of capital assets (i.e Immovable property as defined herein);

3.1.2 the MATR, which governs –

a) the transfer and disposal of capital assets by municipalities and municipal entities; and

b) the granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;

3.2 The object of this Policy is to provide a practical framework for the management of the Municipality's Immovable property.

3.3 This Policy must be read together with and in accordance with the Property Laws and all other laws which deal with Immovable property.

## 4. APPLICATION OF THE POLICY

4.1 Section 14 of the MFMA and the MATR apply to capital assets, which are defined in the MATR to include Immovable property, as well as certain movable assets. This Policy only applies to Immovable property.

4.2 This Policy does not apply to:

4.2.1 The municipality's housing stock or land for subsidised housing on municipal Immovable property and the transfer of that municipal Immovable property to beneficiaries of such subsidised housing.

4.2.2 Property owned by the Municipality which is subject to a Public Private Partnership.

4.3 In terms of section 40 of the Municipal Supply Chain Management Regulations, a Municipal Supply Chain Management policy must provide for an effective system of disposal management for the disposal and letting of assets. For that purpose of immovable assets of the municipality, this policy must be seen as the disposal management system of the municipality.

## 5. GUIDING PRINCIPLES

5.1. The following principles and values should underpin Immovable property disposal activities:

(a) The use of the Municipality's Immovable property to promote social integration, to redress existing spatial inequalities, to promote economic growth, to build strong, integrated and dignified communities and to provide access to housing, services, amenities, transport and opportunities for employment.

(b) The promotion of access by black people to the social and economic benefit of Immovable property ownership, management, development and use.

(c) The management of the Municipality's Immovable property as a sustainable resource, where possible, by leveraging environmental, social and economic returns on such Immovable property while the Municipality retains ownership thereof.

# CHAPTER 3: DISPOSAL OF IMMOVABLE PROPERTY AND AWARDING OF RIGHTS IN IMMOVABLE PROPERTY

**6. AUTHORITY TO DISPOSE OF IMMOVABLE PROPERTY**

6.1 The Municipality may in terms of Section 14 of the MFMA, read with the MATR, dispose of Immovable property or Property rights in Immovable property by way of sale, letting or registration of a servitude once it is satisfied that such Immovable property or Property rights is not required to provide the minimum level of basic municipal services and once it has considered the fair market value thereof as well as the economic and community value to be received in exchange for such Immovable property or Property right.

6.2 The Municipality shall not transfer ownership of, or lease out for a period exceeding ten (10) years, any Immovable property, or portion thereof which is classified as a Core 1, Core 2 or Buffer 1 area in terms of the Municipality's Spatial Development Framework- , unless it is satisfied that such transfer or lease will at least maintain or enhance the conservation status and environmental sustainability of such eco system or Area on that property.

**7. DISPOSAL MANAGEMENT PRINCIPLES**

**7.1 Core Principles**

In terms of section 14(5) of the MFMA, a Disposal of Immovable property by the Municipality must be fair, equitable, transparent, competitive and consistent with the Municipality's SCM Policy.

**7.2 General Principles pertaining to the disposal of Immovable property and Property rights in Immovable property**

7.2.1 Unless otherwise provided for in this policy, the disposal of Viable Immovable property shall be effected-

(a) by means of a process of public competition; and

(b) at market value except when the public interest or the plight of the poor demands otherwise.

7.2.2 All transactions for the disposal of Immovable property must be considered in accordance with this policy and other applicable legislation.

7.2.3 Before alienating Immovable property or rights in Immovable property the Municipality shall be satisfied that alienation is the appropriate methodology and that reasonable economic, environmental and social return cannot be derived whilst ownership of the Immovable property or Property rights is retained by the Municipality.

7.2.4 The Municipality reserves the right to entertain unsolicited proposals for the development of viable Immovable property for development purposes, with the proviso that it is in line with the Municipality's strategic objectives and more specifically that it favours the promotion of black ownership, entrepreneurship and community upliftment.

7.2.5 The Municipality may grant occupation of its Immovable property prior to the transfer thereof on condition that:

7.2.5.1 the land use rights have been determined and established;

7.2.5.2 all required authorization and approvals in terms all relevant legislation have been granted;

7.2.5.3 all conditions of the said approvals and authourisations have been met;

7.2.5.4 a suitable sale has been entered into;

7.2.5.5 the purchase price is paid in full or alternatively that an acceptable financial guarantee is provided to secure the purchase price;

7.2.5.6 occupational rent is payable at a rate specified by the Municipality; and

7.2.5.7 the Municipality is indemnified against any and all claims that may arise out of the occupation of the Immovable property by the purchaser. .

7.2.6 Viable Immovable property purchased from the Municipality by a first time homeowner shall not, without the Municipality's prior written consent, and right of first refusal be resold within a period of 5 years of the date of transfer.

**7.3 General principles and guidelines pertaining to the letting by the Municipality of Immovable property**

7.3.1 The Municipality's Immovable property should be managed under the principles of sustainable development. Where possible, such management should synergize environmental, social and economic benefits on such Immovable property while the Municipality retains ownership thereof.

7.3.2 Immovable Properties that have been let shall be inspected at reasonable time periods to ensure compliance with the terms and conditions of the agreement of lease.

7.3.3 No application for a lease agreement shall be processed by the Property Management Department unless;

7.3.3.1 the land use rights have been determined and established by the Municipality through a process prescribed in the relevant By-law;

7.3.3.2 all required authorisations and approvals in terms all relevant legislation have been granted;

7.3.3.3 all conditions of the said approvals and authorisations have been met or the implementation thereof is made part of the specifications for the bid/ competitive process for the disposal.

7.3.4 No application for a lease agreement shall be processed by the Property Management Department unless the prescribed application fee as per tariff has been paid nor shall any proposed lease be advertised unless the application has confirmed, in writing , that it will adhere to land use conditions and, where applicable, a deposit as per prescribed rate to cover incidental costs has been paid.

**8. MOST APPROPRIATE USE ASSESSMENT**

8.1 Before an Immovable property is declared as surplus, and earmarked for disposal or the awarding of rights, it must first be assessed for its most appropriate use.

8.2 The most appropriate use for a surplus property is one which achieves an optimum balance between the following three key elements of sustainable development:

(a) the protection of ecological processes and natural systems;

(b) the optimum financial return to and economic development of the municipal area; and

(c) the enhancement of the cultural, economic, physical and social wellbeing of people and communities.

8.3 The three elements of sustainability will apply to all surplus Immovable Properties, however their significance and the relationships between them will vary for individual Immovable Properties.

8.4 In determining the most appropriate use of surplus properties, regard should be given to:

(a) Spatial development framework(s);

(b) Regional plans;

(c) Sectoral studies/plans;

(d) Government policies;

(e) Relevant legislation; and

(f) The views of interested and affected parties.

8.5 Where appropriate, opportunities should be provided for community involvement in the assessment process.

**9. METHODS OF DISPOSAL AND AWARDING OF RIGHTS**

Subsequent to determining the most appropriate use of a property and after the Municipality has decided that the Immovable property could be disposed of, or that rights may be awarded, the method of disposal or method of awarding rights should be determined.

The Municipality may use any of the following methods, depending on the circumstances pertaining the specific Immovable property:

**9.1 Competitive Processes**

**9.1.1 Formal Tender**

a) The type of a formal tender may vary, depending on the nature of the transaction:

i) Outright tender may be appropriate where the Immovable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.

ii) Qualified tenders/call for proposals will be appropriate where the Immovable property ownership position is complex or the development proposals for the Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.

iii) Call for proposals on a build-operate transfer (B.O.T) basis will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and

maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term.

b) The nature of the formal tender process is that a legally binding relationship is formed between the parties when the Municipality accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents could include a contract for sale or lease which could be completed with the tenderer's details, the tender price and be signed by the tenderer. A binding legal agreement is created upon the acceptance in writing of a tender by the Municipality.

c) Such a process may, depending on the nature of the transaction, include a two-stage or two- envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage.

**9.1.2 Public Auction**

a) Disposal by public auction may be appropriate where there is no obvious potential purchaser and where speed and the best price can be obtained by auction.

b) The decision to dispose of Immovable property by way of public auction must be recorded in writing and must include-

(i) the reasons justifying a disposal by public auction;

(ii) the reserve price, if any, for the auction;

(iii) the authority for a staff member to attend the auction and to act on behalf of the Municipality.

c) The contract for sale or lease must be ready for exchange at the auction.

d) The binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed and exchanged.

e) The terms and conditions of each auction shall be determined on a project-by-project basis, appropriate to the specific characteristics and attributes of the Immovable property, and to the Municipality's strategic objectives.

f) Where the services of an auctioneer are utilised, the auctioneer's commission shall be payable by the successful bidder and shall not form part of the financial offer to the Municipality.

**9.1.3 Closed Tender**

a) If a Non-Viable Immovable property has more than one adjacent owner and if such an Immovable property is capable of being consolidated with more than one of the properties owned by such adjacent owners, then a closed bid will

be called from all the registered owners of all the adjacent properties with which the Immovable property can be consolidated.

**9.1.4 Unsolicited proposals**

a) It is important that the municipality is in a position to entertain unsolicited proposals in exceptional circumstances. Such proposals may *inter alia* include property development proposals, land sales and leases. In this regard the following principles will apply:

i) Proposals received will be analysed and evaluated by the municipality in compliance with the relevant legislation;

ii) Realistic propositions will be advertised in the media to elicit competitive proposals or objections from the public;

iii) Should the advertisement elicit a response from the market, then a competitive proposal call will be initiated by means of an invitation to bid;

iv) The final lease or sale transaction will be submitted to the Municipal council for approval;

v) The prudent control will be by way of the market valuation certificate.

**9.2 Non-Competitive Processes: Private Treaty Agreements**

**9.2.1 Non-Viable Immovable property**

In respect of Non-Viable Immovable property which can only be utilised by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process but subject to the determination of the fair market value and public notice of the intent to dispose of the property.

**9.2.2 Viable Property: Deviation from a Competitive process**

9.2.2.1 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 land

owners, where the Municipal Manager is of the opinion that such transaction may have a detrimental effect on such adjoining land owner(s):

(a) due to specific circumstances peculiar to the property under consideration, it can only be utilized by the one person/organization wishing to enter into the Property Transaction;

(b) an owner of fixed immovable property who leases Municipal-owned immovable property, may be substituted by a successor-in title as deemed necessary on the same terms and conditions and/or additional terms and conditions;

(c) sport facilities and other public amenities may be let by Private Treaty to Sport boards, Sport Federations and other similar bodies Community based bodies and non-professional sporting bodies shall be charged the tariff rentals as approved by the Municipality from time to time. Professional sport bodies and bodies operating for profit shall be charged a fair market related rental based on the market value of the property to be leased.

(d) where unsolicited applications are received for access servitudes, right of ways and way leaves over municipal land, subject to approved tariff structure.

(e) in exceptional cases where the Municipal Council is of the opinion the public competition would not serve a useful purpose or that it is in the interest of the community and the Municipality, and where none of the conditions as set out in the policy provides for such exception, is permitted, and where they are not in conflict with any provision of the policy. In such cases reasons for preferring such out-of hand sale or lease to those by public competition; must be recorded

(f) where any immovable property is offered for sale or lease by public competition, any remaining immovable property may be sold or leased out of hand by the Municipality at the upset price or higher, as long as it is satisfied that market prices are stable.

The upset price must be determined in such a way that it corresponds with a fair market value and must include the recoverable development costs such as municipal services, advertising and survey costs.

The position must be reviewed by the Municipality at least every six months. Not more that one erf may be sold out of hand to a purchaser where the demand for erven exceeds the number of erven available for sale;

(g) where unsolicited applications/proposals are received from telecommunication companies to construct or put up communication infrastructure on Municipal owned Property, such as masts, dishes, ect, subject to approved tariff structure;

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

(i) where the applicant is an organization receiving funding support from a government department-

which makes a substantial contribution towards the outputs of such a government department; or

whose contribution to such government departments outputs would depend upon or be substantially enhanced by gaining priority to a particular property;

(j) where the applicant is an organization receiving funding support from the municipality for the rendering of a municipal function(s) within the municipal area, on behalf of the municipality;

(k) where the land is part of a larger area of land that is proposed for development, redevelopment or regeneration. Also, the nature and complexity of the proposed development of the overall site is such that the Municipality's corporate objectives and best consideration can only be achieved by a sale to a purchaser with an existing interest in land in the area;

(l) lease contracts with existing tenants of immovable properties, not exceeding ten(10) years, may be renegotiated where the Executive Mayor is of the opinion that public competition would not serve a useful purpose or that renewal is aligned with the Municipality's strategic objectives and in the interest of the Community, subject to such renewal being advertised calling for public comment. The existing tenant shall give notice of the intention to renegotiate the lease at least six months before the date of termination;

(m) where agricultural allotments becomes available, it can be allocated to qualifying emerging farmers on the waiting list for a lease period not exceeding 9 years and eleven months, subject to the approved tariff structure.

(n) In an emergency limited to the awarding of temporary rights for a period not exceeding 6 calendar months. Should circumstances necessitate the extention of the 6 months period, the Municipal Manager shall compile a report and submit it, to Council, recommending such extention of time.

9.2.2.2 The reasons for any such deviation from the competitive disposal process must be recorded.

**9.2.3 Exchange of Land**

9.2.3.1 Disposal by exchange of land will be appropriate when it is advantageous to the Municipality and other parties to exchange land in their ownerships and will achieve best consideration for the municipality.

9.2.3.2 The Municipal Council must authorise the disposal of land by exchange with another land owner for alternative land. Reasons for justifying this manner of disposal must be recorded in writing.

9.2.3.3 The exchange will usually be equal in value. However, an inequality in land value may be compensated for by other means where appropriate. In such circumstances the Municipality must seek an independent valuation to verify that "*best consideration*" will be obtained.

**9.3. DISPOSAL AND LETTING OF IMMOVABLE PROPERTY FOR SOCIAL CARE USES**

9.3.1 Social care is defined as services provided by registered welfare, charitable, non-profit cultural and religious organisations and includes, but is not limited to, the following types of uses :-

(a) Place of Worship to the degree and for that portion of a facility being used for spiritual gathering by, and social/pastoral/manse/welfare caring and support to Worshippers and the broader Community;

(b) Child care facility insofar as it contributes to the functioning of a multi-use childcare facility and is operated on a non-profit basis;

(c) Schools or centres – utilised as homes for the handicapped and disabled persons.
Non-profit rehabilitation centres;
Homes/centres for indigent, battered or destitute persons;
Organisations for the homeless and elderly;
Youth activity centres;
Facilities for the accommodation, care and burial of animals; and
Cemeteries, NPO funeral parlours and non-profit crematoria.

9.3.2 The Municipality reserves the right to entertain unsolicited bids for the purchase or lease of viable immovable property for social care uses with the proviso that it abides by the Municipality's IDP objectives.

# CHAPTER 4: PREFERENCE POINT SYSTEM

**10. OBJECTIVES**

10.1 Although municipalities are not obliged to implement a preference point system when disposing of Immovable property or when awarding Property rights in Immovable Property, Stellenbosch Municipality is of the view that the achievement of equality is one of the fundamental goals to be attained. The objectives of the preferred points system are to:

(a) promote broad-based black economic empowerment;

(b) promote the redress of current, skewed land ownership patterns;

(c) enhance the economy of the municipal area;

(d) give preference to marginalised groups in the society, including women and people with disability;

(e) give preference to people residing in the municipal area;

(f) ensure that the most appropriate developments take place; and

(g) further an integrated approach to development.

**11. PUBLIC AUCTIONS**

11.1 The Municipal Council may determine, on a project-by-project basis, appropriate to the specific characteristics and attributes of the Immovable property involved, limitations on categories of people who may take part in a public auction with the view of furthering the objectives as set out above, without excluding any category of people to take part in such public auction.

**12. OUTRIGHT TENDER / CLOSED TENDER**

12.1 For Immovable property transactions with a contract value up to R10 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price**: Sixty (60) points maximum. The highest financial offer shall score sixty (60) points, with lower offers scoring proportionally in relation to the highest.

(b) **Status**: Forty (40) points maximum for black people and legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.,

12.2 For Immovable property transactions with a contract value above R10 Million up to R50 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price**: Eighty (80) points maximum. The highest financial offer shall score eighty (80) points, with lower offers scoring proportionally in relation to the highest.

(b) **Status:** Twenty (20) points maximum for local black people and local legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.

12.3 For Immovable property transactions with a contract value above R50 Million, the awarding of tenders shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price**: Ninety (90) points maximum. The highest financial offer shall score ninety (90) points, with lower offers scoring proportionally in relation to the highest.

(b) **Status**: Ten (10) points maximum for black people and legal entities owned by black people. Points for legal entities will be proportionally allocated according to the percentage ownership by black people.

**13. QUALIFIED TENDERS/PROPOSAL CALLS**

13.1 Unless otherwise determined by the Municipal Council for a specific transaction, the awarding of qualified tenders or proposal calls shall be adjudicated on a maximum one hundred (100) points system, set out as follows:

(a) **Price**: Sixty (60) points maximum. The highest financial offer shall score sixty (60) points with lower offers scoring proportionally in relation to the highest offer.

(b) **Status**: Twenty (20) points for black people and legal entities owned by black people. Points for legal entities will be proportionately allocated according to the percentage ownership by black people.

(c) **Development Concept**: Twenty (20) points maximum, which shall be measured and adjudicated as per criteria to be agreed upon for the specific project.

**14. MODIFICATIONS**

14.1 The Municipal Council may, on an *ad hoc* basis adjust the scoring system set out in this section for a specific immovable property or group of immovable properties to enable it to achieve specific targets or a specific outcome.

**15. NOTIFICATION OF PERFORMANCE POINT SYSTEM**

15.1 The Tender/Call for proposal document(s) must stipulate the preference point system which will be applied in the adjudication of the specific tender.

**16. EQUITY OWNERSHIP**

16.1 Equity Ownership is tied to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

16.2 Preference points may not be claimed in respect of individuals who are not actively

involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with the degree of ownership.

16.3 Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.

**17. TENDERS MUST BE AWARDED TO THE BIDDER SCORING THE HIGHEST POINTS**

17.1 Tenders must be awarded to the bidder that scores the highest points in terms of the preference points system unless there are objective and reasonable criteria that justify the award of the tender to another tenderer.

**18. QUALIFYING CRITERIA/TWO STAGE BIDDING**

18.1 Criteria other than price, status and development concept, such as technical capability and environmentally sound practices, cannot be afforded points for evaluation. They can be specified in a call for tenders but they will serve as qualification criteria or entry level requirements, i.e a means to determine whether or not a specific tenderer is a complying tenderer in the sense of having submitted an acceptable tender. Only once a tender is regarded as a complying tenderer would it then stand in line for the allocation of points based on price, status and development concept.

# CHAPTER 5 CONTRACTUAL OBLIGATIONS

**19. TERMS AND CONDITIONS OF SALE**

19.1 Regulations 17 and 30 of the MATR sets out the minimum terms and conditions that needs to form part of Sales Agreements. The terms and conditions listed below is supplementary to the above.

19.2 All costs pertaining to a transaction, inclusive of any costs relating to transfer, registration survey-, re-zoning-, sub-division-, consolidation-, advertisement- and relocation or provision of services cost shall be borne by an applicant, provided that the Municipality may waive its right to claim those costs if the reason for the sale is to rid the Municipality of a burden to maintain the Immovable property or exercise control thereover.

19.3 Where applicable, existing services shall be secured by means of the registration of a servitude in favour of the Municipality.

19.4 When Immovable property is sold, development must commence where, applicable, within 1 (one) year or such longer period as may be agreed to from the date of transfer or possession or in accordance with the provisions of the deed of sale or the development programme submitted by the purchaser and be completed in accordance with the provisions of the deed of sale or the development programme. The Municipality furthermore reserves the right to impose such conditions as deemed necessary, including a reversionary or penalty clause in the event that the development has not progressed as per the agreement, without limiting its rights to liquidated damage and reversionary clauses.

19.5 A reversionary clause must be inserted in the deed of sale if the Immovable property is sold below market value or where the conditions of sale are not met.

19.6 Unless approved in writing by the Municipality, the Immovable property may only be used for the purpose as approved by the Municipality and purpose regularized by the relevant by-laws and any applicable legislation.

19.7 Where a disposal agreement is subject to the implementation of land use and/or development conditions the agreement will incorporate suspensive conditions which could nullify the contract failing compliance with such land use or development conditions.

**20. TERMS AND CONDITIONS OF LEASE**

20.1 Regulation 45 of the MATR sets out the minimum terms and conditions that needs to form part of Lease Agreements. The terms and conditions listed below is supplementary to the above.

20.2 All cost pertaining to a transaction such as legal-, survey-, re-zoning-, sub-division-, consolidations-, advertisement-, relocation or provision of services cost shall be borne by the applicant.

20.3 The following deposits shall apply to leases where the rental is based on market value-

(a) a deposit equal to 2 months rental for commercial transactions;

(b) a deposit equal to 1 month's rental for residential and social services transactions.

(c) No deposit are payable in respect of encroachment agreements.

20.4 An owner of fixed Immovable property who leases an adjoining municipal Immovable Property may be substituted by his successor in title for the duration of the remainder of the lease term on the same terms and conditions or additional terms and conditions as deemed necessary.

20.5 Lessees shall be liable for payment of rates and service charges, unless otherwise agreed upon.

20.6 The letting of lanes, public open spaces, road reserves shall be subject to the following:

(a) closing off/securing to the Municipality's satisfaction;

(b) costs for the relocation or installation of services, where required, shall be for the account of the lessee; and

(c) securing of servitudes.

20.7 Lessees shall indemnify the Municipality against any possible claims arising from the lease or use of the Immovable property.

20.8 No lessee of Immovable property shall without the prior consent in writing of the Municipality, sublet such Immovable property or any portion thereof or assign any right acquired by him in respect hereof and any such subletting or assignment without such consent shall be null and void.

20.9 Save with prior approval the Immovable property may only be used for the purpose for which it was let and purposes regularized by town planning schemes.

20.10 Officials from the Municipality shall at all reasonable times be entitled to enter/inspect the Immovable property, having regards for the right to privacy as contemplated in Chapter 2 of the Constitution.

20.11 All agreements shall contain a clause which requires the lessee to maintain the leased Immovable property.

20.12 All agreements shall contain a clause which requires that improvements provided by the lessee and which the Municipality wishes to retain shall revert, free of charge, to the Municipality once the lease period has terminated and/or in the event the agreement, due to breach of conditions by the lessee, has been cancelled. Provision must also be made on how to deal with such improvements should the Municipality terminate the contract prior to the lapse of the lease period, where the lessee has not been in default.

20.13 All agreements shall contain a clause which states that the municipality reserves the right, where necessary, to resume Immovable property let, or a portion thereof, and to cancel an existing lease in its entirety where such Immovable property is required for *bona fide* municipal purposes, in pursuance of the municipality's strategic objectives or in the

interests of the community. In such an event the lessee shall be compensated for improvements established by him/her on a basis to be determined by an independent valuator, taking into account the remaining period of the lease agreement.

# CHAPTER 6: FAIR MARKET VALUES/RENTALS

**21. CRITERIA FOR DETERMINING COMPENSATION AND FAIR MARKET VALUES**

21.1 Immovable property may be Disposed of only at market-related prices, except when the plight of the poor or the public interest which impact on the economic and community value to be received by the Municipality demand otherwise.

21.2 If the Municipality, on account of the public interest, particularly in relation to the plight of the poor, intends to dispose of a Non-Exempted Immovable property for less than market value it must take into account the following factors:

(a) the interests of the State and the local community;

(b) the strategic and economic interests of the municipality, including the long-term effect of the decision on the municipality;

(c) the constitutional rights and legal interests of all affected parties;

(d) whether the interests of the parties to the transfer should carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and

(e) whether the local community would be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.

21.3 Subject to the Municipality's Section 14 Determinations and an In Principle Approval in respect of a specific Disposal, the Municipality shall Dispose of social care Immovable Properties at a purchase price of between 10% and 60% of fair market value subject to a suitable reversionary clause being registered against the title deed of the Immovable property. In the event of the subject Immovable property ceasing to be used for the purpose originally intended, reversionary rights are triggered and the Municipality reserves the right to demand compensation equal to the difference between the actual purchase price and the fair market value of the Immovable property, or that the Immovable property be transferred into the ownership of the Municipality at no cost to the Municipality.

21.4 If the Municipality appoints a private sector party or Organ of State through a competitive bidding process as the service provider of a Commercial Service, the compensation payable to the Municipality in respect of the Disposal of Immovable property as an integral component of the performance of that Commercial Service to that service provider, shall reflect fair market value.

21.5 Fair market value of Immovable Properties will be calculated as the average of the valuations sourced from two independent valuers, unless determined otherwise by the Municipal Manager, taking into account the value of the property *vis-à-vis* the cost of obtaining such valuations.

**22. CRITERIA FOR DETERMINING OF FAIR MARKET RENTALS**

22.1 Immovable property may only be let at market-related rates, except when the plight of the poor or the public interest which impact on the economic and community value to be received by the Municipality demand otherwise.

22.1.1 In respect of certain categories of Immovable Properties the Municipality shall be entitled to adopt below market-related tariffs in respect of Immovable Properties, leased to non-Profit Organisations, NGOs, Sporting Bodies, *bona fide* small farmers, ect. Such tariffs must form part of the municipality's tariff structure, approved from time to time.

22.1.2 The Municipality shall be entitled, in its sole discretion and from time to time, to specify the types of Immovable property Transactions in respect of which applications are permitted to be made to the Municipality and to impose application fees, charges, rates, tariffs, scales of fees or other charges relating to the Immovable property Transaction.

22.1.3 In such circumstances, the Municipality shall also be entitled not to process the application for the Immovable property Transaction unless the applicant has:

a) confirmed in writing that it will pay the charges and bear all such costs in respect of the Immovable property Transactions as the Municipality may require (for example legal costs, survey costs, costs of rezoning, subdivision, and consolidations, advertising costs, cost of relocation or cost of provision of services); and/or

b) if required by the Municipality, has paid a deposit as specified by the Municipality to cover such incidental costs.

22.1.4 The fair market rentals of individual Immovable Properties will be calculated as the average of the valuations sourced from two service providers, unless determined otherwise by the Municipal Manager, taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.

**23. MUNICIPAL LAND REGISTER (MLR)**

23.1 The MLR is a computerized database that contains details of all municipal-owned Immovable property.

23.2 The MLR database is electronically linked with the Geographical Information System of the Municipality to provide spatial information to complement the data stored in the MLR database.

23.3 As from date of commencement of this policy, all departments must record relevant details about their Master Infrastructure Plans and needs for Immovable property in the MLR.

23.4 As a minimum requirement, sites for planned community infrastructure, municipal infrastructure, housing projects, ect must be recorded on the MLR.

23.5 All changes in the status of municipal-owned Immovable Properties must be recorded in the MLR.

**24. STRATEGIC IMMOVABLE PROPERTY MANAGEMENT PLAN**

24.1 As soon as possible after the approval of this policy the Municipality must, as part of its strategic planning process, develop and adopt a Strategic Immovable property Management Plan.

24.2 Such a Strategic Immovable property Management Plan must consist of at least-

(a) A strategic analysis of the Municipality's Immovable property portfolio (Land Audit), as well as state-owned Immovable property within the municipal area.

(b) Categorisation of such Immovable property-holdings, to include, but not limited to:-

(i) Immovable property of strategic importance for, *inter alia*:-

(aa) housing purposes;

(bb) municipal infrastructure; and

(cc) public transport, -parking and related used

(dd) environmental conservation; and

(ee) heritage purposes

(ii) Immovable property that should be retained for future generations;

(iii) Surplus Immovable property, capable of being developed.

(iv) Immovable property that should be acquired for strategic purpose.

(v) Immovable property that should be exchanged for strategic purposes.

(c) A management plan for each category of Immovable property.

(d) A performance assessment of each category of Immovable property.

(e) The maintenance activities required for each category of Immovable property.

24.3 The Strategic Immovable property Management Plan must be developed within the context of approved spatial development frameworks, sectoral plans, planning related policies and regional plans.

24.4 When developing the SLMP, the public should be given ample opportunity to make inputs.

24.5 The Municipal Council must annually revise its Strategic Immovable property Management Plan and must incorporate the revised plan into its IDP.

**25. FRAUD AND CORRUPTION**

25.1 Stellenbosch Municipality's policy is to require that bidders observe the highest standard of ethics during the selection and execution of contracts.

25.2 The Municipal Manager must reject a proposal for award if he/she determines that the person recommended for award, has engaged in corrupt or fraudulent activities in competing for the contract in question.

25.3 Where evidence in support of corrupt, fraudulent practices or criminal offences are reported and substantiated, the Municipal Manager is to initiate criminal proceedings against such business entity, official or other role player, and inform the Provincial Treasury and the Municipality of such measures.

25.4 Employees found guilty after a disciplinary process of conniving with bidders or contravening this Policy may be dismissed.

25.5 Bidders and their directors who have been found guilty of abusing this Policy will be barred/suspended from doing business with the Municipality and National Treasury will be informed accordingly.

25.6 The Municipality reserves the right to criminally prosecute any person found to have violated or abused this Policy.

25.7 The Municipality reserves the right to cancel or not to award bids to bidders found to:

a) have unfairly influenced the process of award and have been found guilty of improper conduct;
b) have been convicted of fraud or corruption during the past 5 years;
c) have willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
d) have been listed in the Registrar for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act No 12 of 2004.

25.8 All employees and/or officials are expected to assist the Municipality in fighting corruption and to this extent are encouraged to report all suspicious acts.

**26. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO OFFICIALS AND OTHER ROLE PLAYERS**

26.1 No person who is a tenderer or prospective tenderer for municipal Immovable property may either directly or through a representative or intermediary promise, offer or grant -

(a) any inducement or reward to the municipality for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to any official of the Municipality or other role player who may affect the outcome of a tender process.

26.2 The Municipal Manager must promptly report any alleged contravention of clause 49(1) to the Municipality.

**27. OBJECTIONS AND COMPLAINTS**

27.1 Persons aggrieved by decisions or actions taken in the implementation of this policy maylodge within 14 days of the decision or action, a written objection or complaint against the decision or action to the Municipal Manager, or if the Municipal Manager is involved to the Executive Mayor.

**28. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES**

28.1 The Municipal Manager must appoint an independent and impartial person, not directly involved in the adjudication processes:-

(a) to assist in the resolution of disputes between the municipality and other persons regarding-

(i) any decisions or actions taken in the implementation of this policy; or

(ii) any matter arising from a contract awarded in terms of the Policy; or

(b) to deal with objections, complaints or queries regarding any such decisions or actions or any matter arising from such contract.

28.2 The Municipal Manager or another official designated by the Municipal manager or Executive Mayor is responsible for assisting the appointed person to perform his or her functions effectively.

28.3 The person appointed must -

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the Municipal Manager or the Executive Mayor as the case may be, on all disputes, objections, complaints or queries received, attended to or resolved.

28.4 This paragraph must not be read as affecting a person's rights to approach a court at any time.