

Department of Local Government



CFOF PRESENTATION BY BREEDE VALLEY MUNICIPALITY



5th December 2011

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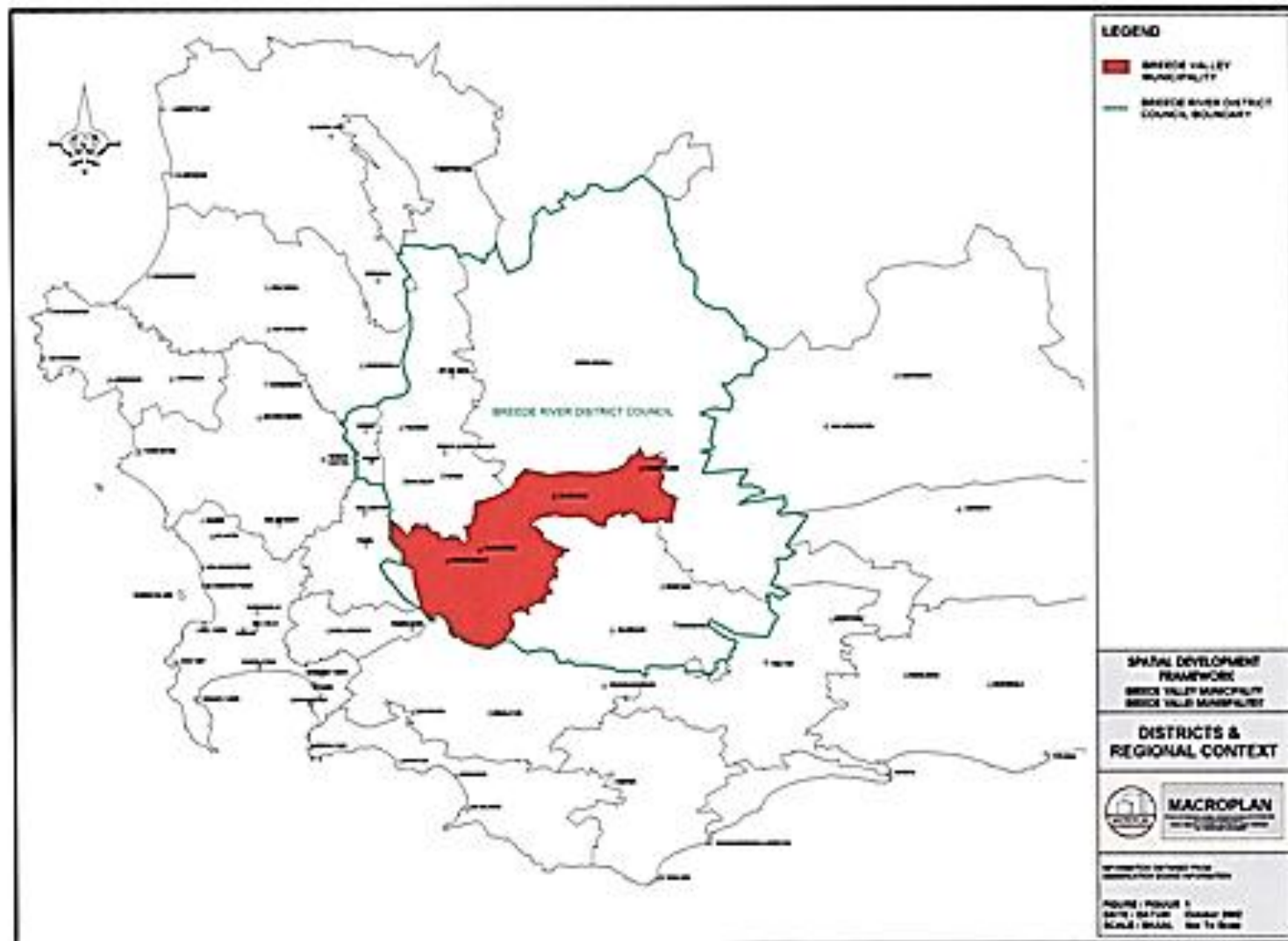
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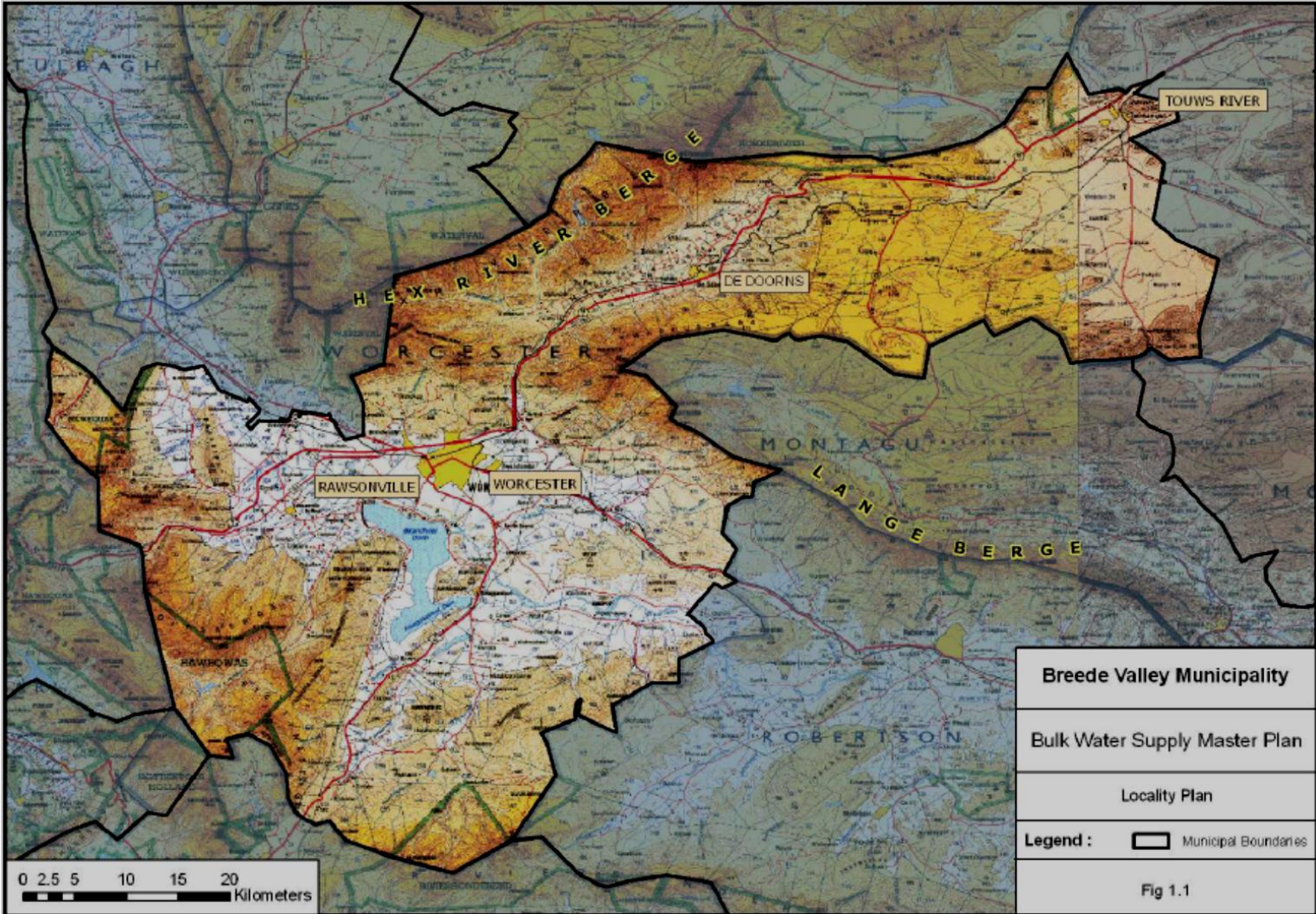
Background

- In terms of provincial notice 490/2000 (Provincial Gazette Extraordinary 5590) of 22 September 2000, the former municipalities of De Doorns, Rawsonville, Touws River and Worcester Transitional Council were dissolved and the Breede Valley Municipality (WC 025) was established. Latter came into effect on 6 December 2000. The Breede Valley Municipality is classified as a Category B municipality.
- The Breede Valley Municipality covers an area of approximately 2995 km² stretching from the Du Toitskloof Mountains in the south-west to the Kwadousberg Mountains in the south-east.
- The Breede Valley Municipality has the 3rd largest population in the Cape Winelands District with a population size of 136 251 people in 2007.
- The population of Breede Valley Municipality is concentrated in Worcester and the towns of De Doorns, Touws Rivier and Rawsonville. Worcester is the largest town in the area and serves as the administrative centre for the region.
- The following figure indicates the location of Breede Valley Municipality in respect with the Cape Winelands District Municipality and Western Cape Provincial.

BREEDE VALLEY – LOCALITY PLAN



BREEDE VALLEY – LOCALITY PLAN



Overview

Vision

The Breede Valley Municipality's mission is “to provide **sustainable and affordable** services in **a safe and healthy environment** (own highlight and underlining) whilst promoting social and economic welfare through participative government and a committed service orientated approach.

Overview

Implementation of the vision

The implementation of the vision will be centered around the following seven strategic themes

1. To create a unique and caring Valley of **service excellence**, opportunity and growth;
2. To **provide, maintain and assure basic service** and social upliftment for the BVM community;
3. To **create an enabling environment for employment creation** and poverty eradication through proactive economic development and tourism;
4. To ensure a **safe, healthy, clean and sustainable external environment** for all Breede Valley's people;
5. To actively participate in determining the **future of our country** (nation building);
6. To ensure a **healthy and productive workforce** and an **effective and efficient work environment**;
7. Assure a sustainable future through: **sound financial management**, **continuous revenue growth**; corporate governance and risk management practices; quality resources; and value- adding partnership.

Overview

Directorate Operational Services

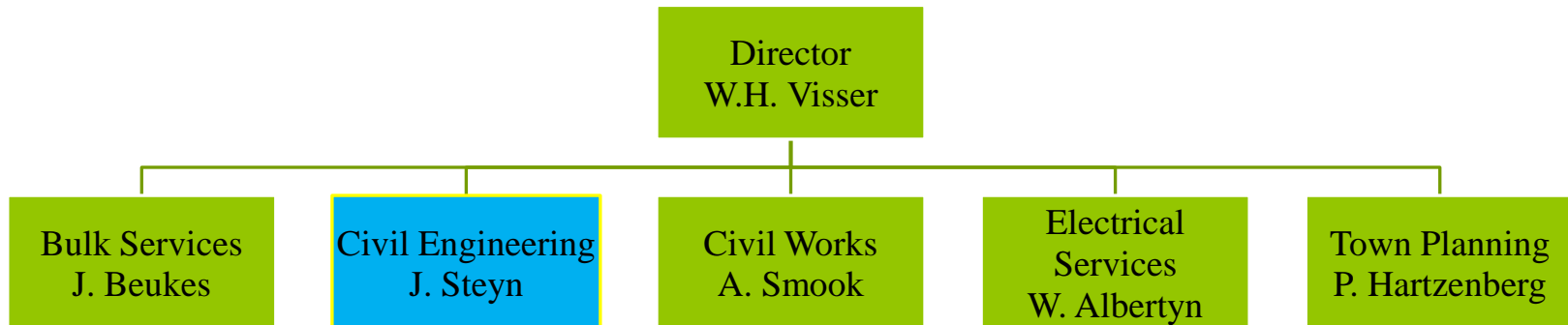
The Directorate: Operational Services consists of five service delivery departments.

- **Bulk Services**
- **Civil Engineering**
- **Civil Works**
- **Electrical Services**
- **Town planning**

Overview

Directorate Operational Services

Organization Chard



Overview

Objective of Department

- **Operation and Maintenance of infrastructure**
- **Identify and budget for capital works**
- **Apply for funding (MIG, RBIG, Housing)**
- **Project Management**
- **Effective implementation of capital works**
- **Planning**
- **Development**

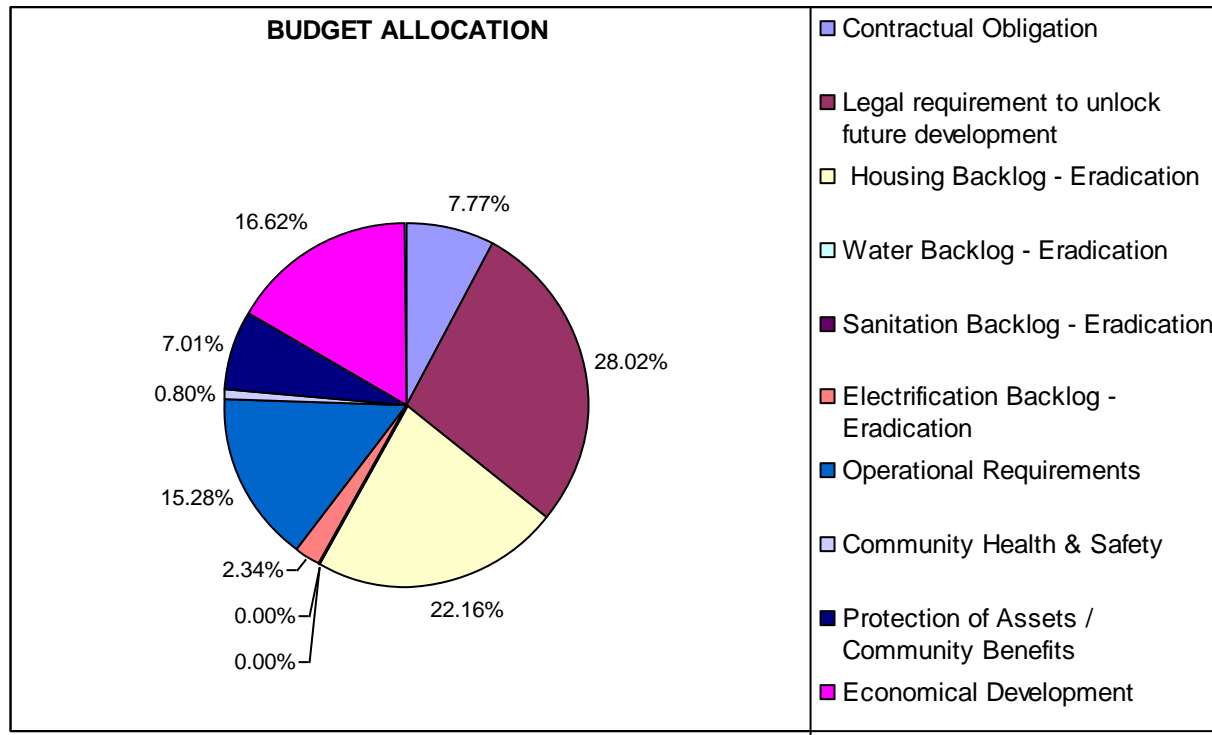
Budget

- Multi Year Capital Needs
- Cash Flow and Expenditure for 2010 / 2011

Multi Year Capital Needs 2010 / 2015

BUDGET ALLOCATION			
CODE	CRITERIA	BUDGET	% OF BUDGET
1	Contractual Obligation	R 145,622,501	7.77%
2	Legal requirement to unlock future development	R 525,068,414	28.02%
3.1	Housing Backlog - Eradication	R 415,113,000	22.16%
3.2	Water Backlog - Eradication	R 0	0.00%
3.3	Sanitation Backlog - Eradication	R 0	0.00%
3.4	Electrification Backlog - Eradication	R 43,847,680	2.34%
4	Operational Requirements	R 286,233,477	15.28%
5	Community Health & Safety	R 15,041,500	0.80%
6	Protection of Assets / Community Benefits	R 131,349,381	7.01%
7	Economical Development	R 311,341,267	16.62%
	TOTAL BUDGET FOR 2010 / 2015	R 1,873,617,219	100%

Multi Year Capital Needs 2010 / 2015

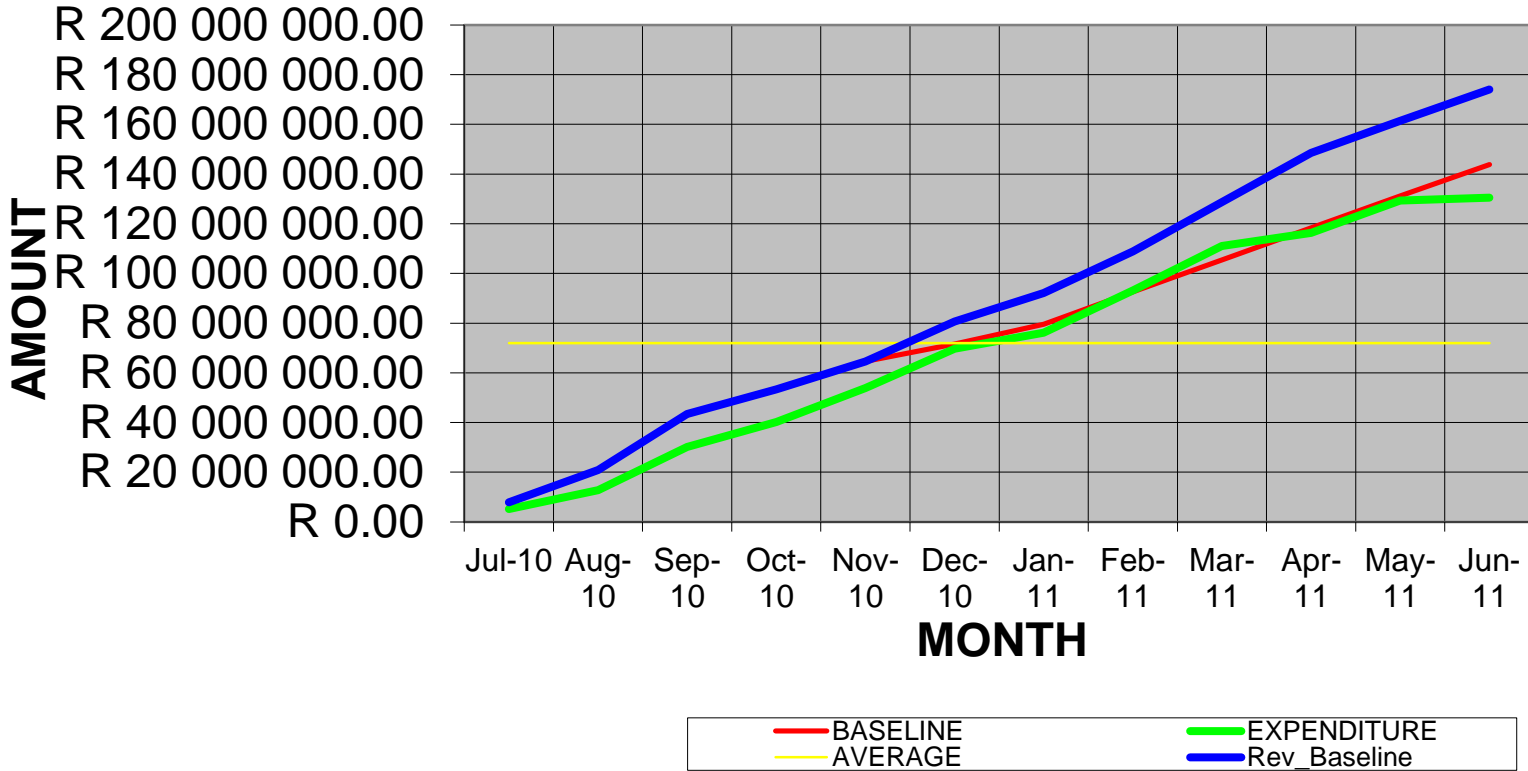


Financial Year 2010/2011

Description	Total Budget 2010/11	Committed	Expenditure to 31 May 2011	Expenditure to 31 May 2011 as % of total budget	Projected Expenditure to 30 June 2011	Commitment as % of Total Budget
Civil Engineering	R 140,128,753	R 139,831,596	R 127,054,588	90.67%	R 139,830,408	99.79%
Civil Works	R 5,653,740	R 4,893,171	R 3,128,932	55.34%	R 4,893,171	86.55%
Electrical Services	R 23,676,480	R 15,210,356	R 14,657,872	61.91%	R 15,210,356	64.24%
Finance Services	R 1,450,781	R 572,104	R 518,718	35.75%	R 572,104	39.43%
Community Services	R 3,448,684	R 1,955,042	R 1,777,965	51.55%	R 1,955,042	56.69%
Corporate Services	R 1,174,962	R 434,895	R 434,895	37.01%	R 434,895	37.01%
TOTAL	R 175,533,400	R 162,897,165	R 147,572,970	84.07%	R 162,895,977	92.80%

Cash Flow and Expenditure

EXPENDITURE



Project Management

Current Projects

- Worcester Waste Water Treatment Work
- De Doorns South of N1 Development
- 439 Avian Park Affordable Housing Project
- 242 Zweletemba Affordable Housing Project
- N1 Intersection
- Roux / Klue / Link Road
- Eastern By-Pass

Current Projects

Worcester Waste Water Treatment Works 20MI/day Extension

Consultants BKS

Civil Contractor : Civils 2000

Elec & Mech Contractors: IKAD

Contractual

- Commencement Date – 24 Nov 2009
- Contract Period 140 weeks
- Completion date – 31 July 2012
- Progress – 67% of works completed
- Expenditure to date – R 128,575,063.69 (excl. VAT)
- Project Value R169 Million (excl. VAT)
- Expenditure / Project Value = 76%
- Funding : MIG – R 49 Million
DBSA Loan – R 202 Million



Current Projects

Worcester Waste Water Treatment Works

20MI/day Extension



Current Projects

Worcester Waste Water Treatment Works

20MI/day Extension



Current Projects

De Doorns South of N1 Development

Stofland – 2800 erven

Implementing Agent: ASLA DEVCO

Civil Contractor : ASLA

Elec Contractors: ESKOM

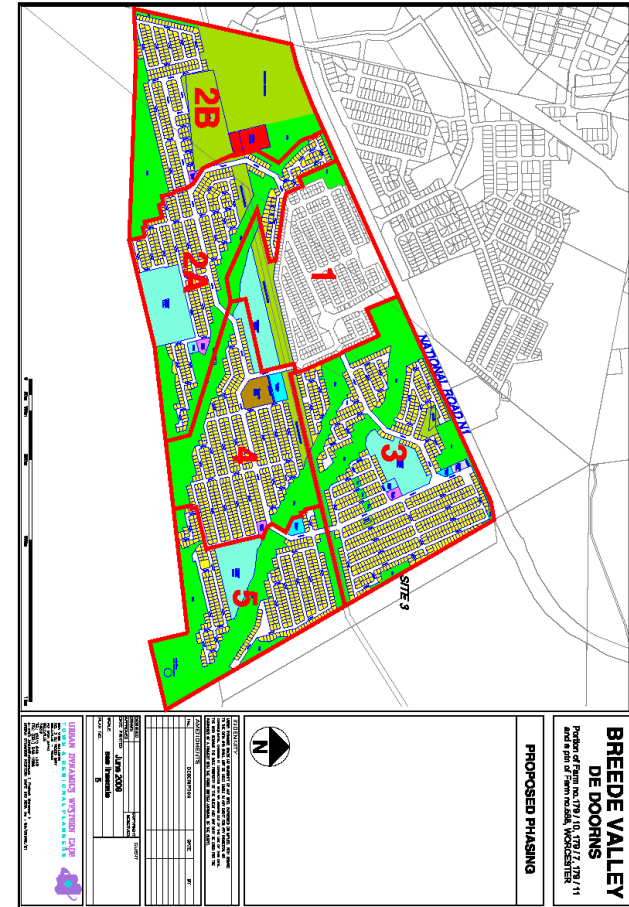
Contractual

- Phase 1 - 535 erven – Completed
- Phase 3 – 817 erven - Completed
- Phase 4 & 5 - 671 erven – Completed
- TOTAL - 2023 erven Serviced

- Phase 2 – approx. 777 erven – development is pending budget.

- Expenditure BVM – R 76,634,252.72
- SANRAL – R 19,440,105.00
- TOTAL - R 96,074,357.72

- Estimated Project cost – R183 Million = R65,470.00 per serviced erf



De Doorns South of N1 Development Stofland – 2800 erven



De Doorns South of N1 Development Stofland – 2800 erven



De Doorns South of N1 Development Stofland – 200 Top Structures



Current Projects

439 Avian Park Affordable Housing Project

Implementing Agent: Lyners Consulting
Building Contractor : Mellon Housing

Contractual

- **Commencement Date – 18 March 2010**
- **Contract Period 11 months**
- **Completion date – 23 March 2011**
- **Project Value R32 Million**
- **% Completed – 129 / 439 = 29%**
- **6 Months Behind Programme**
- **Expenditure to date = R 14,493,901.50 (45%)**



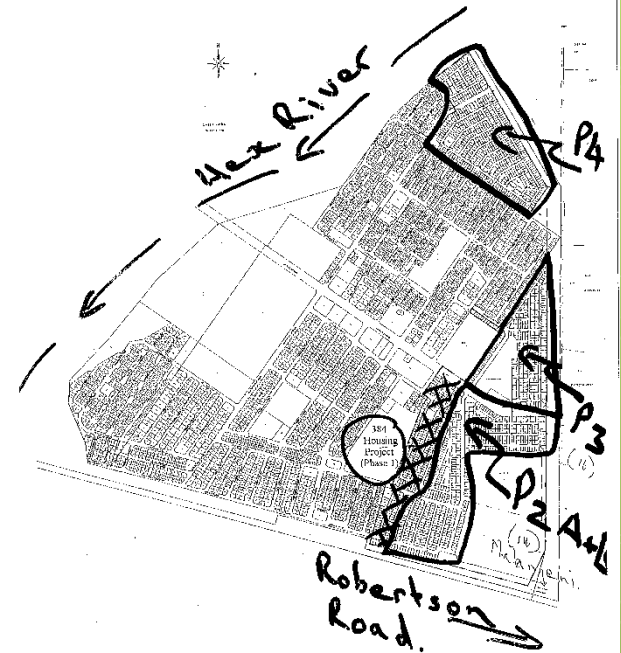
Current Projects

242 Zweletemba Affordable Housing Project

Implementing Agent: Element Consulting
Building Contractor : Seven Sirs Group

Contractual

- Tender Advert – 18 February 2011
- Tender Closing Date – 28 March 2011
- Contract Period - 48 weeks
- Completion date – 31 May 2012
- Estimated Project Value - R16,25 Million (R67,145 per unit)
- Funding (DHS) – R 12,19 Million (R50,381 per unit)
- Shortfall – R 4,06 Million (R16,764 per unit)



Current Projects

N1 Intersection

Developer : Project Management Team

**Consulting Engineer: NADESON
Consulting**

Civil Contractor : MARTIN EAST

Sub Contractors

- **Structural – Dawson**
- **Electrical - RACEC**

Contractual

- **Commencement Date – 6 April 2010**
- **Contract Period – 18 Months**
- **Completion date – 27 Oct 2012**
- **Project Value R109 Million**



Current Projects

Stettynskloof Water Supply Pipeline

**Consulting Engineer: Aurecon
Consulting**

Environmental Consultant:

Status

- Commencement Date – 19 Oct 2009
- ROD – 18 Nov. 2011
- Implementing ready – Nov. 2011
- Procurement of Tenders – Pending
Tender closure 15 Dec. 2011
- Project Value R34 Million (Phase1)



Current Projects

Rawsonville Water Supply Pipeline

Consulting Engineer: Aurecon Consulting

Environmental Consultant:

Status

- **Commencement Date – 19 Oct 2009**
- **ROD – 5 September 2011**
- **Implementing ready – Nov. 2011**
- **Tenders – Pending approval of Budget**
- **Project Value R13 Million**



Planning

- **Water Master Plan – Nov. 2009**
- **Sewer Master Plan – Nov. 2009**
- **Pavement Management Plan – 2004/2007/2011**
- **Stettynskloof & Rawsonville Bulk Water Supply investigation**
- **Comprehensive Bulk Infrastructure Master Plan (Water & Waste Water) – Nov 2010**
- **Local Integrated Transport Plan For Breede Valley Local Municipality – Sept 2010**
- **Regional Waste Management Plan CWDM**

Future Development

- Altona Development - 1806 erven
- Barcley Hills (Phase1) - 177 erven
- Erf 11768 (Worc. West) - 145 erven
- Hills Development - 30 erven
- Island Development - 6 erven
- Rawsonville Erf 217 - 95 erven
- Rawsonville Erf 218 - 78 erven
- Rawsonville De Nova - 72 erven
- De Doorns South of N1 - 2265 erven
- De Doorns Erf - 110 erven

- Total - 4 786 erven

- Development by industry
 - Afriglass – Suspended
 - African Power Technologies (High Temperature Conversion) - Suspended
 - Uitvlug / Nywerheids Park

PROPERTY ZONING

May 2002

BREED VALLEY MUNICIPALITY					
Property zonings in the various areas of the municipality					
Zoning	Worcester	Rawsonville	De Doorns	Touws River	Total
Residential	12808	414	1000	1030	15252
Business	570	25	40	28	663
Institutional1	122	3	7	6	138
Institutional2	97	4	8	18	127
Industrial	328	1	2	8	339
Agricultural	24	3	30	10	67
Public Open Spaces	183	1	3	4	191
Government	103	6	11	79	199
Traffic	64	0	21	322	407
TOTAL	14299	457	1122	1505	17383

(Source.: Breede Valley Municipality Final IDP Document, May2002)

PROPERTY ZONING

March 2011

Date.: 9 March 2011

BREED VALLEY MUNICIPALITY					
Property zonings in the various areas of the municipality					
Zoning	Worcester	Rawsonville	De Doorns	Touws River	Total
Residential	16386	572	2021	1666	20645
Business	610	31	45	48	734
Institutional1	109	4	14	12	139
Institutional2	97	4	11	17	129
Industrial	321	0	2	6	329
Agricultural	25	3	83	62	173
Public Open Spaces	194	8	34	22	258
Government	73	5	11	14	103
Traffic	63	3	50	22	138
TOTAL	17878	630	2271	1869	22648
Growth rate since 2002	25.03%	37.86%	102.41%	24.19%	30.29%
Average per year (9yr)	2.78%	4.21%	11.38%	2.69%	3.37%

(Source.: Breede Valley Municipality : Town planning Section, 9 March 2011)

PROPERTY ZONING

Future (2 to 5 years)

Date.: 9 March 2011

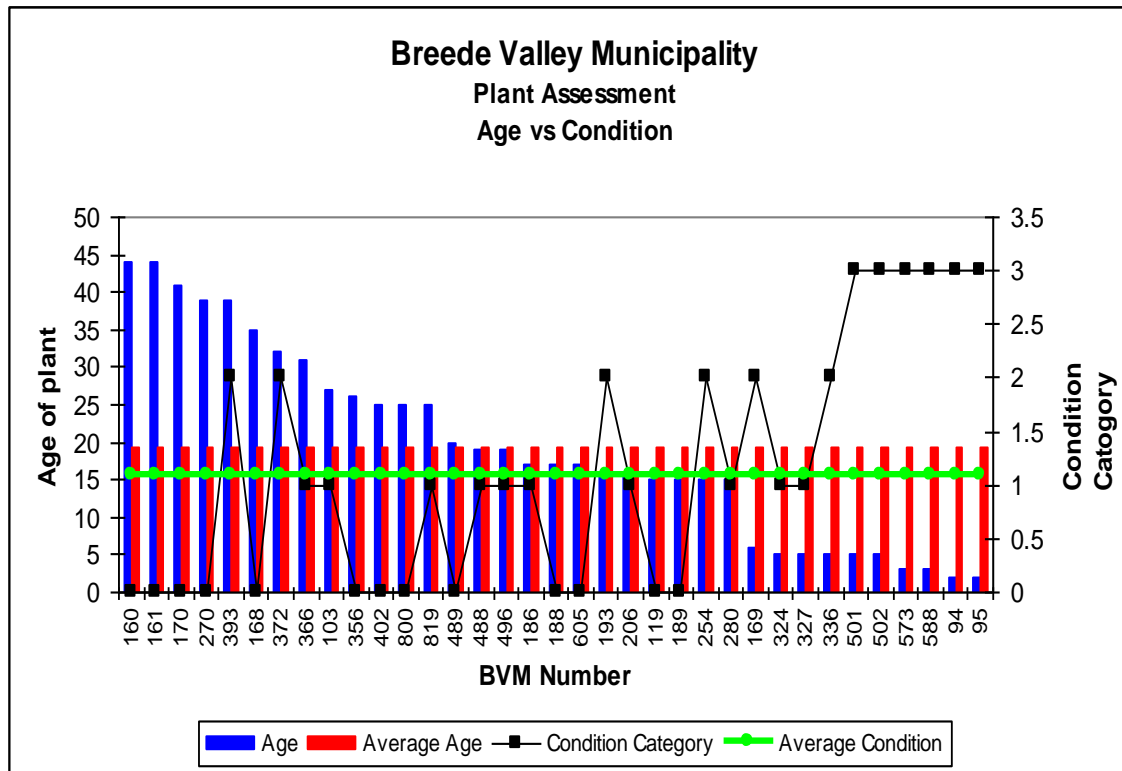
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Public Open Spaces	194	8	34	22	258
Government	73	5	11	14	103
Traffic	63	3	50	22	138
TOTAL	17878	630	2271	1869	22648
Future developments	2166	245	2375	0	4786
TOTAL	20044	875	4646	1869	27434
Growth Rate	12.12%	38.89%	104.58%	0.00%	21.13%

Vehicles & Plant : Age Analysis (Continued)

ID	Year	Make	Model	Year	Category	Age 0-5	Age 6-8	Age >8
101	1996	Ford	Mustang	1996	CH1445			
102	1992	Ford	Mustang	1992	CH1796			
103	1976	Ford	Mustang	1976	CH1244			
104	1992	Ford	Mustang	1992	CH1796			
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199	1992	Ford	Mustang	1992	CH1796			
200	1992	Ford	Mustang	1992	CH1796			

- Note GREEN areas – Plant age 0 to 5 years !!!
- Note ORANGE areas – Plant age 6 to 8 years !!!
- Note RED areas – Plant older than 8 years !!!

Vehicles & Plant : Average Age Analysis



- 353 no. of Vehicles / trailers / plant
- 190 no. small plant (over and above beforementioned)
- 80 % of vehicles / plant currently past serviceable life span, avg. age 19 years (2009)
- Only 2 no. Mechanics + 2 mechanical workmen

Success

- The 2010/2011 Dora allocation for housing was increased from R32 Million to R72 Million.
- All informal settlements within the urban edge have access to basic services (i.e. water, sanitation, roads, stormwater, etc.)

Frustration

- Supply Chain Management
- Environmental Impact Assessment
- Budget Limitations
- Maintenance of Infrastructure
- Replacement of ageing plant and equipment
- Influx

Challenges

- The local economic development (LED) of Breede Valley Municipality identifies poverty and the **lack of income** in the low income communities as the major issues that affect the economic performance of the municipality.
- The lack of financial resources combined with the influx of people from other areas, together with natural population growth, has hampered the much needed **provision and upgrading of infrastructure to cope with the demands.**
- The MIG and Housing programmes make a valuable contribution to the funding of infrastructure for the poor communities of Breede Valley Municipality. However, the quantum of **funding provided is insufficient to address the current backlogs.** The Regional Bulk Infrastructure Grant (RBIG) allocation will allow the municipality to address backlogs in a more economical and aggressive manner. The latter will have a significant impact on access to basic services and economic growth and development.

Building your municipality

- Building a business requires 90% guts and 10% capital! (A Sprat to catch a Mackerel, Raymond Ackerman)
- Building a municipality requires guts, more guts, faith, political will, capital and more capital!!

Conclusion

- **If you fail to plan, you plan to fail !!**