



**DRAKENSTEIN**

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

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# Draft Five-Year Integrated Development Plan (IDP)

**2021/26**

**A review of the IDP  
31 March 2021**

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A city of excellence

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## GLOSSARY OF ACRONYMS

AC:	Audit Committee	MERO:	Municipal Economic Review and Outlook
ACDP:	African Christian Democratic Party	MPAC:	Municipal Public Accounts Committee
AFS:	Annual Financial Statement	MFMA:	Municipal Finance Management Act
AG:	Auditor-General	MSA:	Municipal Systems Act
AIDS:	Acquired Immune Deficiency Syndrome	MTSF:	Medium Term Strategic Framework
ANC:	African National Congress	MTREF:	Medium Term Revenue and Expenditure Framework
ART:	Anti-Retroviral Treatment	NDP:	National Development Plan
CAPEX:	Capital Expenditure	NKPA:	National Key Performance Area
CBD:	Central Business District	NO:	National Outcomes
CBP:	Community Based Planning	NPA:	National Prosecuting Authority
CJC:	Criminal Justice System	NPP:	National People's Party
CRP:	Current Replacement Cost	NSDP:	National Spatial Development Framework
COGTA:	Cooperative Governance and Traditional Affairs	OPEX:	Operational Expenditure
COPE:	Congress of the People	PAC:	Performance Audit Committee
CWDM:	Cape Winelands District Municipality	PDO:	Pre-determined Objectives
DA:	Democratic Alliance	PDM:	People's Democratic Movement
DCF:	District Coordinating Forum	PGWC:	Provincial Government of the Western Cape
DM:	Drakenstein Municipality	PHC:	Primary Health Care
ECD:	Early Childhood Development	PMS:	Performance Management System
EPWP:	Expanded Public Works Programme	PR:	Party Representative
FET:	Further Education and Training	PSO:	Provincial Strategic Objective
GPRS:	General Packet Radio Service	SAPS:	South African Police Services
HDI:	Historically Disadvantaged Individuals	SCM:	Supply Chain Management
HIV:	Human Immuno-deficiency Virus	SDBIP:	Service Delivery and Budget Implementation Plan
ICT:	Information and Communication Technology	SDG:	Sustainable Development Goals
IDP:	Integrated Development Plan	SIHSP:	Sustainable Integrated Human Settlement Plan
LED:	Local Economic Development	SMME:	Small Medium and Micro Enterprise
IGR:	Inter-Governmental Relations	SO:	Strategic Objectives
IHSP:	Integrated Human Settlements Plan	STATSSA:	Statistics South Africa
IRDP:	Integrated Residential Development Projects	TB:	Tuberculosis
IT:	Information Technology	VIP:	Vision Inspired Priorities
JPI:	Joint Planning Initiative	WC-PGDS:	Western Cape Provincial Growth and Development Strategy
KPA:	Key Performance Area	WDP:	Ward Development Plan
KPI:	Key Performance Indicator	WSDP:	Water Services Development Plan
LED:	Local Economic Development	WC:	Ward Committee
LG-MTEC:	Local Government Medium Term Expenditure Committee		
LTO:	Local Tourism Organisation		
MAYCO:	Executive Mayoral Committee		

Table 1: Table of Definitions

DESCRIPTION	DEFINITION
<b>Key Performance Area</b>	Key Performance Areas are the areas within the business unit, for which an individual or group is logically responsible.
<b>Pre-determined Objective</b>	Pre-determined Objectives are the areas identified as important or crucial where a result will assist in the achievement of the set objectives or goal.
<b>Big Moves</b>	Big moves in the Drakenstein Municipality context are defined as a cluster of highly interconnected and actions which will produce a desired end result with significant impact and benefits. They are enthused by a deep understanding of both the internal and external environment within which the organisation functions and are steered collectively with the focus to unlock the area's potential in the interest of the wellbeing of all stakeholders and residents. Big moves are purposefully driven by the Administration through the implementation of carefully selected key initiatives, programs and projects and form the foundation of the Integrated Development Plan, Budget and Performance Management System which are reviewed annually.
<b>Key Initiatives</b>	Key Initiatives may include the development of policies, by-laws, strategies and plans which will act as strategic enablers for the attainment of Big Moves.
<b>Programs</b>	Programs are structured and regulated activities that will provide the environment for the meeting of key objectives in support of the big moves and may include campaigns, maintenance and upgrade programs and improvements in the Communications, ICT and other networks.
<b>Projects</b>	A project is an individual or collaborative enterprise, possibly involving research or design that is carefully planned usually by the project assigned team, to achieve a particular aim. One can also define a project as a set of interrelated tasks to be executed over a fixed period and within certain cost and other limitations. <i>(Wikipedia)</i>

## FOREWORD BY THE EXECUTIVE MAYOR

This Integrated Development Plan for the period 2021-2022 signals the end of the current Fourth Generation of Integrated Development Plans. The past five years have seen Drakenstein Municipality achieve its objectives, despite the many challenges that this country and even the world, faced. The drought that the municipality faced as well as the outbreak of the COVID-19 pandemic, has required that the municipality develop initiatives and mechanisms to respond to the needs of our community, while mitigating and managing the economic and social risks associated with these crises. With a renewed sense of urgency, focus and energy under the current very difficult circumstances, Council have and will ensure that the needs of the Drakenstein community and the concomitant challenges are being addressed at an accelerated pace. While government can create an enabling and well-functioning environment, it is ultimately up to people, including investors, innovators, skilled craftsmen, labourers, caregivers, law enforcers and teachers to provide the products, services and skills for the our economy to grow and provide jobs; and for our community to prosper and be healthy. We all need to work together to ensure that Drakenstein prevails.

The Integrated Development Plan (IDP) is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. Its focus is on development in the broader sense and it is a structured plan that informs decision making. The plan has a number of key objectives and deliverables: firstly, it guides all public and private development planning within the Drakenstein municipal area; secondly, it is the basis for municipal budgeting and resource allocation; and thirdly, it is the articulation of the needs and wishes of our community.



The Plan remains true to Vision 2032, which was developed in anticipation of the 2017-2022 IDP, and proves that the Vision is an on-going legacy which Council can be proud of and our community can have faith in. It is my firm belief that the implementation of Vision 2032 and this IDP will deliver much needed jobs, housing opportunities, improved physical and economic infrastructure, and address service delivery backlogs. The vision of this municipality will be ongoing, even when the new cycle and the subsequent development of the new five- year IDP takes place. The current fourth generation IDP can be seen as a launching pad that put in motion enhanced service delivery with an emphasis on unlocking economic opportunities and investment in Drakenstein.

In closing, I would like to thank the Deputy Mayor, Cllr Gert Combrink; the members of the Mayoral Committee; all our Councillors; and the City Manager who, with his Administration, has drafted this updated roadmap for the future. We are, as always, committed to undertake the route as described in this IDP to be a **city of excellence**.

**Alderman Conrad Poole**

**EXECUTIVE MAYOR**

## **OVERVIEW BY THE CITY MANAGER**

This 2021/2022 Integrated Development Plan (IDP) concludes the current Fourth Generation IDP Cycle.

Over the past five years, Drakenstein has implemented a number of best practices in order to significantly decrease our reliance on external funds and to build a more resilient organisation. The municipality has introduced a revenue management, expenditure management and cost containment programme to identify, raise and collect all revenue due to the municipality. Included in this programme is a focus on expenditure management and cost containment to ensure that available resources are optimised for quality service delivery. Other measures include the preparation of a zero-based budget; prioritising infrastructure repairs and maintenance; budgeting expenditure is to be funded by realistically anticipated cash backed revenues; and we are instituting a wide range of operational efficiencies to result in operating surpluses which will be used to finance capital. The organisational structure of Drakenstein is also in the process of being reviewed to ensure that it is aligned and ready to respond to the new normal.



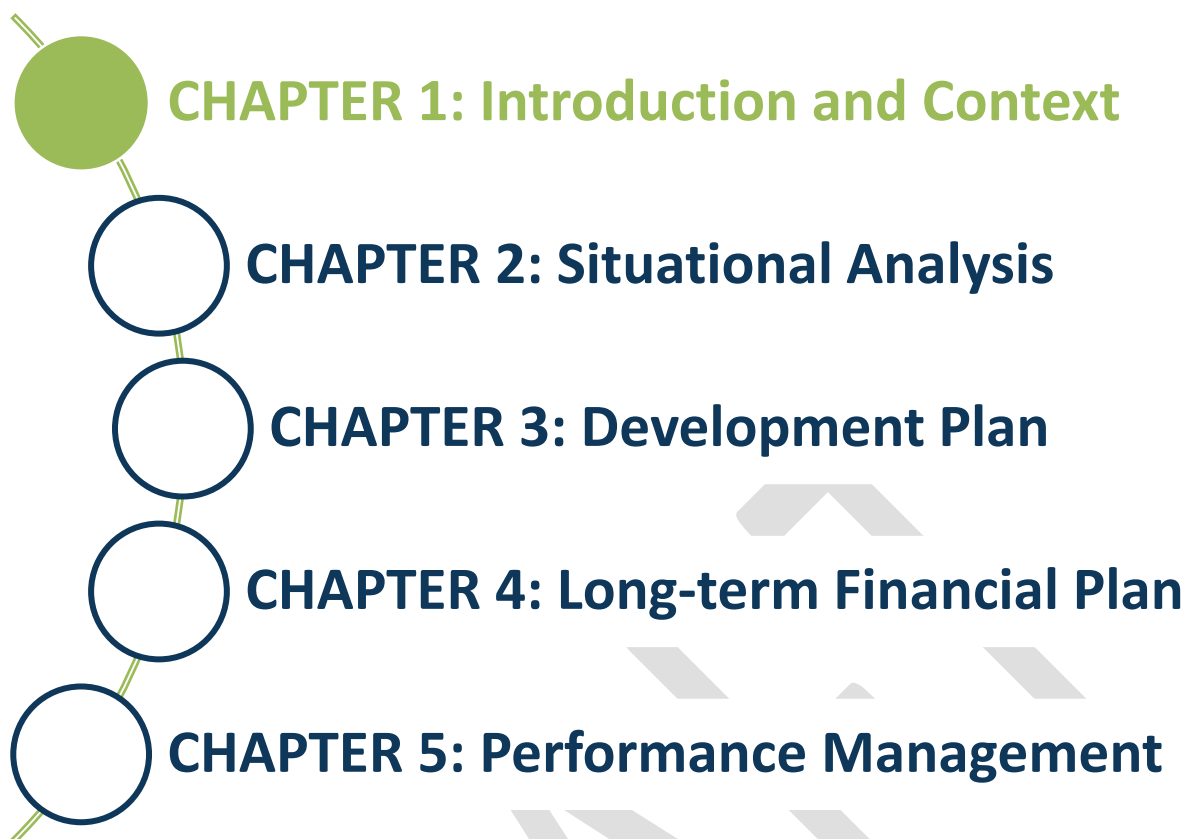
Over the past 5 years, the drought that was experienced in the country as well as the COVID-19 pandemic that hit our shores and which is still ongoing, has been a major set-back in attaining the end-goal of the above-mentioned measures. However, the fiscal discipline, operational restraint and sound corporate governance has placed the municipality in a position to better weather the on-going storms.

Since local government exists to provide municipal services to all residents, it is essential that it interacts with the people living in the city, and obtains their input in their elected government's plans and vision. In compiling this IDP we aimed to interact with as many people of Drakenstein as possible. The municipality is navigating its way through the COVID-19 pandemic and subsequent regulations, however, the pandemic has given the municipality the opportunity to come up with innovative methods in order to engage the community in order to discuss our plans and get inputs on key deliverables and to ensure that quality inputs from the community are considered and included in the final IDP and Budget.

With our skilled workforce and customer-centric planning and implementation we will continue to build a city which is an environment for economic growth and job creation and to provide assistance to those who need it most. As evident in Vision 2032, the IDP and the new five-year Spatial Development Framework, Drakenstein Municipality commits itself to the sustainable use of our environment and natural resources; the advancement of our human and social capital; the provision of high-quality services and utilities; and to be a leader within local government.

Our vision remains "A city of **excellence**" and we will continue to serve our community to the best of our ability.

**Dr. JH Leibbrandt**  
**CITY MANAGER**



## **1. CHAPTER 1: INTRODUCTION AND CONTEXT**

### **1.1 INTRODUCTION**

The Municipal Systems Act, No. 32 of 2000 (Systems Act or MSA) requires that municipalities prepare five-year Integrated Development Plans (IDPs). The IDP serves as a tool for the facilitation and management of development within the area of jurisdiction. In order to meet the requirements of the Systems Act, Drakenstein Council has delegated the responsibility to prepare the IDP to the City Manager.

The municipality's commitment to be "A City of Excellence" is a focal point of the 2021/2022 IDP, with specific emphasis on translating the municipality's strategy into firm action. In order to do so it is important to link, integrate and co-ordinate all strategic and implementation plans for the municipality, as well as align them with national, provincial and district and neighbouring municipal development plans and planning requirements. Developmental local government is enhanced through focused and robust interaction with other spheres of government.

### **1.2 BACKGROUND**

Stakeholder and community engagements to determine and undertake development priorities, form the cornerstone of the IDP. Community needs are dynamic and ever-changing; thus, they have to be reviewed frequently. Engagements with our communities assist with enhancement of service delivery targets, outputs and outcomes and through the Performance Management System, which is implemented by the municipality. These engagements ensure that the DM remains accountable to the local community, the various sectors and business alike.

The Municipal Council ensures that its oversight role is sufficiently mandated by the populace voice of its local community, through fully embracing the principles of participatory democracy. This is achieved through a well-functioning Ward Committee System; robust public participation through various development planning processes; and regular communication with the community using public meetings, community newsletters, radio and various other print media and electronic media including the Municipal Website.

Drakenstein Municipality takes particular pride in its efforts to ensure that members of the community participate in the planning and development of their wards as well as the broader community. This truly fosters a culture of partnership in development and is enabling the Drakenstein Municipality to deliver comprehensively on the priorities as identified in the IDP.



### **1.3 STRUCTURE OF THE IDP 2021/2022**

This IDP 2021/ 2022 consists of 5 chapters, including the Foreword by the Mayor and Overview by the City Manager. The five chapters comprise of the following:

#### **Chapter 1: Introduction and Context of IDP 2021/2026**

Chapter 1 is the introduction and provides the legislative foundation of the IDP 2021/2026, including the South African Constitution, the Sustainable Development Goals, the Integrated Urban Development Framework, the National Development Plan, the Provincial Strategic Plan and Cape Winelands District Municipal Plan. This chapter elaborates on the planning and implementation process of the IDP, as well as the strategic alignment between the local, provincial and national planning objectives.

#### **Chapter 2: Situation Analysis**

Chapter 2 deals with the status quo of Drakenstein Municipality in relation to its demographic trends. An analysis of the DM within the context of the 7 (seven) KPA's gives a structured overview and indication of the current state of the municipality.

#### **Chapter 3: Development Plan**

Chapter 3 presents the programme of action to be followed by the DM which is informed by the vision. The strategic framework is drawn out with a focus on the city's Catalytic Zones and the Big Moves. Followed by a programme of action addressing the issues and challenges identified in Chapter 2.

#### **Chapter 4: Financial Plan**

Chapter 4 deals with the medium- and long-term financial plan. It elaborates on financial planning, funding, expenditure, budget projections and long-term sustainability of the municipality. The chapter provides detail into how the strategic plans of the DM will be funded.

#### **Chapter 5: Performance Management**

Chapter 5 takes the strategic framework and financial plan into implementation mode and clarifies the roles and responsibilities of stakeholders while ensuring accountable and improved service delivery. It elaborates on the performance management process, which is a comprehensive implementation plan with measurable performance objectives.



## **1.4 THE LEGISLATIVE CONTEXT**

The drafting of an IDP is guided by several pieces of legislation. These include:

### **1.4.1 The South African Constitution, 1996**

Chapter 7 of the Constitution of South Africa is focused on Local Government including the establishment thereof, the executive and legislative authority, as well as the right of local government to govern on its own initiative, which should be in line with national and provincial legislation.

The right of the municipality to exercise its own powers in order to perform its functions is the basis on which this IDP 2020/2021 is drawn up. It is meant to give strategic guidance to Drakenstein Municipality at large, by giving structure to the administrative, budgeting and planning processes. A municipality must strive, within its financial and administrative capacity, to achieve its key objectives and developmental duties.

### **1.4.2 Section 152 of the Constitution sets out the following as key objectives for the municipality**

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matters of local government.

### **1.4.3 Section 153 of the Constitution sets out the following as the key developmental duties of the municipality**

- (a) structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (b) participate in national and provincial development programs.

### **1.4.4 Municipal Systems Act, No 32 of 2000 (MSA)**

Sections 28 and 29 of the MSA specifies that (i) each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP; and (ii) that the process must be in accordance with a predetermined programme specifying timeframes for the different steps.

### **1.4.5 Municipal Finance Management Act , No 56 of 2003 (MFMA)**

Chapter 4 and Section 21(1) of the Municipal Finance Management Act, No 56 of 2003 (MFMA) stipulates that the Mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act. The elected Council is the ultimate IDP decision-making authority.

## 1.5 ALIGNMENT OF PLANS

### 1.5.1 Introduction

In order to maximise the benefit of investments, strategic interventions and actions of all spheres of government, it is critical that there is policy alignment between national, provincial, district and local government in order to collaboratively achieve development goals. Whilst the IDP is developed by local government it must represent an integrated inter-governmental plan based upon the involvement of all three spheres of government.

This IDP was drafted, taking the various plans listed below into consideration, in order to ensure alignment, inclusivity and involvement by all spheres of government. These plans include:

- Sustainable Development Goals (SDGs);
- National Key Performance Areas (NKPAs);
- National Outcomes (NOs);
- Provincial Strategic Plan; and
- Cape Winelands District Integrated Development Plan.

### 1.5.2 Sustainable Development Goals (SDGs)

The SDGs, otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These seventeen goals include areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected and often one success will involve tackling issues more commonly associated with another.

**The 17 SDGs are as follows:**

- End poverty in all its forms everywhere;
- End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- Ensure healthy lives and promote well-being for all at all ages;
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
- Achieve gender equality and empower all women and girls;
- Ensure availability and sustainable management of water and sanitation for all;
- Ensure access to affordable, reliable, sustainable and modern energy for all;
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;
- Reduce inequality within and among countries;
- Make cities and human settlements inclusive, safe, resilient and sustainable;
- Ensure sustainable consumption and production patterns;
- Take urgent action to combat climate change and its impacts;
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development;
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;

- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; and
- Strengthen the means of implementation and revitalize the global partnership for sustainable development.

### **1.5.3 National Government's Outcomes - Role of Local Government**

National Government has agreed on 12 outcomes as a key focus of work and published these as annexures to the Medium-Term Strategic Framework.

**The outcomes are as follows:**

- Outcome 1: Improved quality of basic education.
- Outcome 2: A long and healthy life for all South Africans.
- Outcome 3: All people in South Africa are and feel safe.
- Outcome 4: Decent employment through inclusive economic growth.
- Outcome 5: A skilled and capable workforce to support an inclusive growth path.
- Outcome 6: An efficient, competitive and responsive economic infrastructure network.
- Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all.
- Outcome 8: Sustainable human settlements and improved quality of household life.
- Outcome 9: A responsive, accountable, effective and efficient local government system.
- Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced.
- Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World.
- Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

## **1.6 IDP PROCESS PLAN**

### **1.6.1 Five-Year Cycle of the IDP**

Drafting of an IDP requires a comprehensive planning process and the involvement of a wide range of internal and external role players. Such a process has to be properly organised and prepared. This preparation is the duty of the City Manager together with Senior Management and is set out in the Process Plan which ensures the institutional readiness of the DM to draft or review the IDP over a five-year period. This plan is approved by Council.

An inherent part of the IDP process is the annual and medium-term budget which is based upon the key performance areas set out in the IDP. The annual Service Delivery and Budget Implementation Plan (SDBIP) ensures that the municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the municipality is reported in Quarterly and Mid-yearly Performance Assessment Reports, as well as in the Annual Report.

### 1.6.2 IDP Annual Planning & Drafting Process

Annually the IDP Process Plan must be adopted by Council in August, in accordance with the Systems Act and the MFMA. It must be noted that the 2021/2022 review process is not a replacement of the 5-year IDP and is not a deviation from the long-term strategic direction of the DM.

To prepare a credible IDP, several stakeholders have to be engaged to provide inputs and guide the final IDP. Key stakeholder interventions (timeframes, resources, etc.) are outlined in Table 1 below:

Table 2: IDP Process Plan

June 2020	<b>Analysis Phase:</b> Determine local issues, problems, relevant stakeholders, potential and priorities	<ul style="list-style-type: none"> <li>Internal IDP preparation meetings with Budget Office, Strategic Management Team and City Manager</li> </ul>
July 2020	<b>Strategy Phase:</b> Determine vision objectives, strategies, and participate in IGR Structures	<ul style="list-style-type: none"> <li>Draft 2021/2022 IDP/Budget/PMS Time Schedule and present to the Strategic Management Team</li> </ul>
August 2020	<b>Analysis Phase:</b> Determine local issues, problems, relevant stakeholders, potentials and priorities	<ul style="list-style-type: none"> <li>Table 2021/2022 IDP/Budget/PMS Time Schedule for Council's approval</li> </ul>
September 2020	<b>Strategy Phase:</b> Determine vision objectives, strategies, and participate in IGR Structures	<ul style="list-style-type: none"> <li>Submission of the 2021/2022 IDP/Budget/PMS Time Schedule to the Department of Local Government and Cape Winelands District Municipality</li> <li>Publish advertisements informing local residents and stakeholders about the 2021/22 IDP/Budget/PMS Time Schedule</li> <li>IDP Consultative Engagements with Ward Committees and key stakeholders as per approved schedule</li> </ul>
October 2020	<b>Strategy Phase:</b> Determine vision objectives, strategies, and participate in IGR Structures.	<ul style="list-style-type: none"> <li>Finalization of the IDP consultative engagements with all stakeholders</li> </ul>
November/December 2020	<b>Integration Phase:</b> Agree on project proposals and compilation of integrated programmes	<ul style="list-style-type: none"> <li>Integration of plans and projects with Draft Capital Budget for 2020/2023 MTREF</li> </ul>
January 2021		<ul style="list-style-type: none"> <li>2020/2021 SDBIP review sessions per department and submission of Mid-Year Performance Report 2020/2021 and Annual Report 2019/2020</li> </ul>

February 2021	<b>Integration Phase:</b> Alignment processes with Provincial Government and Cape Winelands District Municipality	<ul style="list-style-type: none"> <li>• Council consider and adopt the revised 2020/21 Top Layer SDBIP and related Adjustments Budget based upon the Mid-year Performance Report</li> <li>• Compilation of input from internal departments on the IDP Implementation Matrix Review; responses to the IDP Community Priorities and updates on the content of the 2017/2022 IDP applicable to the 2021/2022 Review</li> <li>• Compile Draft Top Layer SDBIP and review Five-year Municipal Performance Scorecard for inclusion in the IDP</li> <li>• Technical Integrated Municipal Engagements with Sectors facilitated by the Provincial Government</li> </ul>
March 2021	<b>Integration Phase:</b> Approval by Council of draft IDP and undertake consultation process	<ul style="list-style-type: none"> <li>• Publish advertisements to notify local residents and stakeholders on the draft budget and draft IDP review as well as the public participation programme</li> <li>• Submit draft IDP and budget to provincial government</li> </ul>
April 2021	<b>Integration Phase:</b> Provide opportunity to communities and stakeholders to propose amendments to Draft IDP, Budget and SDBIP.	<ul style="list-style-type: none"> <li>• IDP Consultative Engagements with communities and other stakeholders, including the IDP Representative Forum.</li> </ul>
May 2021	<b>Integration Phase:</b> Provide opportunity to stakeholders to propose amendments to Draft IDP, Budget and SDBIP.	<ul style="list-style-type: none"> <li>• LG-MTEC Engagement with Provincial Government to discuss technical assessment of the draft budget and IDP Review conducted by sector departments.</li> </ul>
May 2021	<b>Approval Phase:</b> Adoption by Council	<ul style="list-style-type: none"> <li>• Council considers community and stakeholder inputs and adopts Draft (Revised) IDP, Draft Budget and Draft SDBIP</li> </ul>
June 2021	<b>Post-Approval Phase:</b> Regulated action to notify the public and other stakeholders, other spheres of government of adoption of IDP and Budget	<ul style="list-style-type: none"> <li>• Notice in local media to inform local residents, stakeholders on the adopted amended/reviewed IDP, Budget</li> <li>• Submission to MEC for Local Government and Provincial Treasury</li> <li>• Preparation and approval of SDBIP by Executive Mayor</li> </ul>

### 1.6.3 IDP Public Participation Process

The continuous COVID-19 pandemic has inspired the municipality to look at alternative methods of soliciting input into the draft IDP and draft Budget. This year, it will be in the form of Open Day sessions, which in addition, aims at allowing the community the opportunity to receive feedback on ward-specific priorities from their Ward Councillors; to engage the Housing Division in respect of housing-related issues; and to engage all municipal

departments service delivery departments on any service related issues. This approach will also ensure a bigger turn out of community members who will have the opportunity to directly engage the municipality on issues in their wards. The municipality will also utilize additional online platforms to allow for input. It must be noted that all COVID-19 related safety protocols will be strictly adhered to at all Open Day Sessions.

**These platforms include:**

- Notices for comments on various platforms (Advertisement in newspaper, SMS's, Facebook and the municipal website);
- A video clip providing information on the IDP and Budget that will be displayed at municipal venues frequented by the community and will also be broadcasted to stakeholders and the broader community via WhatsApp and Facebook;
- Radio slots;
- The official Drakenstein IDP Email address ([IDP@drakenstein.gov.za](mailto:IDP@drakenstein.gov.za)); and
- Continuous reminders to encourage the public to submit input.

### **16.1 Implementation of the IDP**

The Service Delivery and Budget Implementation Plan (SDBIP) ensures that the DM implements programmes and projects based on the IDP targets and the approved budget. The performance of the municipality is reported on, in the Quarterly and Mid-yearly Performance Assessment Reports as well as in the Annual Report.

Two key internal combined assurance tools are internal performance audit and risk management. These ensure that all activities undertaken, adequately address significant risks and put in place control mechanisms to mitigate said risks in order to attain set performance targets. The linkage between the IDP and the SDBIP will be elaborated on in Chapter 5 of the IDP.

The Drakenstein Municipal vision is “A City of Excellence”. To achieve this vision and to realize the long-term vision of “Vision 2032” as discussed above, the DM has identified seven (7) Key Performance Areas (KPA's) and fifty-four (54) Pre-determined Objectives (PDOs). From these 54 PDOs, projects, programmes and key initiatives have been developed. These will be discussed in further detail in Chapters 2 and 3 of the IDP. The table below provides details in respect of the Drakenstein Municipality's Strategic Framework.

Table 3: Drakenstein Municipality's Strategic Framework

KEY PERFORMANCE AREA (KPA) 1: Good Governance
<b>STRATEGIC OBJECTIVE:</b> To ensure good governance and the active participation of all relevant stakeholders.
<b>OUTCOME:</b> A responsive Municipality based on sound principles which embodies and embrace the rule of law, public participation, accountability and responsibility.
<b>KPA 1 consists of the following PDOs:</b>
<b>PDO 01:</b> Governance Structures
<b>PDO 02:</b> Risk Management and Assurance
<b>PDO 03:</b> Stakeholder Participation
<b>PDO 04:</b> Policies and By-Laws
<b>PDO 05:</b> Intergovernmental Relations (IGR)
<b>PDO 06:</b> Communications (Internal and External)
<b>PDO 07:</b> Marketing (Branding and Website)
KEY PERFORMANCE AREA (KPA) 2: Financial Sustainability
<b>STRATEGIC OBJECTIVE:</b> To ensure financial sustainability in order to meet the statutory requirements.
<b>OUTCOME:</b> Affordable and sustained revenue base to finance capital and operating budget expenses. Sound financial management practices and clean audit reports to build the public's confidence in management.
<b>KPA 2 consists of the following PDOs:</b>
<b>PDO 9:</b> Revenue Management
<b>PDO 10:</b> Expenditure and Cost Management
<b>PDO 11:</b> Budgeting/Funding
<b>PDO 12:</b> Capital Expenditure
<b>PDO 13:</b> Asset Management
<b>PDO 14:</b> Financial Viability
<b>PDO 15:</b> Supply Chain Management
<b>PDO 16:</b> Financial Reporting
KEY PERFORMANCE AREA (KPA) 3: Institutional Transformation
<b>STRATEGIC OBJECTIVE:</b> To transform the municipality into an effective and efficient organization.
<b>OUTCOME:</b> A motivated and skilled workforce that supports the operational needs of the municipality in the implementation of the IDP objectives.
<b>KPA 3 consists of the following PDOs:</b>
<b>PDO 17:</b> Organisational Structure
<b>PDO 18:</b> Human Capital and Skills Development
<b>PDO 19:</b> Project and Programme Management
<b>PDO 20:</b> Performance Management and Monitoring and Evaluation
<b>PDO 21:</b> Systems and Technology
<b>PDO 22:</b> Processes and Procedures
<b>PDO 23:</b> Equipment and Fleet Management



#### KEY PERFORMANCE AREA (KPA) 4: Physical Infrastructure & Services

**STRATEGIC OBJECTIVE:** To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services.

**OUTCOME:** Well-developed strategies implemented to promote economic growth and development in the Municipal Area.

**KPA 4 consists of the following PDOs:**

**PDO 24:** Energy Supply Efficiency and Infrastructure

**PDO 25:** Transport, Roads and Storm water Infrastructure

**PDO 26:** Water and Wastewater Services

**PDO 27:** Solid Waste Management and Infrastructure

**PDO 28:** Municipal and Public Facilities

#### KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development

**STRATEGIC OBJECTIVE:** To plan and facilitate sustainable and inclusive economic growth and development.

**OUTCOME:** Well-developed strategies implemented to promote economic growth and development in the Municipal Area.

**KPA 5 consists of the following PDOs:**

**PDO 29:** Economic Growth

**PDO 30:** Investment Promotion (includes incentives)

**PDO 31:** Land Use Management and Surveying

**PDO 32:** Built environment Management (includes Heritage Resource Management)

**PDO 33:** Urban Regeneration

**PDO 34:** Skills Development and Capacity Building

**PDO 35:** Rural Development

**PDO 36:** Spatial Planning

**PDO 37:** Tourism

**PDO 38:** Land, Valuation and Property Management

#### KEY PERFORMANCE AREA (KPA) 6: Safety and Environmental Management

**STRATEGIC OBJECTIVE:** To ensure a safe community and a healthy and protected environment.

**OUTCOME:** Respond to all emergencies within predetermined times in order to mitigate risks and hazards. Develop and approve strategic and Disaster Risk Management Plans that feeds into the IDP. And render communities safe. Increase staff complement. Increase vehicle fleet.

**KPA 6 consists of the following PDOs:**

**PDO 39:** Safety and Security

**PDO 40:** Disaster and Emergency Management

**PDO 41:** Traffic, Vehicle Licensing and Parking Control

**PDO 42:** Municipal Law Enforcement (includes the Municipal Court)

**PDO 43:** Environmental Management and Climate Change

**PDO 44:** Natural Resources

**PDO 45:** Parks and Open Spaces

**PDO 46:** Animal Control



**KEY PERFORMANCE AREA (KPA) 7: Social and Community Development**

**STRATEGIC OBJECTIVE:** To facilitate social and community development.

**OUTCOME:** To establish an environment where the poor and the most vulnerable are empowered through the building of social capital, the implementation of development programs and support and sustainable livelihood strategies.

**KPA 7 consists of the following PDOs:**

**PDO 47:** Health

**PDO 48:** Early and Childhood Development

**PDO 49:** Gender, Elderly, youth and Disabled

**PDO 50:** Sustainable Human Settlements (Housing)

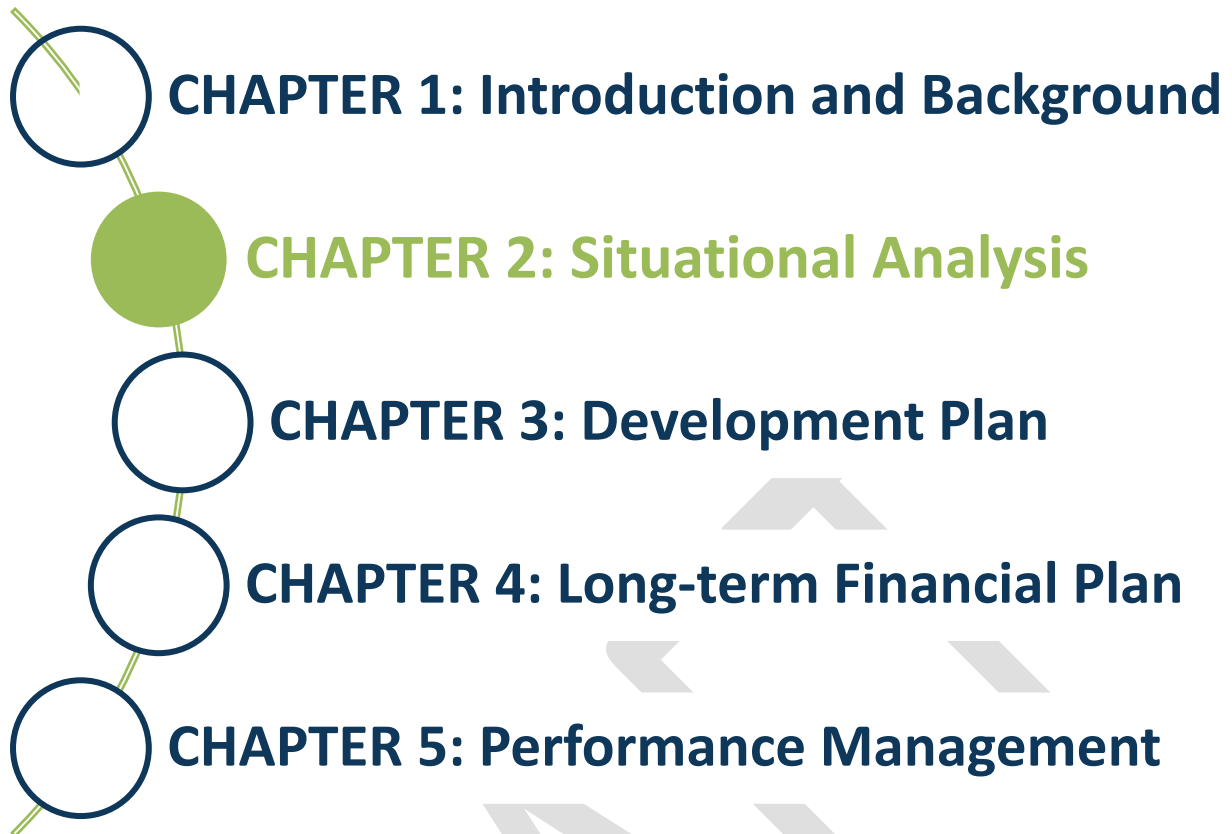
**PDO 51:** Sport, Recreation and Facilities

**PDO 52:** Arts and Culture

**PDO 53:** Libraries

**PDO 54:** Cemeteries and Crematoria

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## 2. CHAPTER 2: SITUATIONAL ANALYSIS

### 2.1 INTRODUCTION

This chapter focuses on the political and administrative leadership of the DM. It furthermore focuses on a situational analysis of the existing trends and conditions in Drakenstein Municipality, in accordance with the requirements of the Municipal Systems Act for developing an IDP.

This chapter sets out to show the following:

- The political and administrative leadership of the municipality
- The status quo of the municipality with key statistics, including geographical location within the Cape Winelands District, a more detailed ward demarcation and profile
- An analysis on the status quo of the municipality in terms of PDOs as listed in the Strategic Framework in Chapter 1

### 2.2 DRAKENSTEIN MUNICIPALITY AT A GLANCE

**Area:**  
1 538 km<sup>2</sup>

**Population:**  
305 281

**Number of Households:**  
74 230

*Drakenstein Municipality*

**Number of Informal Settlements:**  
41

*Drakenstein Municipality*

**Number of Councillors:**  
65

*Drakenstein Municipality*

**Number of Wards:**  
33

*Drakenstein Municipality*

**Households without Income:**  
11755

*Community Survey 2016*

**Economic Profile:**  
Unemployment Rate: 23% (SA – 27%)  
  
Rate of inequality: Gini Coefficient – 0.6  
(SA 0.7)

*Community Survey 2016*

**Agriculture:**  
Farms: 2380  
Agri-workers: 66% below the age of 35

*Drakenstein Municipality*

**Building Plans Approved (2019/20):**  
1305

*Drakenstein Municipality*

### Number Education Facilities:

Primary: 52  
Secondary: 23  
Special Schools: 3  
FETs: 3  
University: 1

Drakenstein Municipality

### Registered Businesses:

2336

Drakenstein Municipality

### Libraries:

18  
Municipal Public Libraries: 8  
Schools with libraries: 10

Drakenstein Municipality

### Number of Police Stations:

6

Drakenstein Municipality

### Number of Healthcare Facilities:

PHC (fixed):	PHC (mobile):	ART:	TB:	Regional Hospital:
13	6	13	27	1

Drakenstein Municipality

### Access to Basic Services:

Piped Water:	Sanitation:	Refuse Removal:	Electricity:
68 956	68 956	37 848	45 308

Drakenstein Municipality

### Indigent Households:

Free Basic Water:	Free Property Rates:	Free Basic Electricity:
17 070	14 404	18 632

Drakenstein Municipality

### Electricity Distribution Losses:

Drakenstein: 6%  
National Norm: 7 - 10%

### Water Distribution Losses:

13.2%

Drakenstein Municipality

## 2.3 THE ORGANISATION

The Municipal Structures Act, No.117 of 1998, assigns powers and functions to local government and the various structures within local government.

### 2.3.1 Political Governance

Section 53 of the Systems Act stipulates that the respective roles and areas of responsibility of each political structure and each Political Office Bearer of the municipality and of the City Manager must be clearly defined. Such definition is important in order to ensure a well-functioning organisation.

#### 2.3.1.1 Executive Mayor and the Executive Mayoral Committee

The Executive Mayor of the DM, Alderman Conrad Poole, assisted by the Executive Mayoral Committee, heads the executive arm of the Council. Besides strategic and political responsibilities the Executive Mayor also has executive powers vested in him, as delegated by the Council, as well as the powers assigned by legislation in order to manage the day-to-day affairs of Council.

Although accountable for the strategic direction and performance of the municipality, the Executive Mayor may act on the advice of the Mayoral Committee which comprises the following members:

Table 4: Executive Mayoral Committee

Name	Portfolio
Ald GC Combrink (Deputy Executive Mayor)	Financial Services
Ald JF le Roux	Engineering Services
Cllr P Mokoena	Corporate Services
Cllr Adv. J Miller	Planning and Development
Cllr E Gouws	Social Services
Cllr LT van Niekerk	Sport, Recreation, Arts and Culture
Cllr L Willemse	Human Settlements and Property Management
Ald R Smuts	Public Safety
Cllr MA Andreas	Rural Development
Cllr R van Niewenhuyzen	Communication and Intergovernmental Relations
Cllr C Kearns	Environment, Parks and Open Spaces

#### 2.3.1.2 Speaker and Council

Drakenstein Municipality consists of 65 Councillors, of which 33 are Ward Councillors and 32 are Proportional Representation (PR) Councillors. The Speaker presides at meetings of the Council.

A list indicating all Councillors with their capacity/position is below:

Table 5: Council

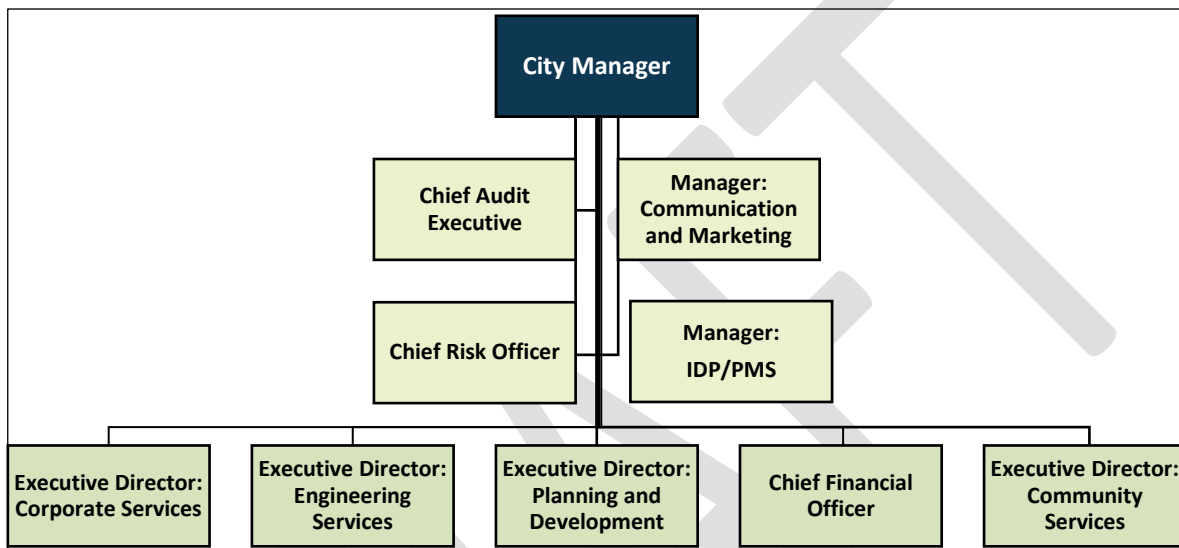
Ward	Name of Councillor	Capacity
1	Calvin Kroutz Anathi Luggola	Ward Councillor Proportional Representative Councillor
2	Hendrik Jacobus Kotze Marthinus Le Hoe	Ward Councillor Proportional Representative Councillor
3	Damon Mintoer Thuso Reginald Mpulanyana	Ward Councillor Proportional Representative Councillor
4	Johan Miller  Anre Koegelenberg (Chief Whip)	<b>Mayoral Committee Member</b> (Planning and Development) Ward Councillor  <b>Mayoral Committee Member</b> Proportional Representative Councillor
5	Ndileka Primrose Mbenene Linda Landu	Ward Councillor Proportional Representative Councillor
6	Tryphina Zukiswa Nqoro Nomana	Ward Councillor
7	Ruth Belldine Arnolds  Margaretha Aletta Andreas	Ward Councillor  <b>Mayoral Committee Member</b> (Rural Development)
8	Nomonde Zikhali Nonkumbulo Nancy George	Ward Councillor Proportional Representative Councillor
9	Tembekile Mangena Moses Klaas	Ward Councillor Proportional Representative Councillor
10	Christephine Kearns  Ludia Sindiswa Sambokwe	<b>Mayoral Committee Member</b> (Environmental Affairs)  Proportional Representative Councillor
11	Aidan Charles Stowman (Speaker)  Abdul Moutie Richards	<b>Mayoral Committee Member</b> Ward Councillor  Proportional Representative Councillor
12	Mncedisi Daniel Nobula  Patricia Mokoena	Councillor  <b>Mayoral Committee Member</b> (Corporate Services) Proportional Representative Councillor
13	Soudah Ross	Ward Councillor
14	Jo-Ann de Wet	Ward Councillor
15	Lodewyk Wilfred Niehaus Amelda Felicity Afrika	Ward Councillor Proportional Representative Councillor
16	Derrick Solomon Blanckenberg Minah Mdunusie	Ward Councillor Proportional Representative Councillor
17	Hendrik Johannes Nicolaas Matthee Nicolaas Daniel Sauerman	Ward Councillor Proportional Representative Councillor
18	Albertus M Loubser Buckle Zolani Livingstone Masoka	Ward Councillor Proportional Representative Councillor

Ward	Name of Councillor	Capacity
19	Theunis Gerhardus Bester Ruben Hendrik de Goede	Ward Councillor Proportional Representative Councillor
20	Patricia Beverly Ann Cupido Bongiwe Primrose Duba	Ward Councillor Proportional Representative Councillor
21	Eva Gouws  Jacobus Francois le Roux	<b>Mayoral Committee Member</b> (Social Services) Ward Councillor  <b>Mayoral Committee Member</b> (Infrastructure Services) Proportional Representative Councillor
22	Felix Patric Cupido Abraham Bekeer	Ward Councillor Proportional Representative Councillor
23	Frances Jacobs Elizabeth Aletta Solomons	Ward Councillor Proportional Representative Councillor
24	Miriam Maria Adriaanse Willem Pieter Daniel Meyer	Ward Councillor Proportional Representative Councillor
25	Laurichia Tylial van Niekerk  Mandisa Vika	<b>Mayoral Committee Member</b> (Sports and Culture)  Proportional Representative Councillor
26	Joan Veronica Anderson	Ward Councillor
27	Vanessa Charmaine Booysen Colin Samuel Rens	Ward Councillor Proportional Representative Councillor
28	Reinhardt van Nieuwenhuyzen  Gert Cornelius Combrink (Deputy Mayor)	<b>Mayoral Committee Member</b> (Communication and IGR)  <b>Mayoral Committee Member</b> (Financial Services) Proportional Representative Councillor
29	Lorraine Willemse  Rean Smuts	<b>Mayoral Committee Member</b> (Housing and Human Settlements)  <b>Mayoral Committee Member</b> (Safety and Security) Proportional Representative Councillor
30	Johannes Smit	Ward Councillor
31	Geoffrey Harry Ford Aletta van Santen	Ward Councillor Proportional Representative Councillor
32	Lawrence Vuyani Nzele Sweetness Xoliswa Jonas	Ward Councillor Proportional Representative Councillor
33	Sharon Elizabeth September	Ward Councillor

## 2.4 The Administration

The City Manager is the Accounting Officer of the municipality and also the head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities. He is assisted by the Strategic Management Team (SMT), which comprises of the Executive Directors of five departments. There are also four divisional managers reporting directly to the City Manager as indicated in the structure below. The SMT is responsible for identifying and setting strategic interventions to improve service delivery; developing new initiatives based on feedback from political leadership, departments and the local community; and managing current priorities.

Figure 1: Macro Organisational Structure



## 2.5 GEOGRAPHICAL LOCATION

Drakenstein Municipality forms part of the Cape Winelands District (which also includes the Category B Municipalities of Stellenbosch, Breede Valley, Witzenberg and Langeberg). The Drakenstein Municipality covers an area of approximately 1,538 km<sup>2</sup>. It stretches from south of the N1 freeway, including Simondium, up to and including Saron in the north. The Klein Drakenstein, Limiet and Saron Mountain ranges form the eastern edge and the agricultural area immediately to the west of the R45 form its western border. The urban conurbation is made up of Paarl, Mbekweni and Wellington, with two central business districts in Paarl and Wellington. The hinterland comprises the smaller rural settlements of Saron and Gouda in the north, Hermon in the mid-west, and surrounding agricultural holdings.

The location map below depicts the location of Drakenstein Municipality in relation to South Africa, the Western Cape Province, and also depicts the various towns within the area:



Figure 2: Location of the Drakenstein Municipality



## 2.6 WARD DEMARCATION AND PROFILE

Drakenstein Municipality was re-demarcated in 2016 and the number of wards increased from 31 to 33. There are 9 (nine) wards which are classified as rural wards.

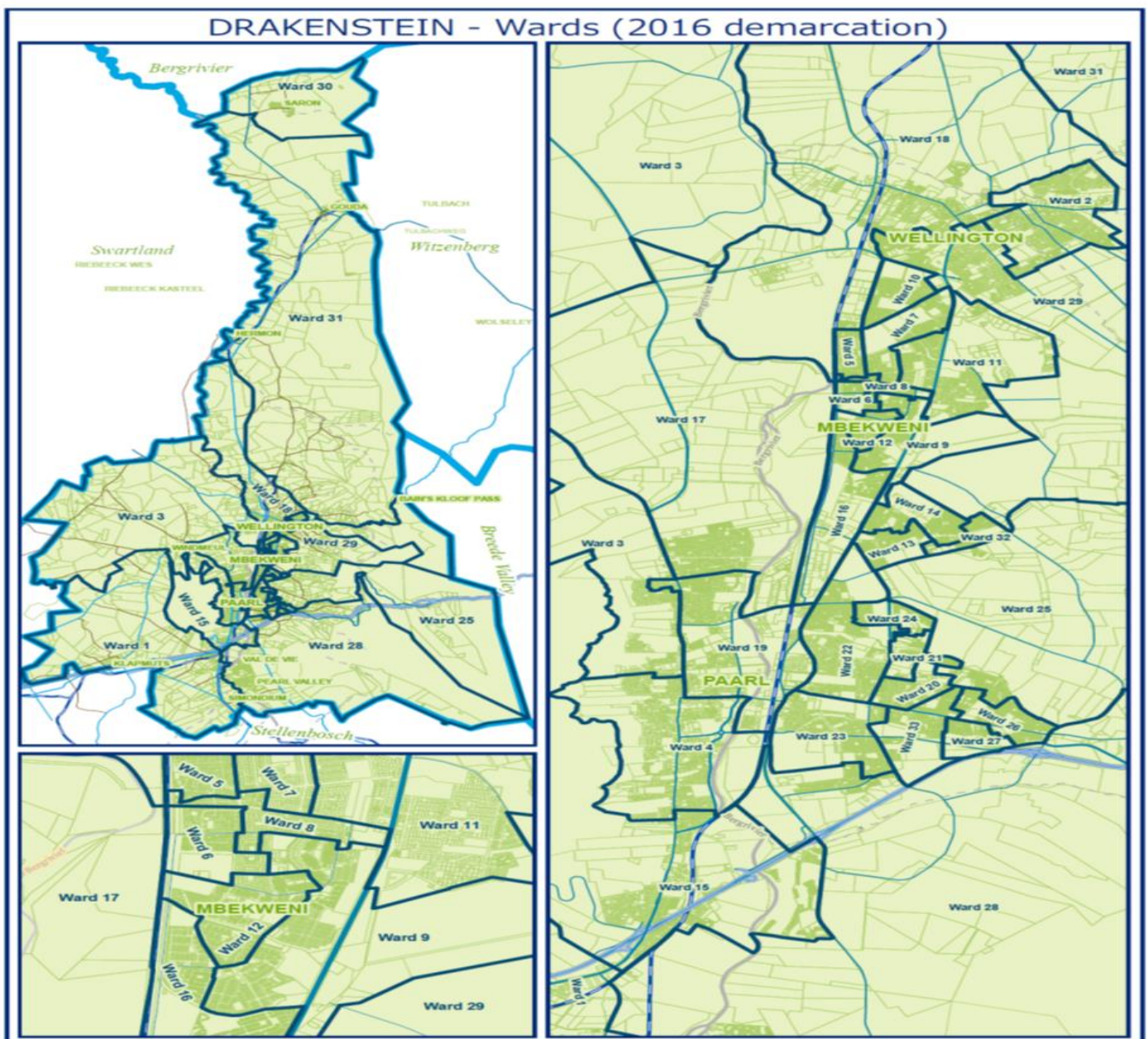
The following is a list of the sub-places or townships found in each of the 33 wards:

- Ward 1: Simondium;
- Ward 2: Kerk Street, Berg-en-Dal, Ranzadale;
- Ward 3: Windmeul and Bergriver Farms, Slot van die Paarl;
- Ward 4: Paarl- Central;
- Ward 5: Carterville;
- Ward 6: Silvertown, Mbekweni;
- Ward 7: Van Wyksvlei, Weltevrede;
- Ward 8: Mbekweni;
- Ward 9: Mbekweni;
- Ward 10: Hillcrest, Wellington;
- Ward 11: Newton, Van Wyksvlei, Safmarine;
- Ward 12: Mbekweni;
- Ward 13: Groenheuwel;
- Ward 14: Groenheuwel;
- Ward 15: Suider Paarl, Courtrai;
- Ward 16: Mbekweni;
- Ward 17: Noorder Paarl, Nieuwedrift, Drommedaris;
- Ward 18: Soetendal, Wellington North, New Rest;
- Ward 19: Noorder-Paarl Central;
- Ward 20: Miqlat Sentrum Area;
- Ward 21: Chicago South, Magnolia;
- Ward 22: New Orleans, Charleston Hill, Huguenot;

- Ward 23: Klein Parys, Denneburg;
- Ward 24: Chicago;
- Ward 25: Nederburg, Lantana;
- Ward 26: Lantana, New York;
- Ward 27: Amstelhof;
- Ward 28: Ronwè, Sonop, Salem, Surrounding Farms;
- Ward 29: Voor Street Area, Uitsig, Perdeskoen Farms;
- Ward 30: Saron;
- Ward 31: Gouda, Hermon, Bovlei, Groenberg;
- Ward 32: Fairyland, Smartie Town and Milky Town; and
- Ward 33: Langvlei, Boland Park, Lustigan Village.

The map below depicts the location of the 33 wards which comprises the municipality:

Figure 3: Ward Demarcation



Source: Drakenstein Municipality 2019

## 2.7 DEMOGRAPHIC PROFILE

### 2.7.1 Population and Household Profile:

The population of Drakenstein is 305 281 and the number of households is 74 230. The table below shows the number of households by different ethnic groups. In 2018/19, Coloured households represented 55.25% of the total households in Drakenstein, followed by Black African at 23.6%, White households 20.78% and Indians/Asians being the smallest portion of households at 0.32%.

Table 6: Household breakdown by ethnic group

Household breakdown by ethnic group						
Serial No.	Ethnic Group	2016/2017	2017/2018	% share 2017/2018	2018/2019	% share 2018/2019
Column Ref.	A	B	C	D	E	F
1	Black African	14,663	15,005	23.54%	15,398	23.65%
2	Coloured	34,572	35,259	55.31%	35,973	55.25%
3	Indian or Asian	197	202	0.32%	208	0.32%
4	White	12,949	13,276	20.83%	13,536	20.78%
5	Total	62,381	63,742	100%	65,115	100%

Source: Quantec Research, 2019

\*Quantec data is regularly updated and figures may be different from those previously reported

## 2.8 SOCIO-ECONOMIC STATUS INFORMATION

In 2017, the unemployment rate in Drakenstein (based on the official definition of unemployment) was 18.8%, which was an increase of 0.5 percentage points from 2016. Given the prevailing conditions over the past year as well as the seasonal nature of local employment in the agricultural sector as well as the narrow definition of the official definition it is estimated that the real unemployment figure is closer to 23%.

The Gini coefficient is a measure of economic/income inequality. In 2017, the Gini coefficient in the municipal area rose from 0.592 in 2016 to 0.601 in 2018. The rising income inequality can be attributed to an increased working age population in low-skilled employment who earn low salaries.

The following table depicts the socio-economic status of the municipality, inclusive of the Gini Coefficient statistics:

Table 7: Socio-Economic Status

Socio-Economic Status					
Serial No.	Year	Unemployment Rate	Percentage of working age population in low skilled employment	Gini Coefficient	Illiterate people older than 20 years
1	2016/17	18.3%	17.59%	0.592	16.24%
2	2017/18	18.8%	17.15%	0.598	16.04%
3	2018/19	23%	No data yet	0.601	15.74%

Source: IHS Markit Regional eXplorer 2019 and Quantec Research 2019

\*Quantec data is regularly updated and figures may be different from those previously reported



### **2.8.1 Poverty**

According to the Poverty Trends in South Africa report released by Statistics South Africa in 2017, the deteriorating financial health of households and individuals under the weight of economic pressures, has resulted in an increase in the poverty levels.

The categories of people vulnerable to poverty remained still largely African females, children 17 years and younger, people from rural areas, and those with no education. Inflation-adjusted poverty lines show that food poverty increased from R219 in 2006 to R531 per person per month in 2017. The lower-bound poverty line has increased from R370 in 2006 to R758 per person per month in 2017 while the upper-bound poverty line has increased from R575 in 2006 to R1 138 per person per month in 2017.

### **2.8.2 Income Inequality**

It is concerning to note that income inequality has been increasing not only in Drakenstein, but also in the Cape Winelands and the broader Western Cape Province. This indicates that the relative satisfactory growth experienced across these regions has not equally been distributed amongst households or individuals. Income inequality has marginally increased from 0.59 to 0.60 (2016 – 2019), which represents a 0.2 per cent growth figure for the aforementioned period.

### **2.8.3 Human Development**

The United Nations uses the Human Development Index (HDI)<sup>1</sup> to assess the relative level of socio-economic development (including life expectancy, education, and per capita income indicators) in countries.

There has been a general increase in the HDI in Drakenstein (from 0.647 in 2008 to 0.723 in 2017), Cape Winelands and the whole of the Western Cape between 2011 and 2015. Naturally, per capita income as per definition is expected to mimic the trend of HDI and this is clearly displayed in the graphic above. While this trend is consistent for Drakenstein, per capita GDP has not risen at the rate experienced in comparison to surrounding municipalities across the Cape Winelands District.

### **2.8.4 Indigent Households**

The constraining macro-economic climate is expected to impact heavily on the various municipal areas of the Western Cape, especially in rural communities where an economic downturn will result in significant job losses across. Rising unemployment figures will subsequently result in a decrease in expendable household income which, coupled with rising inflation rates, will force many families into poverty. Municipal services will ultimately become unaffordable, resulting in these households becoming reliant on free basic services which will in turn strain the already limited resources of the municipality.

The rise in indigent households within Drakenstein has been quite dramatic in recent times. This sudden increase can potentially be linked to job losses within the agricultural sector, in all sectors as a result of the lockdown due to the Covid 19 pandemic and the influx of citizens that move from outlying smaller towns to Drakenstein in search of employment opportunities.

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<sup>1</sup> The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

### 2.8.5 Economy

The economic sectors that contributed the most to the Drakenstein economy in 2018/19 were Finance, insurance, real estate and business services (R4.68 billion); wholesale, retail trade, catering and accommodation (R4.01 billion); manufacturing (R3.3 billion) and general government (R2.4 billion). Agriculture, forestry and fishing; construction; transport, storage and communication; community, social and personal services each contributed between R1.5 billion and R2 billion.

The impact of the Covid-19 pandemic on the economy is the loss of income suffered by households, businesses and government due to the shutdown of the economy since 26 March 2020. It is not anticipated that the economy will make a speedy recovery and the results of the pandemic is, and will, require all businesses to re-evaluate their sustainability and business models.

All sectors of the Drakenstein economy have been adversely affected by the pandemic, but sectors such as tourism have been particularly hit hard after the closure of borders and the cancellation of events. Modelling estimates undertaken after the first two months of the lockdown indicate that manufacturing, retail trade and transport will have a 50 percent loss in income, while tourism, construction and the informal sector could account for over 80 per cent of the job losses during the same period.

The informal sector has particularly been hit hard as most micro enterprises do not have savings and depend on daily income for their operations. The lockdown period also halted opportunities for most SMMEs to earn income, hence the establishment of various SMME relief funding schemes by the Department of Small Business Development. However, these financial aids have not been of significant immediate assistance as they are cumbersome to access and many of the possible recipients do not comply with the criteria.

The Covid-19 pandemic has forced government to divert money budgeted for other priorities to the Department of Health to fight the pandemic and the Department of Small Business Development and the Department of Trade and Industry for relief funding for businesses. While this is much appreciated, it is likely to put a further strain on government finances that have already been deteriorating.

The impact of Covid-19 will result in weak economic performance, high unemployment, increasing poverty, constrained government finances and therefore reprioritisation of government expenditure which will have a severe impact on the municipality's ability to deliver on its mandate. The direct impact on our households and business will further exacerbate the revenue sources of the municipality.

The table below shows employment levels in the municipality in the various sectors:

Table 8: Employment by Sector

Economic Employment by Sector			
Sector	Jobs		
	2014/2015	2015/2016	2016/2017
Agriculture, forestry and fishing	12,661	16,136	15,924
Mining and quarrying	74	77	77
Manufacturing	9,265	9,178	8,949
Electricity, gas and water	304	326	338
Construction	8,726	8,929	9,302

Wholesale, retail trade, catering and accommodation	23,313	24,240	24,643
Transport, storage and communication	4,318	4,673	4,369
Finance, insurance, real estate and business services	14,919	15,618	15,964
General government	12,212	11,916	12,149
Community, social and personal services	15,585	16,495	16,880
<b>Total</b>	<b>101,377</b>	<b>107,588</b>	<b>108,595</b>

Quantec Research 2019

## 2.9 ACCESS TO BASIC SERVICES

The Constitution of the Republic of South Africa states that every citizen has the right to access adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living. The Department: Engineering Services is responsible for basic service delivery, i.e. water, sewerage, roads, stormwater, traffic engineering, waste services and electricity.

Basic services are provided to farms in the rural areas via a subsidy scheme for farm workers, with electricity largely being supplied by Eskom directly to the user.

### 2.9.1 Water Provision

#### Households with access to piped water inside the dwelling or yard or within 200 meters from the yard:

The very recent drought, highlighted water availability and supply. This goes hand in hand with due consideration for water quality. Access to safe potable water is essential to prevent the contraction and spread of diseases and maintaining a healthy life.

In 2011, 99.4 per cent of all households within Drakenstein enjoyed access to piped water. Despite a significant increase in the total number of households since then, the municipality was in 2016 still able to provide 99.5 per cent of all households with water services as per the national norms and standards to the municipality provided an additional 11 889 households (average annual increase of 2 378 households, or 3.7 per cent) with access to piped water from 2011 to 2016 (2017 LG-SEP).

### 2.9.2 Electricity Provision

#### Households with access to electricity as the primary source of lighting:

Energy is essential for human life and the majority of households generally utilise electricity for cooking, heating and lighting purposes. Energy sources also have health and safety risks especially in the use of paraffin and open flame usage.

The total number of households in Drakenstein grew by 11 912 between 2011 and 2016 whilst the total number of households receiving access to electricity only increased by 10 936 households. Household growth

is therefore outstripping the provision of electricity services, evident from the fact that 94.5 per cent of all households had access in 2016, compared to 95.0 per cent in 2011 (2017 LG-SEP). This is most likely a factor of the increase of informal structures within backyards and in informal settlements.

Electricity was previously available to formally reticulated dwellings only. All formal dwellings have been electrified. Good progress has been made with the installation of electricity connections to informal dwellings largely funded with Integrated National Electrification Funding (INEP). The municipality will continue with this roll-out budget permitting. Illegal electricity connections remain a challenge.

### **2.9.3 Refuse Removal Services**

#### **Households who have solid waste removed by local authorities at least weekly:**

Refuse removal is an essential service that ensures that health related problems are kept at bay. The management of waste requires a collaboration between the community and the municipality. It is acknowledged that an inadequate service may result in illegal dumping, but the failure to prevent illegal dumping is not the sole responsibility of the municipality. Drakenstein has an inordinately high number of dumping hotspots. The cost of weekly clearing these sites could be far better utilised for civil and social infrastructure.

There are growing concerns around the land and environmental limitations in the creation and lifespan of landfill sites, as well as the extremely high cost to rehabilitate such sites. Thus making the educational campaigns to 'reduce – reuse – recycle', which actively encourages non-wasteful consumption practices, even more important.

The municipality has made great strides to extend refuse removal services to all households. Access to waste removal services at least once a week improved from 86.1 per cent in 2011 to 90.6 per cent in 2016. The current refuse removal services backlog is largely attributed to farms areas where the land owners are responsible to transport waste to the landfill or areas that are geographically difficult to reach (2017 LG-SEP).

### **2.9.4 Sanitation Services**

#### **Households who have access to a flush or chemical toilet connected to the sewerage system:**

Access to sanitation promotes health and dignity through the provision of safe disposal and treatment of human waste. Where sanitation systems are inadequate, negative health effects can be extremely serious. The current drought highlights challenges in the use of potable water within the sanitation services process.

Drakenstein Municipality has since 2011 made significant progress in terms of providing all citizens with access to acceptable standards of sanitation services, to the extent that 98.4 per cent of all households enjoy access to a flush toilet connected to a sewerage system. Closer consideration of the annual service delivery data reveals that the municipality between 2011 and 2016 was able to provide an additional 2 909 households access to sanitation.

## 2.10 HOUSING

In 2016, the vast majority of households in the municipality reside in formal dwellings (90.3%), while 9.2 per cent of households reside in informal dwellings. The percentage of households living in informal dwellings in 2016 decreased by 4.2% in the five years since census 2011. Households living in “Informal dwellings - shacks in the backyard” have decreased from 7.8% in 2011 to 4.0% in 2016, while “informal dwellings – shack not in a backyard (e.g. on a farm or an informal settlement)” has only marginally been reduced from 5.6% in 2011 to 5.2% in 2016.

Table 9: Dwelling Type

Type of Dwelling	Census 2011 (%)	Community Survey 2016 (%)
Formal Dwelling <sup>2</sup>	85.1	90.3
Informal Dwelling <sup>3</sup>	13.4	9.2
Traditional Dwelling	0.5	0.2
Caravan/tent	0.1	0.0
Other	0.8	0.3

## 2.11 EDUCATION

Education and training improve access to employment opportunities and helps to sustain and accelerate overall development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through indirect positive effects on health and life expectancy, the level of education of a population also influences its welfare.

### 2.11.1 Learner Enrolment

Learner enrolment in Drakenstein tapered off from 46 988 in 2015 to 47 601 in 2016 and increased slightly to 48 208 learners in 2017. This could be attributed to a number of factors including demographics and socio-economic context

### 2.11.2 Learner-Teacher Ratio

The learner-teacher ratio in Drakenstein increased from 36.3 in 2015 to 36.45 in 2016 before falling marginally to 34.9 in 2017, which could in future affect learner performance within the Drakenstein municipal area. Factors influencing the learner-teacher ratio is the ability of schools to employ more educators when needed and the ability to collect fees.

### 2.11.3 Grade 12 Drop-out Rates

The drop-out rates for learners within Drakenstein municipal area that enrolled between 2015 and 2016 declined from 27.1 per cent to 26.0 per cent respectively. These high levels of dropouts are influenced by a

<sup>2</sup> Formal dwellings are structures built according to approved plans and exclude informal dwellings (those on a farm/in a backyard and those found in informal settlements) as well as those made of traditional material.

<sup>3</sup> This is a combination of informal dwellings those in a backyard and those found in informal settlements or on a farm.



wide array of economic factors including unemployment, poverty, indigent households, high levels of households with little income and teenage pregnancies.

#### **2.11.4 Educational Facilities**

The availability of adequate education facilities such as primary and high schools, FET colleges as well as schools equipped with libraries and media centres has a direct impact on academic outcomes. In 2017, Drakenstein had a total of 68 public ordinary (primary and high) schools and 3 special schools. This number remains unchanged from the 2015 and 2016 figures recorded for this category. Given the tough economic climate, schools have been reporting an increase in parents being unable to pay their school fees. However, the proportion of no-fee schools dropped from 67.65 per cent in 2015 to 66.18 percent in 2017. This could in future further increase the drop-out rate. The municipality has 1 university campus located in Wellington and 3 FET colleges, which make further education accessible.

#### **2.11.5 Schools with Libraries**

The number of schools equipped with libraries in Drakenstein is 10. Economic literature supports the overwhelming evidence on the five aspects of public libraries as agencies of community development and its positive impact on communities, namely: libraries serve as a medium to access information and to learn; libraries support social inclusion and equity; libraries promote community engagement; libraries create a bridge to resources and community participation, and libraries encourage economic vitality within the community.

#### **2.11.6 Education Outcomes**

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the broader market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economy and poverty reduction plans can be realised. Drakenstein matric pass rate remained at 86.7 per cent in 2015 and 2016, but decreased slightly to 85.4 per cent in 2017. This could improve access for learners to higher education to broaden their opportunities.

#### **2.11.7 Highest Level of Education**

The Community Survey 2016 indicated a 6.3% increase in the percentage of persons aged twenty and above who have completed secondary school, while those attaining a higher educational qualification has declined by 0.9% in 2016. The percentage of persons in this age group who have no schooling has reduced by 1.1% from 3.2% in 2011 to 2.1% in 2016.

#### **2.11.8 Literacy Levels**

Literacy is defined as the ability to read and write, but it is more strictly defined as the successful completion of a minimum of 7 years of schooling. The literacy rate is calculated as the proportion of those 14 years and older who have successfully completed a minimum of 7 years of formal education. The literacy rate in Drakenstein was recorded at 44.8 per cent in 2011, which is higher than the average literacy rates of the Cape Winelands District (81.7 per cent) and the rest of South African (80.9 per cent) but is lower than the Western Cape (87.2 per cent).

## **2.12 HEALTH**

### **2.12.1 Healthcare Facilities**

The information provided by the Department of Health, as detailed in this section, pertains only to public sector healthcare institutions. All citizens' right to access to healthcare services is directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare systems are geared in such a way that people have to move from primary with a referral system to secondary levels.

In terms of healthcare facilities Drakenstein has 17 primary healthcare clinics (PHC), which comprises of 11 fixed and 6 mobile clinics. Although there are no community health centres in either Drakenstein or the broader Cape Winelands District, there are 3 community day centres in Drakenstein. In addition, Drakenstein has a regional hospital, as well as 18 ART treatment clinics/sites and 26 TB facilities.

### **2.12.2 Emergency Medical Services**

The number of ambulances per 10 000 people in Drakenstein increased from 0.2 in 2015 to 0.3 in 2016, remaining constant at 0.3 in 2017. This increase is welcomed, as a larger number of operational ambulances can provide a greater coverage of emergency medical services. Drakenstein's ambulance ratio in 2017 is lower than that of the Cape Winelands District (0.5). Access to emergency medical services is critical for rural citizens due to rural distances between towns and health facilities being much greater than in the urban areas. Combined with the relatively lower population per square kilometre in rural areas, ambulance coverage is greater in rural areas in order to maintain adequate coverage for rural communities.

## **2.13 ENVIRONMENT**

Drakenstein Municipality is situated within the unique natural environment of the Cape Floristic Region, a biodiversity hotspot and one of only six floral kingdoms found anywhere on Earth. It is important to note that the natural environment forms the basis on which our economic and social systems depend. In order to continue to provide a stimulating environment for residents that promotes health and wellbeing and a flourishing economic base, it is imperative that natural resources and ecosystems are utilised in a sustainable manner. While the natural environment is still in a relatively good state, some indicators are showing that the current state of the environment is under threat. These threats are caused by habitat destruction, alien invasive species, pollution to the environment and climate change which all need attention. The aim is to continue to monitor the state of the environment and develop new responses to counter these threats in order to ensure that the unique character of the environment is preserved for future generations to come.

## **2.14 SAFETY AND SECURITY**

The Drakenstein Smart Safety Network (DSSN) collaborates with South African Police Services (SAPS), provincial government, various Farm Watches and Neighbourhood Watches, municipal law enforcement and traffic services to ensure the safety of all DM residents.

### 2.14.1 DM Safety Statistics

From the table below, it is evident that the number of sexual offences is on the rise, meaning that Drakenstein is also in the midst of the scourge of gender-based violence. Notably, the rate of drug related crimes has increased, while murder and burglaries have decreased in 2018.

Table 10: Safety and Security Statistics

Safety and Security Statistics				
Crime	2015	2016	2017	2018
Murder	96	81	130	112
Sexual Offences	391	339	350	405
Drug-Related Crime	3 281	3 265	3 953	4263
Burglary Residential Premises	2 125	1 913	1 919	1742
Driving under the influence of alcohol or drugs	234	195	192	180

Source: Quantec Research, 2020

### 2.14.2 Driving under the Influence

Despite concerted efforts by government, our roads are still considered amongst the most dangerous in the world. Reckless driving and alcohol consumption remain the top reason for road accidents. The number of cases of driving under the influence of alcohol or drugs in the Drakenstein area shows a decrease of 5.1 per cent from 58 in 2017 to 55 in 2018 (per 100 000 population).

### 2.14.3 Residential Burglaries

Residential burglary is defined as the unlawful entry of a residential structure with the intent to commit a crime, usually a theft. Residential burglaries in the Western Cape increased by 5.3 per cent. Residential burglary cases within the Drakenstein area decreased by 15.3 per cent from 631 in 2017 to 534 in 2018 (per 100 000 population).

### 2.14.4 Fatal Crashes

According to Quantec Research 2018, fatal crashes involving motor vehicles, motorcycles, cyclists and pedestrians within the jurisdiction of the Drakenstein Municipality has gradually increased since 2015, with an increase from 50 in 2015, up to 58 and eventually 67 in 2016 and 2017 respectively. The number of fatal crashes in the broader Cape Winelands District increased by 18.4 per cent between 2015 and 2016 before decreasing again towards the end of 2017.

### 2.14.5 Road User Fatalities

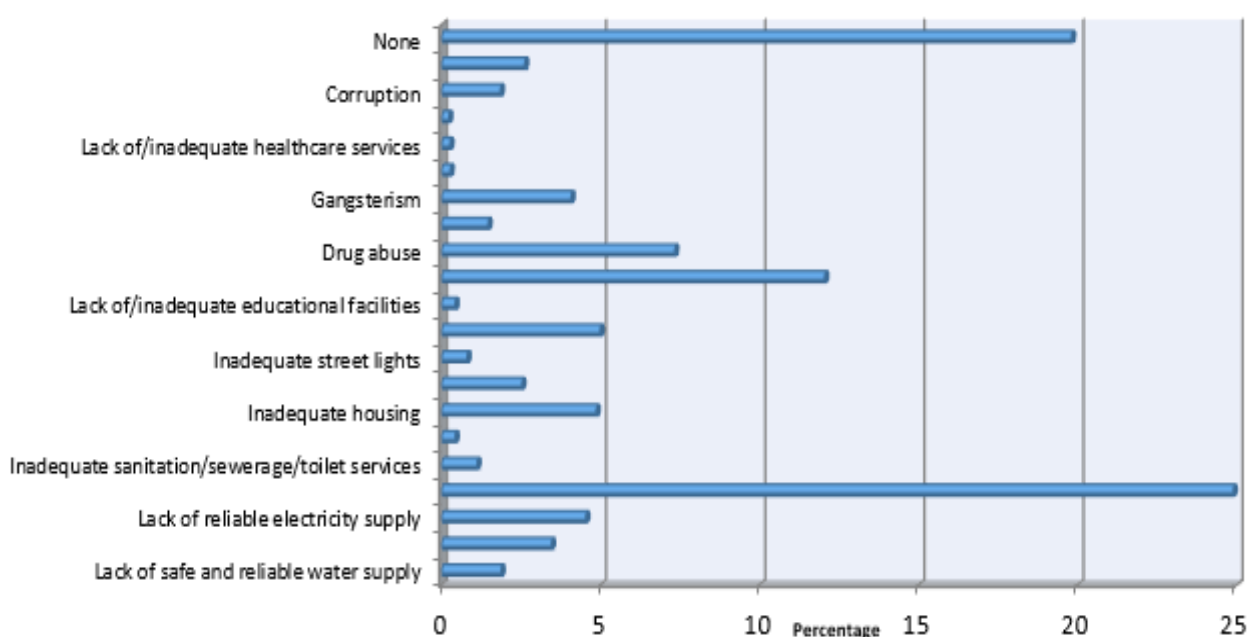
Indicates the type of road user that died in or during a crash i.e. driver, cyclist, passengers, or pedestrians. According to a recent study, the majority of road fatalities in Africa fall within the working age cohort - between the ages of 15 – 64 years, whilst three out of four fatalities were found to be male (Peden et al., 2013). The untimely death of these primary breadwinners therefore impacts directly upon not only the livelihood of family structures, but deprive society of active economic participants that contribute towards growth and

development. The socio-economic impact of such road fatalities has proven to be particularly devastating in South Africa where the majority of road users hail from poor and vulnerable communities.

## 2.15 SUMMARY OF CHALLENGES

Households indicated that the greatest challenge facing the municipality was the cost of electricity (24.9%), with violence and crime and drug abuse as the second and third most challenging obstacles facing the municipality. Households indicated the lack of/or employment opportunities follow as the next challenge facing Drakenstein Municipality (with 5.0% of the 71 686 households indicating this challenge as important). The Community Survey 2016 indicates that Inadequate housing (4.9%) is regarded as the fifth challenge facing the municipality, followed by the lack of reliable supply of electricity (4.5%). However, 19.8% of households indicated that there are “no challenges” facing the municipality.

**Graph 17: Households indicating the difficulties facing Drakenstein Municipality presently (CS 2016)**



Source: Statistics SA: Community Survey 2016

### Top Ten (10) Priorities as identified by Drakenstein Communities:

Using the various IDP Public Participation platforms and through engagements with relevant stakeholders, the following top ten (10) overarching priorities were identified by the community:




- Housing;
- Job Opportunities;
- Safety & Security measures to combat crime;
- Visible Law Enforcement;
- Public Transport for rural wards;
- Roads Infrastructure – Speed humps;
- Traffic Calming in various wards;

- Play parks for children in wards;
- Assistance with ECD's; and
- Electrical Infrastructure – street lighting.

## 2.16 SITUATIONAL ANALYSIS PER KPA AND PDO

The analysis in this Section is enriched by applying a rating system, which is as follows:

Table 11: Rating System – Situational Analysis

CORE COMPONENTS	Rating
1 – Good performance/implementation	
2 – Average performance OR policy in place with average implementation	
3 – Poor performance OR no policy in place OR policy in place but poor/no implementation	

In order to ensure vertical and transversal alignment; to ensure adequate time and resource allocation; and to enable performance management an array of interventions was identified. These were classified as Key Initiatives, Programs and Projects and were allocated to a series of Big Moves. Big Moves are initiatives which will, over the next fifteen years dramatically alter and improve the space, economy and sustainability of Drakenstein. In turn, the Big Moves have been located spatially within five Catalytic Zones and collated into the Key Performance Areas and Pre-determined Objectives.

The KPAs and PDOs are underpinned by a series of transversal enablers, such as policies, procedures and Bylaws – the governance, financial and institutional foundation of both Drakenstein the Local Authority, and Drakenstein the City of Excellence. Most importantly, this strategic framework is the principal informant of the Drakenstein Five-Year Performance Plan, Annual Service Delivery and Budget Implementation Plan and Performance Agreements of Senior Managers. The setting of key performance indicators and targets against which the performance of the municipality and its senior management and leadership are measured derive its mandate from this IDP.

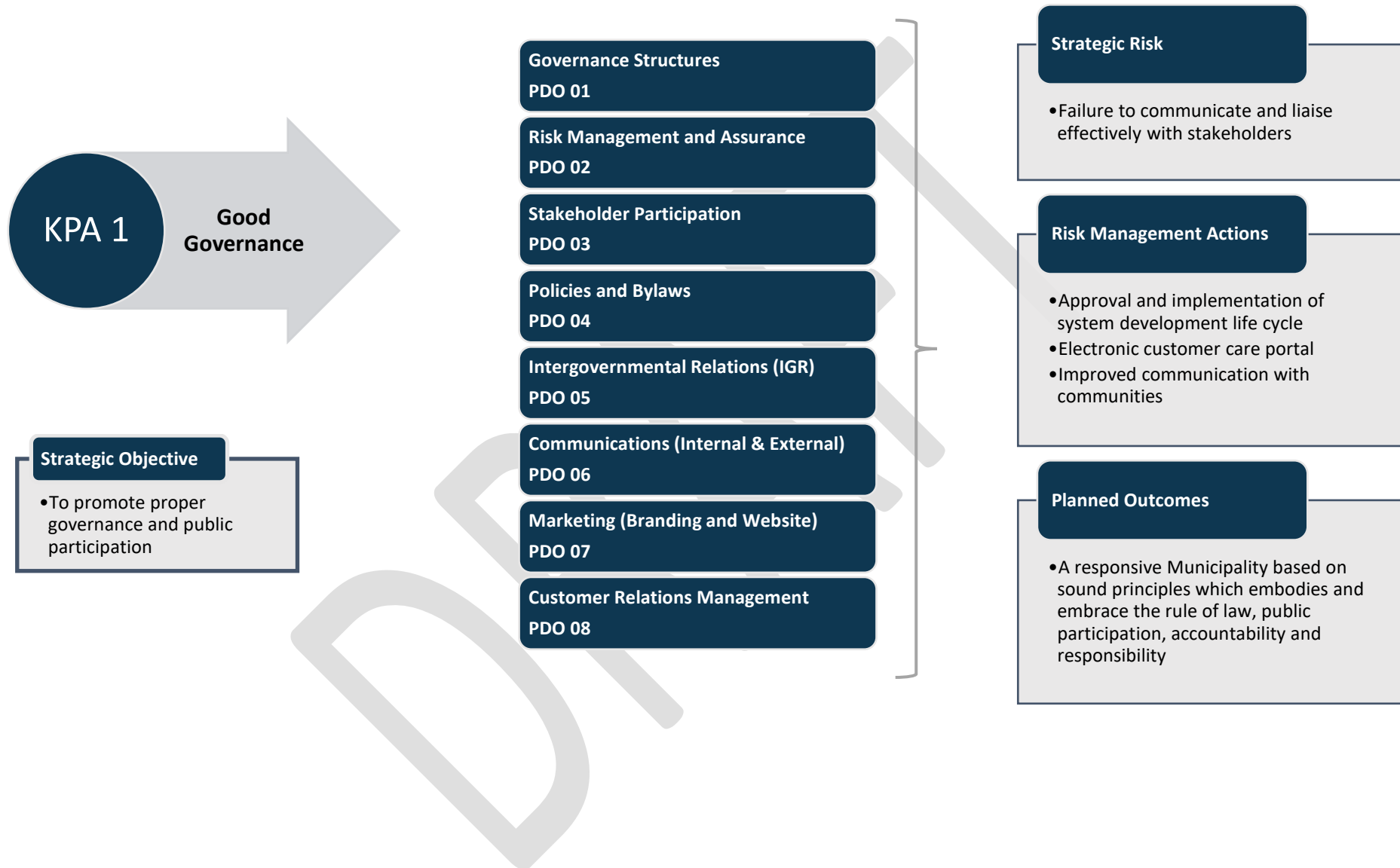


Table 12: PDO 1: Policies

No.	Policies
1.	Recruitment and Selection Policy
2.	Rules Regulating the Election and Establishment of Ward Committees
3.	Ward Committee Policy
4.	Travel and Subsistence Policy
5.	Roles and Responsibilities of Council, Political Structures, Office Bearers and Municipal Manager
6.	Fraud Prevention Policy
7.	Enterprise Risk Management Policy
8.	Public Participation Policy
9.	Marketing Strategy
10.	Communication Policy and Strategy
11.	Language Policy
12.	Rules Regulating the Election and Establishment of Ward Committees
13.	Fraud Prevention Policy
14.	Policy for Formulation, Development and Review of Policies

### Analysis of Internal and External Factors (The Current State):

Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

## PDO 1: GOVERNANCE STRUCTURES

### PDO DESCRIPTION

This PDO relates to the Municipality's Governance Structure, which is informed by the Municipal Structures Act, No.117 of 1998. The Act stipulates the roles and responsibilities that each structure within the municipality should perform. Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and each Political Office Bearers and of the Municipal Manager must be defined. The City Manager is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day operational affairs.

The Executive Mayor of the Municipality, assisted by the Mayoral Committee heads the executive arm of the Council. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although responsible for the strategic direction and performance of the Municipality, the Executive Mayor heads the executive function together with the Mayoral Committee.

Drakenstein Municipality consists of 65 Councillors; 33 are Ward Councillors; and 32 are Proportional Councillors (PR). The Speaker presides at meetings of the Council. The table below is a list of functioning structures.

















These committees include:

Table 13: PDO 1: Committees

Type	Name of Committee
<b>Appeal Committee</b>	<ul style="list-style-type: none"> <li>Section 62 Appeal Committee.</li> </ul>
<b>Section 79 Committees</b>	<ul style="list-style-type: none"> <li>Municipal Public Accounts Committee (MPAC); and</li> <li>Special Committee Dealing with transgressions of the Code of Conduct for Councillors</li> </ul>
<b>Section 80 Committees:</b>	<ul style="list-style-type: none"> <li>Corporate Services Committee;</li> <li>Planning and Development Committee;</li> <li>Engineering Services Committee;</li> <li>Financial Services Committee; and</li> <li>Community Services Committee.</li> </ul>
<b>Oversight Committees</b>	<ul style="list-style-type: none"> <li>Audit Committee;</li> <li>Fraud and Risk Committee; and</li> <li>Disciplinary Board</li> </ul>
<b>Labour Committees</b>	<ul style="list-style-type: none"> <li>Local Labour Forum; and</li> <li>Training Committee.</li> </ul>

## RATING OF COMPONENTS OF THE PDO

Table 14: PDO1: Rating

COMPONENTS OF THE PDO	RATING
Effective Functioning of Governance Structures	
Council: Monitoring of Council Decisions and Effective Oversight	
Mayoral Committee	
Section 79 Committees: Effective Oversight and Accountability <ul style="list-style-type: none"> <li>Section 62 Appeals</li> <li>MPAC</li> <li>Disciplinary Committee for Councillors</li> </ul>	  
Section 80 Committees – Advice to Mayoral Committee and Inclusive Decision Making <ul style="list-style-type: none"> <li>Corporate Services Committee</li> <li>Planning &amp; Development Committee</li> <li>Financial Services Committee</li> <li>Engineering Services Committee</li> <li>Community Services Committee</li> </ul>	    
Statutory Committees: Advisory and Oversight <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Fraud &amp; Risk Committee</li> <li>Disciplinary Board</li> </ul>	  
Sound Labour Relations: <ul style="list-style-type: none"> <li>Local Labour Forum</li> <li>Training Committee</li> </ul>	 



**PDO 2: RISK MANAGEMENT AND ASSURANCE****PDO DESCRIPTION**

This PDO relates to the Municipality's activities in respect of Risk Management and Assurance. Risk Management forms an integral part of the internal processes of a Municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis. Based on the risk assessments performed, the 11 strategic risks are summarised below. A comprehensive Risk Register can be found in the Annexures.

Table 15: PDO 2 – Strategic Risks

No.	Strategic Risk
1.	Financial non-viability
2.	Inadequate service delivery
3.	Deficiency in staff skills and capacity
4.	Increasing poverty and unemployment
5.	Inadequate infrastructure, investment and maintenance
6.	Weakness in governance and accountability
7.	Unmanaged urbanisation
8.	Failure to communicate effectively with stakeholders
9.	Inadequate ICT planning, infrastructure and systems
10.	National electricity blackout
11.	Failure to address the consequences of notifiable diseases

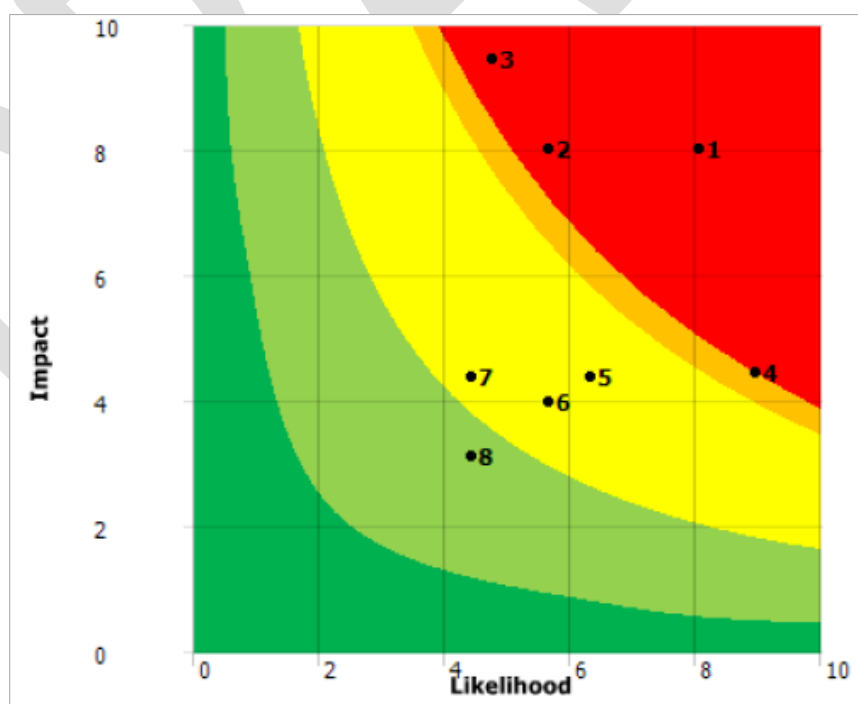
**Graph 18: Strategic Risks Residual Heat Map**











Table 16: PDO 2 – Strategic Risk: Point on Heat Map

Point on Heat Map	Ref	Strategic risk	Inherent Impact	Inherent Likelihood	Control Effectiveness	Residual Risk
1	SR011	Failure to address the consequences of notifiable diseases	Catastrophic	Almost Certain	Satisfactory	Priority 1
2	SR007	Unmanaged urbanisation	Catastrophic	Likely	Satisfactory	Priority 1
3	SR010	National electricity blackout.	Catastrophic	Moderate	Unsatisfactory	Priority 1
4	SR004	Increasing poverty and unemployment.	Serious	Almost Certain	Weak	Priority 2
5	SR002	Inadequate service delivery.	Critical	Almost Certain	Good	Priority 3
6	SR005	Inadequate infrastructure, investment and maintenance	Serious	Likely	Satisfactory	Priority 3
	SR008	Failure to communicate effectively with stakeholders	Serious	Likely	Satisfactory	
	SR009	Inadequate ICT planning, infrastructure and systems	Serious	Likely	Satisfactory	
7	SR001	Financial non-viability	Critical	Likely	Good	Priority 3
	SR003	Deficiency in staff skills and capacity	Serious	Moderate	Satisfactory	
8	SR006	Weakness in governance and accountability	Serious	Likely	Good	Priority 3

The municipality receives assurance on the adequacy and effectiveness of its systems of internal control from the Internal Audit Department. Assurance engagements are performed in terms of a three-year strategic and one-year operational plan, which is approved by the Audit Committee at the commencement of each financial year. The priorities in the Internal Audit plan can be categorised in terms of audits focusing on the systems of internal control, risk management and governance processes. The prioritisation of assurance engagements in these three categories is based primarily on the municipality's risk profile as well as legislative requirements. Internal Audit reports to the Audit Committee on a quarterly basis regarding the outcome of audits conducted in terms of the approved plan.

## RATING OF COMPONENTS OF THE PDO

Table 17: PDO 2 – Rating

COMPONENTS OF THE PDO	RATING
Risk Identification and Assessment	
Risk Data Analysis	
Risk Forecasting	
Risk Reporting	
Combined Assurance	
Fraud Prevention	
Fraud Detection	
Forensic Investigation	
Feedback/Reporting	
Risk Assurance	



## PDO 3: STAKEHOLDER PARTICIPATION

## PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of stakeholders participation. In terms of legislation, the municipality must consult with its stakeholders in respect of the IDP and the Budget and this is done through annual engagements in April of each year. In addition, ward committees are the official participatory structure of the municipality. With 33 wards and 33 ward committees, the continuous improvement of communication between the municipality and communities remains high on the agenda for the Council. The components for this PDO is listed below.

## RATING OF COMPONENTS OF THE PDO

Table 18: PDO 3 – Rating

COMPONENTS OF THE PDO	RATING
Consultative engagements around the IDP and Budget	
Ward Committee meetings	

## PDO 4: POLICIES AND BYLAWS



## PDO DESCRIPTION

The purpose of this PDO is to ensure that Policies and Bylaws remain relevant in addressing current challenges and that the enforcement of Bylaws is improved.

## Policies

A list of policies follows with current assessments thereof indicated:

Table 19: PDO 4 - Policies (All)

No.	Policies	Status	
1.	Substance Abuse Policy	Approved by Council: 31/01/2018	
2.	Financial Assistance for Public Events Policy	Approved by Council: 26/09/2018	

No.	Policies	Status	
3.	Combined Assurance Policy	Approved by Council: 28/11/2018	😊
4.	Gift Policy	Approved by Council: 31/05/2019	😊
5.	Bestowal of Aldermanship Policy	Approved by Council: 27/02/2019	😊
6.	External Bursary Policy (Mayoral Bursary Policy)	Approved by Council: 27/06/2018	😊
7.	Leave Policy	Approved by Council: 27/06/2018	😊
8.	Acting, Additional and Secondment Allowance Policy	Approved by Council: 27/06/2018	😊
9.	Talent Management and Succession Planning Policy	Approved by Council: 27/06/2018	😊
10.	Policy on ward-based operational projects	Approved by Council: 26/09/2018	😊
11.	Occupational Health and Safety	Approved by Council: 31/07/2018	😊
12.	Dress Code Policy	Approved by Council: 30/01/2019	😊
13.	Investment Incentive Policy	Approved by Council: 28/03/2019	😊
14.	Corporate Disaster Management Plan	Approved by Council: 30/04/2019	😊
15.	Standby Policy	Approved by Council: 31/05/2019	😊
16.	Probation Policy	Approved by Council: 24/07/2019	😊
17.	Cost Containment Policy	Approved by Council: 31/07/2019	😊
18.	Informal Trading Enhancement Policy	Approved by Council: 31/07/2019	😊
19.	Personal Protective Equipment and Clothing Policy	Approved by Council: 31/07/2019	😊
20.	Temporary Housing Assistance Policy	Approved by Council: 31/07/2019	😊
21.	Drakenstein Integrated Economic Growth Strategy	Approved by Council: 22/08/2019	😊
22.	Drakenstein Mountain Slope Policy	Approved by Council: 30/09/2019	😊
23.	Tourism Development Plan	Approved by Council: 30/09/2019	😊
24.	Policy for the subsidisation of farm workers	Approved by Council: 29/01/2020	😊
25.	Recruitment and Selection Policy	Approved by Council: 21/05/2014	😊
26.	Performance Management Policy Framework	Adopted by Council: 2004. Review and adopted by Council: 12/12/2014	😊
27.	Memorial Crosses	Approved by Council: 30/11/2004	😊
28.	HIV/AIDS Policy	Approved by Council: 30/11/2004	😊
29.	Rules Regulating the Election and Establishment of Ward Committees	Approved by Council: 29/09/2016	😊
30.	Ward Committee Policy	Approved by Council: 29/09/2016	😊
31.	Travel and Subsistence Policy	Approved by Council: 20/05/2015	😊
32.	Tariff Policy	Approved by Council: 20/05/2015	😊
33.	Traffic Calming Policy	Approved by Council: 29/06/2005	😊
34.	Customer Care, Credit Control and Debt Collection and Indigent support Policy	Approved by Council: 20/05/2015	😊
35.	GRAP Accounting Policy	Approved by Council: 21/05/2014	😊
36.	Asset Management Policy	Approved by Council: 20/05/2015	😊
37.	Property Rates Policy	Approved by Council: 20/05/2015	😊
38.	Cash and Investment Management Policy	Approved by Council: 20/05/2015	😊
39.	Education, Training and Development Policy	Approved by Council: 27/11/2008	😊

No.	Policies	Status	
40.	Grants in Aid Policy	Approved by Council: 20/05/2015	😊
41.	Overtime Policy	Approved by Council: 21/05/2015	😊
42.	Lighting on private rural land	Approved by Council: 29/08/2006	😊
43.	Alcohol Policy and Procedure Agreement	Approved by Council: 28/09/2006	😊
44.	Supply Chain Management Policy	Approved by Council: 20/05/2015	😊
45.	Petty Cash Policy	Approved by Council: 20/05/2015	😊
46.	Budget and Management Oversight Policy	Approved by Council: 20/05/2015	😊
47.	Roles and Responsibilities of Council, Political Structures, Office Bearers and Municipal Manager	Approved by Council: 27/11/2008	😊
48.	Sexual Harassment Policy	Approved by Council: 25/10/2007	😊
49.	Fraud Prevention Policy	Approved by Council: 21/03/2014	😊
50.	Transfer Policy for Human Settlement Projects	Approved by Council: 23/09/2014	😊
51.	Writing off of irrecoverable debt Policy	Approved by Council: 20/05/2015	😊
52.	Tree Management Policy	Approved by Council: 24/11/2010	😊
53.	Sport and Recreation Policy	Approved by Council: 24/11/2010	😊
54.	Long Term Financial Sustainability Policy	Approved by Council: 20/05/2015	😊
55.	Developer Contributions Policy	Approved by Council: 20/05/2015	😊
56.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	Approved by Council: 20/05/2015	😊
57.	Asset Transfer Policy	Approved by Council: 25/08/2015	😊
58.	Policy on Stock Management	Approved by Council: 20/05/2015	😊
59.	Unforeseen and Unavoidable Expenditure Policy	Approved by Council: 21/05/2014	😊
60.	Virement Policy	Approved by Council: 20/05/2015	😊
61.	Borrowing Policy	Approved by Council: 20/05/2015	😊
62.	Funding and Reserve Policy	Approved by Council: 20/05/2015	😊
63.	Water Losses Policy	Approved by Council: 20/05/2015	😊
64.	Electricity Losses Policy	Approved by Council: 20/05/2015	😊
65.	Environmental Policy	Approved by Council: 20/05/2015	😊
66.	Insurance Policy	Approved by Council: 20/05/2015	😊
67.	Policy for the Use of Landline Telephone System	Approved by Council: 22/09/2010	😊
68.	Enterprise Risk Management Policy	Approved by Council: 31/03/2014	😊
69.	Information and Communication Technology Policy (Reviewed)	Approved by Council: 23/09/2014	😊
70.	Electronic Records Management Policy	Approved by Council: 24/11/2010	😊
71.	Informal Trading Management Framework	Approved by Council: 26/04/2012	😊
72.	Electrical Infrastructure Maintenance Policy	Approved by Council: 26/10/2011	😊
73.	Public Participation Policy	Approved by Council: 25/03/2015	😊
74.	Marketing Strategy	Approved by Council: 08/05/2008	😊
75.	Integrated House Shop Policy	Approved by Council: 12/04/2012	😊
76.	Events Support Framework	Approved by Council: 27/05/2008	😊
77.	Records Management Policy	Approved by Council: 30/09/2015	😊
78.	Private Work Policy	Approved by Council: 13/12/2012	😊

No.	Policies	Status	
79.	Placement Policy	Approved by Council: 13/12/2012	😊
80.	Policy on the writing-off of irrecoverable debt	Approved by Council: 20/05/2015	😊
81.	Early Childhood Development	Approved by Council: 28/10/2014	😊
82.	Communication Policy and Strategy	Approved by Council: 29/09/2015	😊
83.	Cellular Telephone Policy	Reviewed and adopted by Council: 12/12/2014	😊
84.	Prioritization model for capital assets investment	Approved by Council: 20/05/2015	😊
85.	Limited pay-out Gambling Machine Policy	Approved by Council: 26/02/2014	😊
86.	PAIA Section 14 Manual (Promotion of Access to Information)	Approved by Council: 28/08/2013	😊
87.	Fleet Management Policy and User Guide	Approved by Council: 25/02/2015	😊
88.	Language Policy	Approved by Council: 25/02/2015	😊
89.	Housing Selection Policy	Approved by Council: 28/10/2014	😊
90.	Emergency Housing Policy	Approved by Council: 11/12/2015	😊
91.	Appointment of Temporary Staff	Approved by Council: 30/09/2013	😊
92.	Smoking Policy	Approved by Council: 30/07/2002	😊
93.	Food and Nutrition Security policy	Approved by Council: 29/04/2015	😊
94.	Housing Policy	Approved by Council: 27/01/2016	😊
95.	Donations Policy	Approved by Council: 25/02/2016	😊
96.	Policy for Formulation, Development and Review of Policies	Approved by Council: 27/08/2014	😊
97.	Street People Policy	Approved by Council: 29/04/2015	😊
98.	Grant in Aid policy: Community	Approved by Council: 29/04/2015	😊
99.	Job Evaluation Policy	Approved by Council: 24/8/2017	😊
100.	Grants in Aid Policy: Finance	Approved by Council: 31/4/2017	😊
101.	Policy in Infrastructure Procurement and Delivery Management	Approved by Council: 21/6/2017	😊
102.	Financial Asset Management Policy	Approved by Council: 31/5/2017	😊
103.	Unclaimed Deposits Policy	Approved by Council: 29/3/2017	😊
104.	Student Accommodation Policy	Approved by Council: 29/3/2017	😊
105.	Generic ICT Service Level Agreement Management	Approved by Council: 29/3/2017	😊
106.	Service Provider Management Framework	Approved by Council: 29/3/2017	😊
107.	ICT Technical Policy	Approved by Council: 29/3/2017	😊
108.	Change Management Policy	Approved by Council: 29/3/2017	😊
109.	Backup and Restore Management Policy	Approved by Council: 29/3/2017	😊
110.	ICT Access Management Policy	Approved by Council: 29/3/2017	😊
111.	ICT Technology Management Framework	Approved by Council: 29/3/2017	😊
112.	Motor Vehicle Allowance Scheme	Approved by Council: 12/12/2014	😊
113.	Policy on the Naming and Renaming of Street, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities	Approved by Council: 31/5/2017	😊
114.	Smoking Policy	Approved by Council: 27/7/2017	😊
115.	Intergovernmental and International Relations Policy	Approved by Council: 29/11/2017	😊
116.	Telecommunications Base Station Policy	Approved by Council: 31/10/2017	😊































No.	Policies	Status
117.	Special Rating Area Policy	Approved by Council: 29/11/2017 

## Bylaws

The following list of Bylaws is included in the Municipal Code. The following list indicates the current assessment thereof:

Table 20: PDO 4 - Bylaws (All)

No.	Bylaws	Promulgation Status	
1.	Bylaw No 1/2002: The Control of Fireworks	PG-5873 – 17/05/2002	
2.	Bylaw No 2/2002: Establishment of Improvement Districts	PG-5932 – 04/10/2002	
3.	Bylaw No 1/2007: The Advisory Board for Nature Reserves	PG-6426 – 16/03/2007	
4.	Bylaw No 2/2007: Cemeteries and Crematoriums	PG-6426 – 16/03/2007, Reviewed by Council: 12/12/2014 in process	
5.	Bylaw 2014: Electricity Supply	PG-7326 – 07/11/2014	
6.	Bylaw No 4/2007: The prevention of public nuisances and the keeping of animals	PG-6426 – 16/03/2007	
7.	Bylaw No 5/2007: Camping Areas	PG-6426 – 16/03/2007	
8.	Bylaw No 6/2007: Child Care Facilities	PG-6426 – 16/03/2007	
9.	Bylaw No 7/2007: Paarl Mountain Nature Reserve	PG-6426 – 16/03/2007	
10.	Bylaw No 8/2007: Public Amenities	PG-6426 – 16/03/2007	
11.	Bylaw No 10/2007: The Management of Premises provided by the Municipality for Dwelling Purposes	PG-6426 – 16/03/2007	
12.	By-law No 11/2007; The prevention of atmospheric pollution	PG-6426 – 16/03/2007	
13.	Bylaw No 12/2007: The impoundment of animals	PG-6426 – 16/03/2007	
14.	Bylaw No 9/2007: Parking Metres	PG-6426 – 16/03/2007	
15.	Bylaw No 14/2007: Informal Trade	PG-6426 – 16/03/2007	
16.	Bylaw No 15/2007: Streets	PG-6426 – 16/03/2007	
17.	Bylaw No 16/2007: Public Swimming Pools	PG-6426 – 16/03/2007	
18.	Bylaw No 19/2007: Parks for caravans and mobile homes	PG-6426 – 16/03/2007	
19.	Bylaw No 22/2007: Repeal	PG-6426 – 16/03/2007	
20.	Bylaw No 21/2007: Rules of order regulating the conduct of meetings of the portfolio committees of the Municipality of Drakenstein	PG-6426 – 16/03/2007	
21.	Bylaw No 1/2008: Outdoor Advertising and Signage	PG-6516 – 18/04/2008	
22.	Bylaw No. 1/2011: Amendment of Bylaw 9/2007: Parking Meters	PG-6923 – 04/11/2011	
23.	Bylaw No 1/2011: Amendment of Bylaw 9/2007: Parking Metres	PG-6923 – 04/11/2011	
24.	Bylaw No. 2/2011: Bylaw relating to controlled Parking Areas	PG-6923 – 04/11/2011	
25.	Bylaw No 18/2007: Water supply, sanitation services and industrial effluent	PG-6426 – 21/02/2012	
26.	Bylaw: Liquor Trading days and hours	PG-7078 – 11/01/2013	
27.	Bylaw on Property Rates	PG- 7144 - 28/06/2013	
28.	Tariff Bylaw	PG-7144 - 28/06/2013	

No.	Bylaws	Promulgation Status	
29.	Bylaw on Customer Care, Credit Control, Debt Collection, and Indigent Support	PG- 7144 – 28/06/2013	😊
30.	Bylaw No 2014: Water Services	PG-7291 – 25/07/2014	😊
31.	Bylaw: Rules of order regulating the conduct of meetings of the Council of the Municipality of Drakenstein	PG-7921 – 25/07/2014	😊
32.	By-law relating to the Transfer of Municipal Capital Assets	PG-7975 – 07/09/2018	😊
33.	Zoning Scheme By-law	PG-6923 – 28/09/2018	😊
	Drakenstein Municipality Building Control By-law	PG-7983 – 28/09/2018	😊
34.	By-Law relating to the Use of Remotely Piloted Aircraft and Model Aircraft in Public Places and Streets	PG-8207 – 14/02/2020	😊
35.	Drakenstein Municipality: Problem Premises By-law	PG-8220– 13/03/2020	😊
36.	Drakenstein Municipality Building Control By-law	PG-8220– 13/03/2020	😊
37.	Drakenstein Municipality Integrated Waste Management By-law: 2020	PG-8240 – 29/05/2020	😊

## RATING OF COMPONENTS OF THE PDO

Table 21: PDO 4 - Rating

COMPONENTS OF THE PDO	RATING
<b>Policies</b>	
Policies and Bylaws: Corporate Services	😊
Policies and Bylaws: Financial Services	😊
Policies and Bylaws: Planning and Development Services	😊
Policies and Bylaws: Community Services	😊
Policies and Bylaws: Engineering Services	😊
Updated Policy Register	😊
<b>Policy and Bylaw Administration</b>	
Regular review of bylaws	😊
Updated Municipal Code, as per the Municipal Systems Act	😊
Updated Policy Register	😊
<b>Municipal Court</b>	
Functioning of Municipal Court	😊

## PDO 5: INTERGOVERNMENTAL RELATIONS (IGR)

### PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of Intergovernmental Relations, which takes place in terms of the Constitutional Mandate and other relevant legislation, most importantly the Intergovernmental Relations Framework Act 13 of 2005. The main purpose of IGR in the Municipality is to co-ordinate, facilitate and intervene between the various functions and responsibilities of the different spheres of government as well as interactions with parastatals and other stakeholders within our functional sphere in order to influence the effective delivery of our mandate. The Covid-19 pandemic has highlighted the importance of joint planning and implementation and therefore Drakenstein Municipality endeavours to implement the learnings of the Whole of Society Approach (WOSA) and partner with other spheres of government on the implementation of the District Development Model.



## RATING OF COMPONENTS OF THE PDO

Table 22: PDO 5 - Rating

COMPONENTS OF THE PDO	RATING
International Relations	😊
National	😊
Provincial	😊
District & Local	😊

## PDO 6: COMMUNICATIONS (INTERNAL AND EXTERNAL)

## PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of its internal and external communication. DM has a reviewed Communication Policy as well as a Communication and Marketing Framework, supplemented by an Implementation Plan in place to guide its annual communication, media and marketing actions. Their purpose is to share news on the Municipality's projects, plans, achievements and initiatives, but also to promote regular dialogue between the Municipality, local communities and other stakeholders.

DM has grown its monthly external newsletter into a more informative, topical, visually entertaining and community-focused digital newsletter, called *Vars*. In addition, DM communicates with the community via its official website, its social media platforms (Facebook, Instagram and YouTube), press releases and coverage, radio interviews, television screens in service areas, municipal noticeboards, bulk SMSs and events. It communicates with its staff via management and sectional meetings, emails, memorandums, staff events, Intranet, an internal newsletter and WhatsApp messages. Various institutional structures such as ward committees, the IDP Representative Forum, social councils and forums, as well as non-statutory programmes such as the customer survey and summits, exist to encourage and facilitate meaningful engagement between the Municipality and the community.

## RATING OF COMPONENTS OF THE PDO

Table 23: PDO 6 - Rating

COMPONENTS OF THE PDO	RATING
Use of social media (policy for internal use)	😊
Self-driven social media platforms	😊
Human resources, to create content, graphic design and administrative work	😐
Media monitoring system (Reputation management)	😐



## PDO 7: MARKETING (BRANDING AND WEBSITE)

## PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of marketing and branding. Branding is streamlined across all municipal departments because the Communication and Marketing Division coordinates all media and communication aspects of municipal events. Drakenstein Municipality has a newly designed, revamped website, which also acts as a reference point for all other services and products within the jurisdiction of the Municipality. The Municipality daily updates the website with the necessary documentation, news and notices, and is now working on optimising its mobile interface and expanding interactive functions.

## RATING OF COMPONENTS OF THE PDO

Table 24: PDO 7 - Rating

COMPONENTS OF THE PDO	RATING
Maximising events-related and other marketing opportunities	
Optimising the mobile interface of the website	



## PDO 8: CUSTOMER RELATIONS MANAGEMENT

## PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of Customer Relations Management. A Services Charter was adopted during 2018/2019. The services charter is a contract with customers to respond to queries and service delivery challenges within the agreed time. This contract is managed and measured through a customer-care management system, called SeeClickFix. Each year a survey is conducted to gauge customer satisfaction and provide management information for further improvement. Further to that, the Electro-technical Department has accepted all the National Charters and Standards. These are all the National Rationalised Standards (NRS) documents accepted by the Electricity Distribution division. These include NRS 047 Electricity Supply – Quality of Service and NRS 048 Electricity Supply – Quality of Supply. Water Services (Water and Sanitation) has also developed a charter which was approved with the promulgation of the Water Services Bylaw.

## RATING OF COMPONENTS OF THE PDO

Table 25: PDO 8 - Rating

COMPONENTS OF THE PDO	RATING
Customer Care Management System	
Annual Customer Satisfaction Survey	

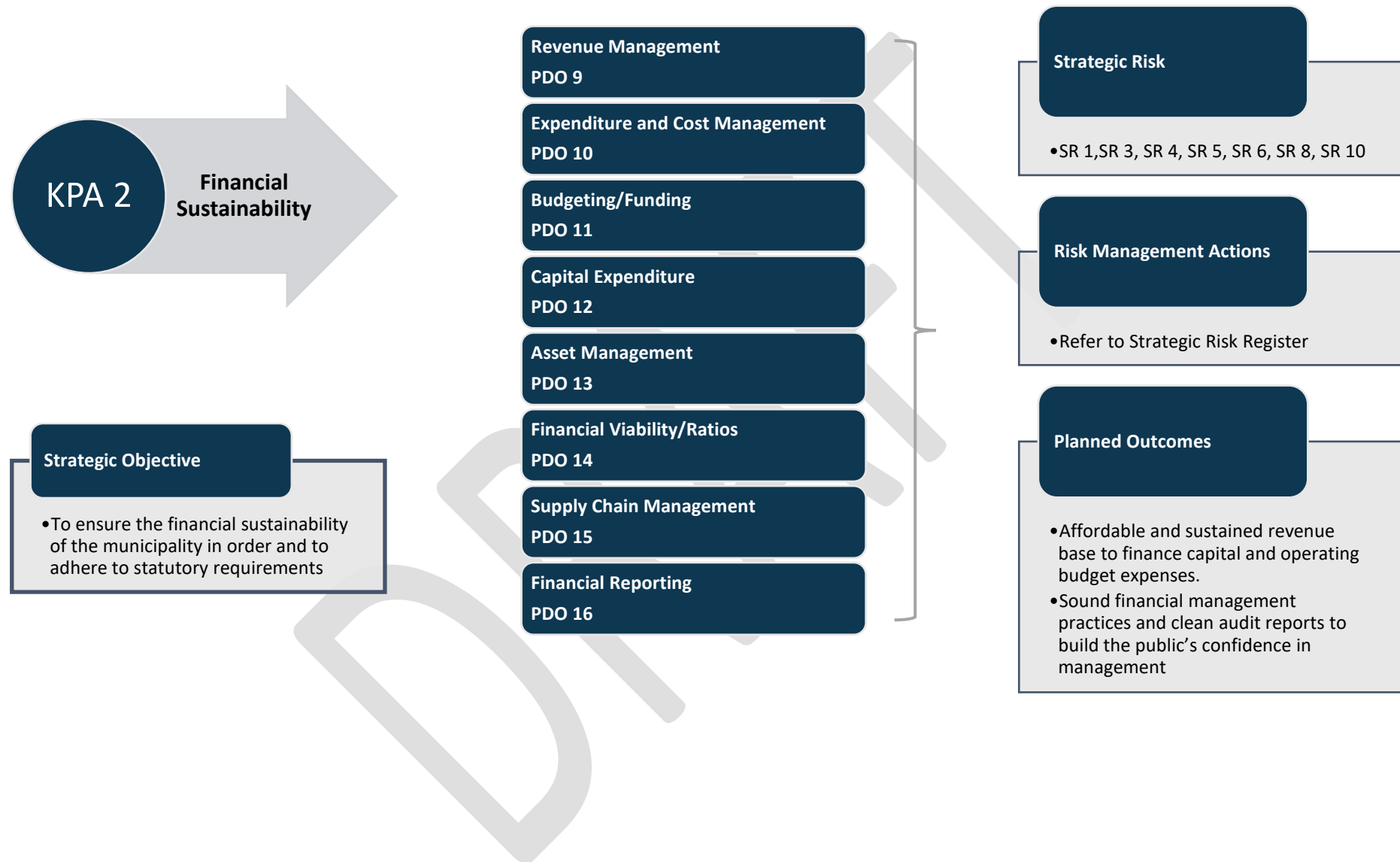


Table 26: KPA 2 Policies

No.	Policies
1.	Travel and Subsistence Policy
2.	Tariff Policy
3.	Customer Care, Credit Control and Debt Collection Policy
4.	Indigent support Policy
5.	GRAP Accounting Policy
6.	Asset Management Policy
7.	Property Rates Policy
8.	Cash and Investment Management Policy
9.	Insurance Policy Supply Chain Management Policy
10.	Petty Cash Policy
11.	Budget and Management Oversight Policy
12.	Fraud Prevention Policy
13.	Long Term Financial Sustainability Policy
14.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
15.	Asset Transfer Policy
16.	Policy on Stock Management
17.	Unforeseen and Unavoidable Expenditure Policy
18.	Virement Policy
19.	Borrowing Policy
20.	Funding and Reserve Policy
21.	Policy on the writing-off of irrecoverable debt
22.	Prioritization model for capital assets investment
23.	Donations Policy
24.	Financial Asset Management Policy
25.	Unclaimed Deposits Policy

### Analysis of Internal and External Factors (The Current State):

Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

## PDO 9: REVENUE MANAGEMENT

### PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of Revenue management and it is informed by section 64 of the Municipal Finance Management Act, No. 56 of 2003. The City Manager as the accounting officer is responsible for the management of the revenue of the Municipality. Section 96 of the Municipal Systems Act, No. 32 of 2000, requires that all monies due and payable to the Municipality are collected through the guidelines of the credit control and debt collection policies consistent with the Municipality's tariff and property rates policies. This PDO aims to ensure that the Municipality is in line with the prescripts of the Municipal Systems Act and the Municipal Finance Management Act.

## RATING OF COMPONENTS OF THE PDO

Table 27: PDO 9 – Rating

COMPONENTS OF THE PDO	RATING
<b>Registers</b>	
Valuation Roll	😊
Indigent Register	😊
<b>Billing</b>	
Accurate Billing: Property Rates	😊
Accurate Billing: Electricity	😊
Accurate Billing: Water	😊
Accurate Billing: Sanitation	😊
Accurate Billing: Solid Waste	😊
Accurate Billing: Housing Rentals	😊
<b>Meters</b>	
Pre-paid Electricity Meters	😊
Pre-paid Water Meters	😊
Conventional Electricity Meters	😊
Conventional Water Meters	😊
<b>Collections</b>	
Indigents: Revenue Foregone	😊
Revenue Collection	😊
Traffic Fines Collection	😐

**PDO 10: EXPENDITURE AND COST MANAGEMENT**

## PDO DESCRIPTION

This PDO relates to the Municipality's activities in respect of Expenditure and Cost Management. The Municipal Finance Management Act, No. 56 of 2003, gives the accounting officer the responsibility to manage the expenditure of the municipality and also to guarantee that all reasonable steps are taken to ensure that the municipality has and maintains an effective system of expenditure control. This PDO aims to ensure that the municipality is in line with the prescripts of the Municipal Finance Management Act.

## RATING OF COMPONENTS OF THE PDO

Table 28: PDO 10 – Rating





COMPONENTS OF THE PDO	RATING
Operating Expenditure	😊
Cost Containment	😊
Creditor Payments	😊

**PDO 11: BUDGETING/FUNDING****PDO DESCRIPTION**

This PDO relates to the Municipality's activities in respect of Budgeting and Funding. Chapter 4 of the Municipal Finance Management Act (Act No 56 of 2003), which provides the initial legislative basis on how to prepare and compile a Medium-Term Revenue and Expenditure Framework for a local government, while taking cognisance of realistically anticipated revenue streams internally as well as externally. Due consideration should also be taken of relevant regulations which impact on spending priorities which will also guide or affect the municipality's budget.

**RATING OF COMPONENTS OF THE PDO**

Table 29: PDO 11 – Rating


COMPONENTS OF THE PDO	RATING
Zero Based Budgeting	
Grants	
External Borrowings	
Own Reserves (CRR)	

**PDO 12: CAPITAL EXPENDITURE****PDO DESCRIPTION**

This PDO relates to the Municipality's activities in respect of Capital Expenditure. Section 15 of the Municipal Finance Management Act, No. 56 of 2003, requires from the City Manager to ensure that the appropriation of funds for capital expenditure takes place within the limits of an approved capital budget. This PDO aims to ensure that the Municipality is in line with the prescripts of the Municipal Finance Management Act.

**RATING OF COMPONENTS OF THE PDO**

Table 30: PDO 12 - Rating

COMPONENTS OF THE PDO	RATING
Capital Expenditure	

**PDO 13: ASSET MANAGEMENT****PDO DESCRIPTION**

This PDO relates to the Municipality's activities in respect of Asset management, which is the process of managing a local government's capital assets cost effectively. It involves analysing the lifecycle and capacity of each asset and developing information on maintenance requirements, service levels and new asset needs. This is done in accordance with the relevant GRAP standards and other relevant policies and procedures.

## RATING OF COMPONENTS OF THE PDO

Table 31: PDO 13 - Rating

COMPONENTS OF THE PDO	RATING
GRAP Compliant Asset Register	😊
Moveable Assets	😊
Immoveable Assets	😊

## PDO 14: FINANCIAL VIABILITY

## PDO DESCRIPTION

This PDO relates to the Municipality's activities and plans in respect of ensuring Financial Viability of DM, which is dependent on the generation of sufficient revenue to meet short, medium and long-term service delivery, operating and capital expenditure needs; to service debt commitments and to allow growth while maintaining service delivery levels.

## RATING OF COMPONENTS OF THE PDO

Table 32: PDO 14 – Rating

COMPONENTS OF THE PDO	RATING
<b>Expenditure</b>	
Capital Expenditure to Total Expenditure	😊
Impairment of PPE, IP and Intangible Assets	😊
Repairs and maintenance as a % of PPE and IP	😞
Irregular, F&W & UE/Total Operating Expenditure	😞
Remuneration as a % of Total Operating Expenditure	😊
Contracted services % of Total Operating Expenditure	😞
Capex (Grants excluded) to Total Capital Expenditure	😊
Capex (Grants & EL excluded) to Total Capital Expenditure	😊
Own Source Revenue to Total Operating Revenue	😊
Creditors Payment Period (Trade Creditors)	😞
<b>Debt Collection</b>	
Debtors Collection Ratio	😐
Bad debts Written-off as a % of Provision for Bad Debt.	😞
Net Debtors Days	😞
<b>Cash/Cost Management</b>	
Cash/Cost Coverage Ratio	😞
Cash Flow Management	😐
Current Ratio	😞
Capital Cost as a % of Total Operating Expenditure	😊
Debt (Total Borrowings) / Revenue – Gearing Ratio	😞
Level of Cash Backed Reserves (Net Assets – Accum. Surplus)	😊
Net Operating Surplus Margin	😊
Net Surplus/Deficit: Electricity	😊
Net Surplus/Deficit: Water	😊

COMPONENTS OF THE PDO	RATING
Net Surplus/Deficit: Refuse	😊
Net Surplus/deficit: Sanitation	😊
Electricity Distribution Losses	😊
Water Distribution Losses	😊
<b>Revenue</b>	
Growth in Number of Active Consumer Accounts	😊
Revenue Growth (%)	😊
Revenue Growth (%): Excluding Capital Grants	😊
<b>Indicators</b>	
Capital Expenditure Budget Implementation Indicator	😐
Operating Expenditure Budget Implementation Indicator	😐
Operating Revenue Budget Implementation Indicator	😊
Service Charges & Property Rates Budget Implem. indicator	😊

## PDO 15: SUPPLY CHAIN MANAGEMENT

### PDO DESCRIPTION

This PDO relates to the Municipality's activities and plans in respect of the Supply Chain Management functions, which cuts across all departments. Although governance is at its core, Supply Chain Management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive and cost-effective. These principles form the foundation of any procuring of goods and services within the municipal sphere, which then is supported by the guidelines within the MFMA, the Municipal Supply Chain Management Regulations and the SCM Guide for Accounting Officers.

### RATING OF COMPONENTS OF THE PDO

Table 33: PDO 15 - Rating

COMPONENTS OF THE PDO	RATING
Municipal Stores	😐
Acquisitions	😊
Demand Planning	😊
Contract Management	😊
Compliance Reporting	😐

## PDO 16: FINANCIAL REPORTING

### PDO DESCRIPTION

This PDO relates to the Municipality's activities and plans in respect of Financial Reporting, which provides information to users to assist their decision-making and to demonstrate effective stewardship and accountability. Compliance to relevant legislation ensures transparency and enables National Treasury to use information more effectively for benchmarking purposes.

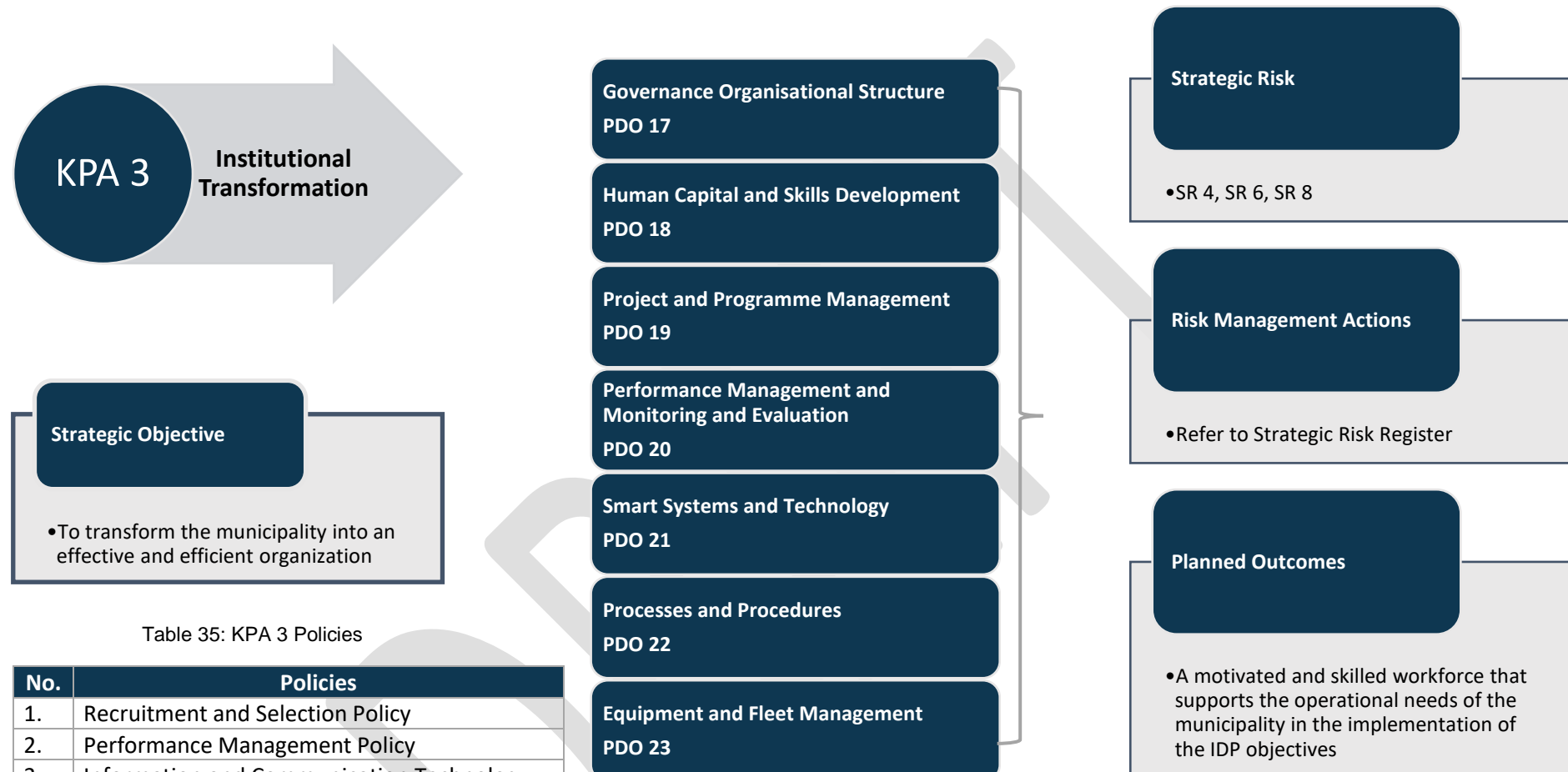


## RATING OF COMPONENTS OF THE PDO

Table 34: PDO 16 - Rating

COMPONENTS OF THE PDO	RATING
mSCOA Structure	😊
Compliance Reporting	😊

DRAFT



**Analysis of Internal and External Factors (The Current State):**





Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

**PDO 17: ORGANISATIONAL STRUCTURE****PDO DESCRIPTION**

Activities and plans under the PDO's aims to achieve an organisational structure that delivers the required services in an efficient and effective manner. The most recent major review was approved on 30 May 2018 but smaller adjustments that have no cost implications take place from time to time.

**RATING OF COMPONENTS OF THE PDO**

Table 36: PDO 17 – Rating




COMPONENTS OF THE PDO	RATING
Efficient Utilisation of Staff	
Finalisation of Job Descriptions	
Finalisation of Job Evaluation	
Alignment of organisational structure with functions and tasks required	

**PDO 18: HUMAN CAPITAL AND SKILLS DEVELOPMENT****PDO DESCRIPTION**

This PDO relates to the Municipality's activities and plans in respect of Human Capital planning and Skills Development. The Human Resource Plan confirms the commitment to make sure that Drakenstein Municipality is able to acquire and retain human capital. Implementation of the Workplace skills plan, Employee Wellness, Internal Bursaries and Long Service Recognition are examples of key programmes that promotes a skilled, healthy and happy workforce. The Human Capital and Skills Development Plan is attached hereto as **Annexure A**.

**RATING OF COMPONENTS OF THE PDO**

Table 37: PDO 18 – Rating

COMPONENTS OF THE PDO	RATING
Skilled Workforce	
Retention of Institutional Memory	
Motivated, Energised and Healthy Staff Compliment	








**PDO 19: PROJECT AND PROGRAMME MANAGEMENT****PDO DESCRIPTION**

This PDO relates to the Municipality's activities and plans in respect of Project and Programme Management. DM has two significant project and programme management and implementation sections. The Project Management Unit (PMU) section under the Technical Support and Project Management division of Engineering Services, and the programme and project management section under the Community Services Department.

The PMU focusses on guiding the municipality in the processes and approach involved in project management, assisting departments with the implementation of projects and raising project funding with coordination and ensuring adherence to funding conditions. The PMU also monitors project risks and the progress of implementation and procurement for project implementation throughout the financial year and project cycle.

**RATING OF COMPONENTS OF THE PDO**

Table 38: PDO 19 - Rating

COMPONENTS OF THE PDO	RATING
Unit establishment and goal setting	
Project and Programme policy guideline distribution and training	
Mitigating Project Risk	
Breaking down silo implementation	
Efficient Project Implementation Cycles	
Centralization of municipal project information	
Project funding increase and adherence	

**PDO 20: PERFORMANCE MANAGEMENT AND MONITORING & EVALUATION****PDO DESCRIPTION**

This PDO relates to the Municipality's activities and plans in respect of Performance Management and Monitoring / Evaluation. Performance Management serves to measure the performance of the municipality on meeting its IDP objectives. The Performance Management Policy addresses in a complete manner, the strategic, operational and tactical management of performance and workplace efficiency. The performance of the Municipality is measured and monitored monthly as well as evaluated at quarterly and at mid-year intervals. The results thereof inform Council whether the adjustment of indicators is necessary, and to develop action plans to address poor performance. The Circular 88 as gazetted by National Treasury provides guidance in respect of KPIs on Tier 1 and 2 for Intermediary Cities, of which Drakenstein is one. The roll-out of this Circular is still in its first stages and Drakenstein's Circular 88 KPIs are attached hereto as **Annexure B**.

Organisational and individual performances are managed concurrently. Individual Performance Management is rolled out up to the third reporting line, meaning that Individual Performance Evaluations for section 56/7 employees and permanent employees who have entered into performance agreements are conducted on a quarterly basis. The final review is conducted on an annual basis. Performance results are included in the Annual Report of the Municipality. The municipality started to implement Workplace Efficiency Monitoring and Evaluation from the 2018/2019 financial year. A dedicated function, situated in the Office of the City

Manager, monitors and evaluates service delivery on a day-to-day basis, with weekly performance dashboards distributed and discussed at the Strategic Management Team Meetings every Monday.

### RATING OF COMPONENTS OF THE PDO

Table 39: PDO 20 - Ratings

COMPONENTS OF THE PDO	RATING
Organisational Performance Management Policy	😊
Individual Performance Management	😊
Day-to-Day Service Delivery Monitoring and Evaluation (MonEvals)	😊

## PDO 21: SMART SYSTEMS AND TECHNOLOGY

### PDO DESCRIPTION

This PDO relates to the Municipality's activities and plans in respect of the ICT division, which is responsible for ensuring an information and communication network capability that can enable a Smart City of the future. This PDO also looks at the Municipality's utilization of smart technology such as drones and GIS.

### RATING OF COMPONENTS OF THE PDO

Table 40: PDO 21 - Ratings

COMPONENTS OF THE PDO	RATING
<b>Corporate Services</b>	
Sustainability of ICT infrastructure	😐
ICT Governance	😊
Network Security	😊
Review of Critical Business Systems	😊
Technology Environmental Controls	😐
<b>Engineering Services</b>	
Utilization of drones	😐
Utilization of GIS	😊
<b>Community Services</b>	
Utilization of drones	😊
Utilization of GIS	😊
<b>Planning &amp; Development</b>	
Utilization of drones	😊
Utilization of GIS	😊
Automation of land use applications	😊
Automation building plan and related applications	😊
Automation of event permitting	😊
Utilization of mobile applications for ease of business	😊
<b>Financial Services</b>	
Utilization of drones	😞
Utilization of GIS	😐

**PDO 22: PROCESSES AND PROCEDURE****PDO DESCRIPTION**

This PDO relates to the Municipality's activities and plans in respect of processes and procedures in each of the departments. Great emphasis is placed on developing and streamlining systems and work processes in order to improve efficiency and effectiveness of the service quality. An on-going process of system improvement will be initiated in each service area and will include decision-making and management systems, information systems, financial systems, the HR System and work processes.

Businesses processes and procedure is the responsibility of each department to ensure that service delivery is improved through reduction of red tape and automation where applicable.

**RATING OF COMPONENTS OF THE PDO**

Table 41: PDO 22 - Rating








COMPONENTS OF THE PDO	RATING
<b>Corporate Services</b>	
Standard Operating Procedures	😊
Optimising Business Processes	😐
<b>Engineering Services</b>	
Standard Operating Procedures	😊
Optimising Business Processes	😐
<b>Community Services</b>	
Standard Operating Procedures	😊
Optimising Business Processes	😐
<b>Planning &amp; Development</b>	
Standard Operating Procedures	😊
Optimising Business Processes via automation	😊
<b>Financial Services</b>	
Standard Operating Procedures	😊
Optimising Business Processes	😊

**PDO 23: EQUIPMENT AND FLEET MANAGEMENT****PDO DESCRIPTION**

In order to render effective services, the municipality requires reliable and active vehicles and equipment. The Fleet Management and Maintenance section drives actions related to maintenance, monitoring and replacement of municipal fleet and equipment, as well as coordinates the activities in the user departments to control driver behavior, utilization, care of fleet and related expenditure. The combined efforts in terms of the above are aimed at reducing downtime and increase the longevity of our fleet.

## RATING OF COMPONENTS OF THE PDO

Table 42: PDO 23 - Rating

COMPONENTS OF THE PDO	RATING
Ageing fleet resulting in higher maintenance	
Internal capacity and multi-year vacancies at the mechanical workshop	
Monitoring and reducing downtime	
Budget control of fleet related costs	
Regular and proper fleet reporting	
Tracking of vehicle use and reporting thereof	
Vehicle and driver allocation, control and authorization	



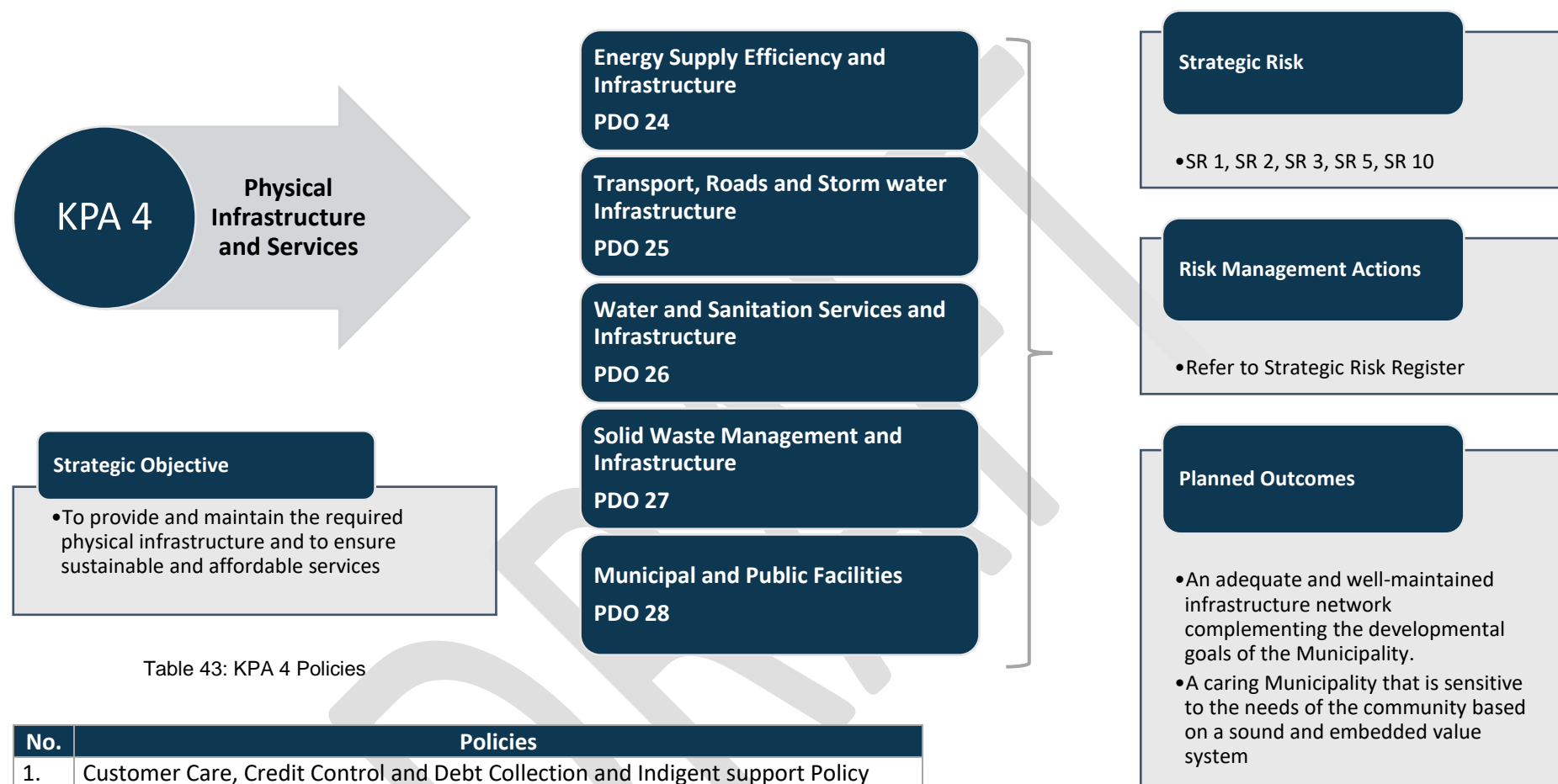


Table 43: KPA 4 Policies

No.	Policies
1.	Customer Care, Credit Control and Debt Collection and Indigent support Policy
2.	Lighting on private rural land
3.	Water Losses Policy
4.	Electricity Losses Policy
5.	Electrical Infrastructure Maintenance Policy
6.	Prioritization model for capital assets investment

**Analysis of Internal and External Factors (The Current State):**

Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

**PDO 24: ENERGY SUPPLY EFFICIENCY AND INFRASTRUCTURE****PDO DESCRIPTION**

This PDO addresses issues pertaining to Energy Supply and Infrastructure, and aims to ensure efficient energy supply and infrastructure that will contribute to the improvement of quality of life for all citizens within DM. It should be noted that limitations in capacity of the bulk infrastructure network has an impact on time frames for developments. Infrastructure development needs to compliment the Spatial Development Framework across the short, medium and long-term plans. The Municipality's Energy Plan is attached hereto as **Annexure C**.

Table 44: PDO 24 – Rating of Components

COMPONENTS OF THE PDO	RATING
<b>Energy Supply Efficiency</b>	
Additional electrical supply	😊
Energy saving measures	😊
Electrical infrastructure upgrade and extensions	😊
Electrical infrastructure maintenance	😊
<b>Energy Supply Infrastructure</b>	
Electrical infrastructure development	😊
Replacement of aged electrical infrastructure	😞

**PDO 25: TRANSPORT, ROADS AND STORM WATER INFRASTRUCTURE****PDO DESCRIPTION**

Paarl, Wellington and Mbekweni has a well-developed sophisticated internal road network providing for good vehicular access to its many urban facilities and opportunities. This road network supports a road-based public transport system dominated by mini-bus taxis providing an internal as well as external service, connecting the towns with the rural settlements.

There is also a railway line that passes the town of Saron to its west *en route* to Porterville, but there is no station or direct rail link with the town. The railway line providing for a rail-based passenger service, runs through the length of the Municipality in a north-south direction with stations located in Paarl, Huguenot, Mbekweni, Dal Josafat, Wellington, Mbekweni, Malan, Soetendal, Hermon and Gouda. It should be noted that all formal erven have access to roads.

The following tables give an overview of the total kilometers of roads maintained and new roads tarred:

Table 45: PDO 25 - Tarred Roads

Financial Year	Total km Paved Roads	Km of New Tar Paved Roads	Km Existing Paved Roads Re-sealed	Km of Existing Roads Re-sheeted	Km Tar Roads Maintained
2014/2015	501.700	0	9.223	3.069	Entire Municipal Area
2015/2016	501.700	0	22.438	0,00	Entire Municipal Area
2016/2017	501.700	0	14.470	0,00	Entire Municipal Area
2017/2018	501.700	0	6.981	0,00	Entire Municipal Area
2018/2019	501.700	0	1,5	0,00	Entire Municipal Area

Table 46: PDO 25 - Gravelled Roads

Financial Year	Total km Gravel Roads	Km of New Gravel Roads Constructed	Km Gravel Roads Upgraded to Tar	Km Gravel Roads Graded/Maintained
2014/2015	47.59	None	0	47.59
2015/2016	47.59	None	0	47.59
2016/2017	47.59	None	0	47.59
2017/2018	47.59	None	2,4	47.59
2018/2019	45.19	None	2,0	45.19

The table below shows the costs involved for the maintenance and construction of roads within the Municipal Area:

Table 47: PDO 25 - Cost of Construction/Maintenance of Roads

Financial Year	New and Replacements R'000	Resealed R'000	Maintained R'000
2014/2015	15,0	26,2	4,08
2015/2016	0	16,731	4,4
2016/2017	0	7,084	6,5
2017/2018	0	10,366	6,5
2018/2019	118,000	3.217	6,7

#### Storm water management systems in built-up areas:

The table below indicates the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed over the last three financial years:

Table 48: PDO 25 – Storm Water Maintained

Financial Year	Total km Storm Water Measures	Km New Storm Water Measure	Km Storm Water Measures Upgraded	Km Storm Water Measures Maintained
2014/2015	354.320	0	0.75	Entire Municipal Area
2015/2016	354.320	0	0.687	Entire Municipal Area
2016/2017	354.320	0	2.472	Entire Municipal Area
2017/2018	354.320	0	1.183	Entire Municipal Area
2018/2019	354.320	0	0	Entire Municipal Area

The PMS and the storm water master plan were updated in the 2015/16 financial year. The principle is to update all the different master plans every 3-5 years and to align the different master plans with the 20-year

growth plan and Spatial Development Framework. The Municipality Integrated Transport Plan is attached hereto as **Annexure D**.

### RATING OF COMPONENTS

Table 49: PDO 25 – Rating of Components

COMPONENTS OF THE PDO	RATING
<b>Municipal Transport</b>	
Public transport regulation and taxi facilities	☹️
Integrated Transport Master Plan Review	😊
<b>Municipal Roads</b>	
Backlogs in road maintenance	☹️
Backlog in the upgrading of municipal roads	☹️
Traffic calming measures	😊
<b>Stormwater</b>	
Storm water master plan review	☹️
Revision of flood lines in the storm water master plan	☹️
Development of new enabling infrastructure	☹️
Public safety risk measurement due w.r.t roads and storm water infrastructure	☹️

## PDO 26: WATER AND WASTEWATER SERVICES

### PDO DESCRIPTION

#### Water Services

This PDO addresses issues pertaining to potable water services. This service, in particular, is a legal requirement and it is important that the Municipality prepared a Water Services Development Master Plan (WSDP) to progressively ensure efficient affordable, economical and sustainable access to water and sanitation services that promote sustainable livelihoods and economic development. A new plan must be developed at least once every five years and updated as necessary and appropriate in the interim years. The Water Services Development plan was reviewed and approved by Council. Annual Water Services audits are also performed. The WSDP together with Water Master Plans, which include water reticulation systems and future bulk water infrastructure, determine financial requirements for infrastructure maintenance, asset management and capacity augmentation. All formal erven have access to metered water connections. Informal areas are serviced by water standpipes or water tanks.

Water Services (within the urban area) are available to all schools, clinics, factories, businesses etc. It is however the responsibility of an owner/school/businesses to apply to be connected to the applicable service. A connection fee and service consumer deposit are payable before the service can be rendered. There are no backlogs within the urban area. The Water Services Development Plan (WSDP) is attached hereto as **Annexure E**.

### RATING OF COMPONENTS

Table 50: PDO 26 – Rating of Components

COMPONENTS OF THE PDO	RATING
Aged Infrastructure	☹️
New Bulk Infrastructure	😊

COMPONENTS OF THE PDO	RATING
New Network Reticulation	☹️
New Water Resources	☹️
Water Loss Management	😊
Basic Services (water) to Informal Settlements	☹️
Development Enabling Infrastructure	☹️
Potable Water Treatment Works Capacity	😊
Master Planning (including reticulation systems and future bulk infrastructure)	😊
<b>Water Infrastructure Maintenance</b>	
Network Pipelines	☹️
Bulk Water Pipelines	☹️
Reservoirs	☹️
Pump Stations	😊
Dams	😊
Water Treatment Works	😊
Water Connections	☹️

## PDO 26: WATER AND WASTEWATER SERVICES

### PDO DESCRIPTION

#### Wastewater Services

This PDO addresses issues pertaining to water and wastewater services. This service, in particular, is a legal requirement and it is important that the Municipality prepared a Water Services Development Master Plan (WSDP) to progressively ensure efficient affordable, economical and sustainable access to water and sanitation services that promote sustainable livelihoods and economic development. A new plan must be developed at least once every five years and updated as necessary and appropriate in the interim years. The Water Services Development plan was reviewed and approved by Council. Annual Water Services audits are also performed. The WSDP together with Bulk Water Supply and Sewer System Master Plans determine financial requirements for infrastructure maintenance, asset management and capacity augmentation. All formal erven have access to metered water and sewer connections. Informal areas are serviced by communal toilets and water stand pipes.

Sanitation services are limited to potable water supply systems and domestic waste-water and sewerage disposal systems. Access to sanitation is one of the most important basic services as it concerns the health and dignity of human beings. Municipal Services (within the urban area) are available to all schools, clinics etc. It is however the responsibility of an owner/school to apply to be connected to the applicable service. A connection fee and service deposit are payable before the service can be rendered. There are no backlogs within the urban area. Sewage tanker services are provided to Rural Schools, where the schools and clinics are not connected to the municipal gravitation system.

### RATING OF COMPONENTS

Table 51: PDO 26 – Rating of Components

COMPONENTS OF THE PDO	RATING
Basic Services (water and sanitation) to Informal Settlements	☹️
Development Enabling Infrastructure	😊
Waste Water Treatment Works Capacity	😊

COMPONENTS OF THE PDO	RATING
Master Planning	😊
<b>Sanitation Infrastructure Maintenance</b>	
Pipelines	😊
Pump Stations	😊
Sewer Connections	😊
Wastewater Treatment Plants	😊
Bulk Pump Stations	😊

## PDO 27: SOLID WASTE MANAGEMENT AND INFRASTRUCTURE

### PDO DESCRIPTION

Sustainable waste management systems must be implemented to ensure that all residents have access to the minimum level of refuse removal service and solid waste infrastructure which is affordable, economical and efficient.

It is a legal requirement that municipalities compile an Integrated Waste Management Plan (IWMP) which comprehensively addresses the implementation of the waste hierarchy, namely waste prevention, recycling and recovery, treatment of waste and disposal. This master plan identifies strategic objectives and action plans which encourage the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives, as well as financial requirements for infrastructure needs and capacity augmentation. The IWMP is developed every five years and revised and updated as needed in the interim years to align with amendments to legislation. The Waste Act requires that the IWMP is integrated in the Integrated Development Plan (IDP) of the Municipality in order to ensure that waste management services are streamlined with other essential basic services such as water and sanitation, housing, and electricity provision. The IWMP is attached hereto as **Annexure F**.

Awareness and education form an integral part in promoting good waste management practices and deterring littering and illegal dumping. This requires the active involvement of all stakeholders – government, private sector and communities. The main purpose of raising awareness in the communities is to change people's perceptions, attitudes and behaviour with regards to waste and to ultimately ensure a cleaner environment and improved living conditions.

All formal erven are serviced by a kerbside, wheelie bin refuse removal system once a week. Informal erven are serviced by door-to-door black bag or central skip removal at least once a week.

### Solid Waste Management Services

The Municipality is responsible for collection of municipal solid waste and recyclable waste, treatment of waste, solid waste disposal, management of solid waste facilities, waste minimization initiatives, street sweeping, litter picking and area cleaning. Awareness and education programmes, in close collaboration with other stakeholders, are also run by this section.

### Waste Diversion

Diversion of construction and demolition waste as well as organic waste is promoted. Proposed plans for the optimization of organic waste diversion are being reviewed and submitted for Council approval. Approved plans will be implemented which will enable the Municipality to comply with the national organic waste diversion target of 50% by 2022.

## Solid Waste Disposal Facilities

The following facilities are available for the safe disposal of general waste:

- Wellington Waste Disposal Facility (landfill);
- Paarl Refuse Transfer Station;
- Hermon Drop-off;
- Gouda Drop-off; and
- Saron Drop-off.

Mini drop-offs have been constructed in high-density and informal settlements which are more accessible to the community for disposal of waste in a responsible manner.

## RATING OF COMPONENTS

Table 52: PDO 27 – Rating of Components

COMPONENTS OF THE PDO	RATING
<b>Solid Waste Management</b>	
Alternative to Landfill	☹️
Landfill operation optimisation	😊
Landfill compliance	😊
Rehabilitation of old landfill sites	😊
Illegal dumping/Area cleaning	☹️
Waste minimisation	☹️
Solid waste removal in informal settlements	☹️
Norms and standards compliance	😊
Waste diversion	☹️
Waste collection	☹️
<b>Infrastructure Management</b>	
Master planning	😊
Waste infrastructure	☹️

## Basic waste management information is as follows:

- On average 37,500 formal households are being serviced weekly;
- 42 registered informal settlements, with 5999 structures serviced weekly;
- 34,943.42 tons of solid waste have been disposed at the Wellington Solid Waste Disposal Site during 2018/2019;
- 12,461.82 tons of waste have been diverted from the landfill during 2018/2019; and
- An average of 150km of streets are manually swept per month.

*The statistical information is based on the 2018/2019 financial year.*

**PDO 28: MUNICIPAL AND PUBLIC FACILITIES****PDO DESCRIPTION**

This PDO relates to Municipal Public Facilities including Thusong Centres, Community Halls, and Public Ablutions. Annually, provision is made in the capital and operational budgets for maintenance and upgrading of municipal owned properties and facilities. Community needs, as well as regular inspections conducted at facilities are used to inform the budget. The Thusong Programme is essentially established as a one-stop centre providing integrated service and information from government, to communities close to where they live as part of a comprehensive strategy to improve their lives. The Municipality makes use of a functionality score card which was developed by the Provincial Department of Local Government for Thusong Service Centres. This score card serves as a concise management reporting system describing the operational functionality of Thusong Service Centres.














The municipality is committed to utilising the Thusong Programme as a vehicle to achieve strategic social and economic priorities identified within the IDP. The two Thusong facilities are managed according to the Six Block Model prescribed by national government. They house six national government departments, including SASSA, the Department of Social Services and Consumer Protection, as well as six NGO's including Arise and Shine (Disabled Forum), Down Syndrome Association, Gender Violence Research Initiative (MRC study), HIV/Aids research study (University of Stellenbosch) and the CDW programme.

Municipal and public facilities are either corporate facilities controlled and maintained centrally, or departmentally controlled and maintained by a single user department or private/third party infrastructure leased by the municipality for a specific purpose.


Corporate Facilities and Maintenance section deals with the corporate facilities and their related projects and maintenance and the Building Maintenance and Projects section deals with maintenance and project request from user departments on departmental buildings.

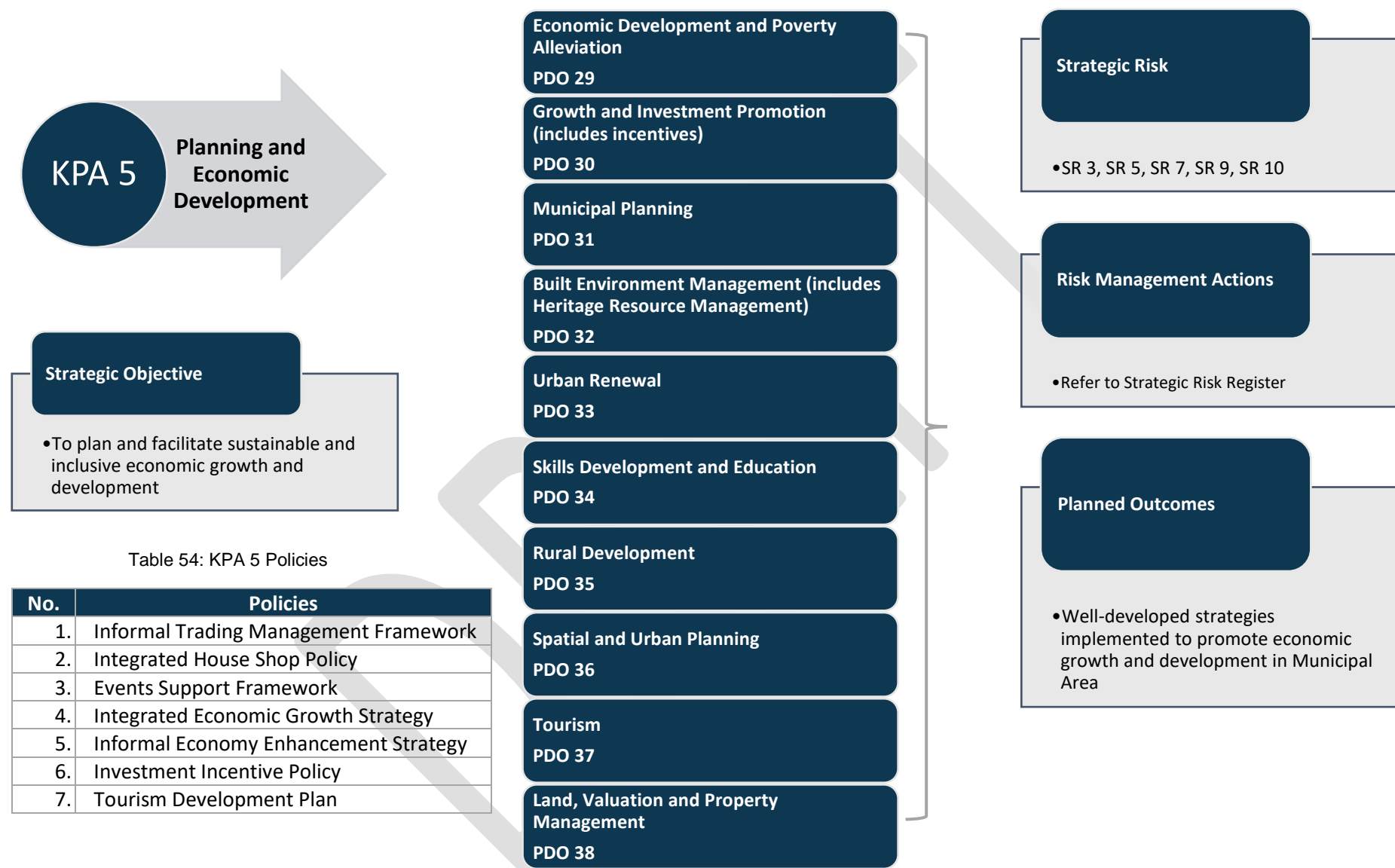
DM is busy with a drive to restructure the governance of municipal and public facilities to clarify roles and responsibilities in order to properly assign accountability and budget in a way that will improve the care of these facilities.

Table 53: PDO 28 – Rating of Components

COMPONENTS OF THE PDO	RATING
Loss of building suitability though lack of maintenance	
Insufficient building maintenance budget	
Multi-year manager vacancy	
Governance of Municipal and Public Facilities	
Record of buildings, occupants and accountable users	
Maintenance/service request response tracking	
Coordination of building related projects	
<b>Community Halls: Maintenance</b>	
Safmarine Community hall	
Gouda Community Hall	
Saron Community Hall	
Colibri Community Hall	
Paarl Town Hall	
Wellington Town Hall	



Mbekweni Community Hall	
Fairyland Community Hall	
Simondium Community Hall	
<b>Thusong Centres: Maintenance</b>	
Paarl East Thusong Centre	
Mbekweni Thusong Centre	
<b>Public Ablutions: Maintenance</b>	
Paarl Patriotplein	
Paarl Wamakersplein	
Paarl Shoprite, Waterkant Street	
Paarl Shoprite, Lackay Street	
Paarl New Taxi Rank	
Paarl, Van der Poelsplein	
Paarl, Next to Mbekweni Community Hall	
Paarl, Bergrivier Boulevard	
Wellington, Victoria Park	
Huguenot Plein, Station Street	
Pick n Pay, Wellington	
Wellington, Weltevrede	
Wellington, Joubert Street	
Wellington, Mannies	



## Analysis of Internal and External Factors (The Current State):

Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

### PDO 29: ECONOMIC GROWTH

#### PDO DESCRIPTION

This PDO relates to DM's initiatives in respect of economic development and poverty alleviation. Drakenstein Municipality developed the Integrated Economic Growth Strategy (IEGS) with the aim of alleviating poverty and growing the local economy. The onset of COVID-19 has re-emphasized the need for the Municipality to focus on how to build a more resilient and agile enabling environment to do business. The IEGS remains the Municipality's blue print to unlock economic growth and during the next five years the municipality will strengthen its focus on the ease of doing business with Drakenstein. **The IEGS is attached hereto as Annexure G.**

Components of this PDO include economic growth and development, job creation, the economic overview of the municipality as well as poverty alleviation.

#### RATING OF COMPONENTS

Table 55: PDO 29 – Rating of Components

CORE COMPONENTS	RATING
<b>EPWP</b>	
Policy, governance and control over employment programmes	😊
Increased job opportunities from available grant funding	😊
Ensuring productivity and service delivery outputs from employment programmes	😐
Credibility of recruitment and selection process on employment programmes	😊
<b>Economic Development and Growth</b>	
Job and economic opportunities	😐
<b>Job Creation</b>	
Facilitating of sustainable solutions to unlock job creation opportunities	😐
SMME and entrepreneurship development	😊
<b>Economic Overview</b>	
Addressing the digital divide and unemployment	😞
Informal Economy Enhancement Strategy	😊
<b>Poverty Alleviation</b>	
Thirteen (13) food and nutrition centres	😐
Development of small business linkages	😐
Enhancing Small Business support	😊

### PDO 30: INVESTMENT PROMOTION (INCLUDES INCENTIVES)








#### PDO DESCRIPTION

PDO 30 addresses Investment Promotion within the municipality. DM has the largest economy in the Cape Winelands district contributing 32.6 per cent to the total regional economy GDP (Gross Domestic Product per Region) in 2018. The Integrated Economic Growth Strategy continuously emphasises the importance of enhancing investment facilitation and the ease of doing business to ensure that the municipality becomes the investment destination of choice in the Cape Winelands.

Key to unlocking the investment potential of the municipality is collaboration and ensuring business confidence. During the next five years, the municipality will strengthen its capability to build more sustainable partnerships with different spheres of government, private sector and civil society.

## RATING OF COMPONENTS

Table 56: PDO 30 – Rating of Components

CORE COMPONENTS	RATING
<b>Growth Promotion</b>	
Sufficient broadband access	
Business infrastructure (industrial parks)	
Small business development and further skills development	
<b>Investment Promotion</b>	
Ensure investor facilitation, investment promotion and ease of doing business	
Development and implementation of an Investment Incentive policy	
Development of a Contribution Policy	
Engagement with big role-players to plan together in order to attract investment	

## PDO 31: LAND USE MANAGEMENT AND SURVEYING

### PDO DESCRIPTION







This PDO relates to activities related to municipal planning, specifically Land Use Management and Land Surveying.

The Land Use Management Section is responsible for the processing of applications for land use changes (by means of rezoning, consent uses, departures, temporary departures, amendment of conditions of approval and removal of restrictive title conditions) and farm subdivision applications, as well as the scrutinizing of building plans for compliance with zoning parameters and attending to illegal land uses. The Section is also involved in the drafting of land use management policies, the drafting of SOP's and the automation of processes.

The Land Survey Section is responsible for the urban subdivisions, exempted subdivisions, the verification of property boundaries with regard to housing projects, as well as the scrutinizing of building plans with regard to surveying aspects.

## RATING OF COMPONENTS

Table 57: PDO 31 - Rating of Components

CORE COMPONENTS	RATING
<b>Land Use Management</b>	
Expedite land use application processes via an electronic system	
Ongoing revision of the LUMS	
Processing of applications for land use changes	
Processing of farm subdivision applications	
Scrutinizing of building plans for compliance with zoning parameters	
Attending to illegal land uses	
<b>Land Surveying</b>	

CORE COMPONENTS	RATING
Scrutinising of building plans with regard to surveying aspects	😊
Verification of municipal property boundaries	😊
Attending to urban land subdivisions	😊
Attending to exempted subdivisions	😊

### PDO 32: BUILT ENVIRONMENT MANAGEMENT (INCLUDES HERITAGE RESOURCE MANAGEMENT)

#### PDO DESCRIPTION

PDO 32 entails the effective management of the built environment through the implementation of legislation, regulations and standards related to building control (evaluation and approval of building plans, execution of site inspections, and issuing of occupation certificates) and heritage asset conservation. Heritage assets include buildings, monuments, sites, places, areas, and landscapes that have special significance.

#### RATING OF COMPONENTS

Table 58: PDO 32 - Rating of Components

CORE COMPONENTS	RATING
<b>Built Environment Management</b>	
Processing and assessment of new building plan applications	😊
Circulation and approval of building plan applications	😊
Monitoring of building work to ensure compliance with the approved building plan	😊
Implementation appropriate action where unauthorised building activities occur	😊
Conducting compulsory inspections as legislated in terms of the NBR and regulations	😊
Compliance with legislative timeframes for the commenting on building plan application, inspections and the issuing of a Certificate of Occupancy	😊
<b>Heritage Resource Management</b>	
Advising on building plan and development applications which could have an impact on heritage assets.	😊
Establishing an policy and strategic environment for the management of heritage assets at a municipal level	😐
Obtaining of heritage competency from Heritage Western Cape	😐

### PDO 33: URBAN REGENERATION

#### PDO DESCRIPTION

Urban regeneration can be described as the concept of repurposing and investing in specific geographical areas that presents the potential to enhance the urban functioning within the municipality. Urban regeneration includes, amongst other related activities, the relocation of businesses, the demolition and efficient re-development and use of structures, and the use of public assets to revitalise the urban milieu for the benefit of all its users. In order to encourage and assist with the implementation of urban regeneration initiatives, policies such as Special Ratings Areas, Restructuring Zones and Special Use Areas were developed. The regeneration of the business areas in Paarl and Wellington is regarded as the main priority.

#### RATING OF COMPONENTS

Table 59: PDO 33 – Rating of Components

CORE COMPONENTS	RATING
Consistency to manage illegal construction work (backyard dwellers, signage, all other buildings), etc.	😊
Quality public transport system	😐
Formulation and implementation of geographical area specific spatial planning and investment plans	😐
Identification, acquisition and appropriate use of well-located land.	😐
Promote investment and stakeholder communication in business districts	😊
Alleviate crime and grime in business districts	😊
Promotion of appropriate housing opportunities and social integration	😊
Appropriate use or alienation of well-located Council properties	😐

## PDO 34: SKILLS DEVELOPMENT AND CAPACITY BUILDING

### PDO DESCRIPTION

PDO 34 relates to skills development and education in the municipality. As the world becomes increasingly digitised as a result of the coronavirus (COVID-19) pandemic more technological skills will be required. The approved Integrated Economic Growth Strategy identifies skills development as a strategic enabler to facilitate sustainable and inclusive economic growth. The municipality will shift its focus based on the skills required in the new economy and the implementation framework for Skills Development as per the Integrated Economic Growth Strategy remains the blue print for Drakenstein's Skills Development post COVID-19 journey. This includes a strategic short, medium- and long-term approach targeting high school education, unskilled pre- and post- matric, higher education, and workforce skilling and re-skilling. During the next five years the municipality will focus on the implementation of the short-term interventions and build sustainable partnerships to develop a common local agenda for skills development.

### RATING OF COMPONENTS

Table 60: PDO 34 – Rating of Components

CORE COMPONENTS	RATING
<b>Skills Development</b>	
Relevant training to meet sector needs	😐
Integration and proper planning of the skills development value chain	😐
<b>Education</b>	
Educational resources and access to technology (e-learning)	😞
Building sustainable partnerships to develop a common local agenda for skills development	😐
Lack of financial assistance for youth to access education	😊

## PDO 35: RURAL DEVELOPMENT

### PDO DESCRIPTION

This PDO addresses rural development aspects within the municipality as per the National Department of Agriculture, Rural Development and Land Reform's mandate to deliver vibrant, equitable and sustainable rural communities and food security for all. Municipalities are expected to play a critical role and form part of the implementation. In response, Council approved the Rural Development Strategy for Drakenstein Municipality

in June 2018, in which the long- term vision for Rural Development is being quoted as: “A sustainable rural economy through partnership and innovation”.

## RATING OF COMPONENTS

Table 61: PDO 35 – Rating of Components

CORE COMPONENTS	RATING
Food security initiatives within the rural hinterland	😊
Adequate spatial planning in rural areas	😊
Financial assistance for youth	😊
Economic opportunities for rural youth and vulnerable	😐
Communication on the efforts made to improve the livelihoods of rural communities	😊
Establishing an environment that will contribute and/ or result in transformed rural communities, in a sustainable manner (facilitation, processes)	😊
Actively engagements with spheres of government and partners, stakeholders and rural communities	😊
Alignment of policies and programmes with other departments within the municipality	😊
Alignment of policies and programmes with other government entities	😐

## PDO 36: SPATIAL PLANNING

### PDO DESCRIPTION

This PDO refers to the spatial development strategies, policies and initiatives to support and enable the implementation of the Drakenstein Integrated Development Plan. The key focus within spatial planning is the formulation, implementation and review of the Drakenstein Spatial Development Framework (SDF) which is a core component of the Drakenstein IDP. The Drakenstein Spatial Development Framework provides a written and spatial representation of the five-year spatial development visions and identified projects for the spatial form of the municipality. **The SDF is attached hereto as Annexure H.**

## RATING OF COMPONENTS

Table 62: PDO 36 – Rating of Components

CORE COMPONENTS	RATING
<b>Spatial Planning</b>	
Formulation, implementation and review of the Drakenstein Spatial Development Framework	😊
Formulation and implementation of geographical area specific spatial plans and policies	😊
Alignment of national and provincial spatial development directives with municipal spatial development directives and the implementation thereof	😊
Participating in interdepartmental and cross-sectoral engagements on spatial challenge and solution formulation	😊

## PDO 37: TOURISM

### PDO DESCRIPTION

PDO 37 relates to the municipality's involvement and activities in respect of tourism, as it plays an imperative role in stimulating the economy with a 2.8% contribution to the local economy. The impact of COVID-19 eradicated the tourism and events sector, causing more than 69% of tourism and events businesses to either lay-off or furlough staff. In order to fight for survival and in some instances, companies, wineries and SMMEs had to close down permanently. Going forward, the municipality will enhance its focus on promoting outdoor and adventure activities including those activities which make provision for families, young adults and school learners.

The direct and indirect impact of tourism on the local economy will continue to affect the overall economic growth of the area during the next two to three years. There will definitely be a much more co-ordinated and inclusive approach between the different spheres of government and industry to make the local Tourism industry more resilient and sustainable. The components of this PDO are listed below:

### RATING OF COMPONENTS

Table 63: PDO 37 – Rating of Components

CORE COMPONENTS	RATING
<b>Capital Development</b>	
Development of funding proposals to implement targeted business support interventions	☹️
Promotion of SMME development in the tourism sector	😊
Business confidence in Drakenstein Areas	😊
<b>Product Development</b>	
Collaboration with sector industry bodies/businesses in the tourism value chain and professional industry associations	😊
Establishment of sector specific advisory committees to assist DM to provide the required enabling environment to restart the economy	😊
<b>Destination Marketing</b>	
Identification of focused events and MICE Strategy	☹️
International and domestic traveling	😊
Capitalising virtual tours	😊
Capitalising on Adventure Tourism offerings	😊
<b>Sustainable Tourism</b>	
Drive to promote DM as a film destination opportunity	😊
Transformation in the tourism industry	☹️
Tourism infrastructure	😊
Sports tourism focus	😊
Conservation of the environment	😊

## PDO 38: VALUATION AND PROPERTY MANAGEMENT

### PDO DESCRIPTION

PDO 38 addresses the municipality's land, valuation and property management. The Land Survey Section is responsible for the provision of technical support service regarding land-related matters, orderly and efficient



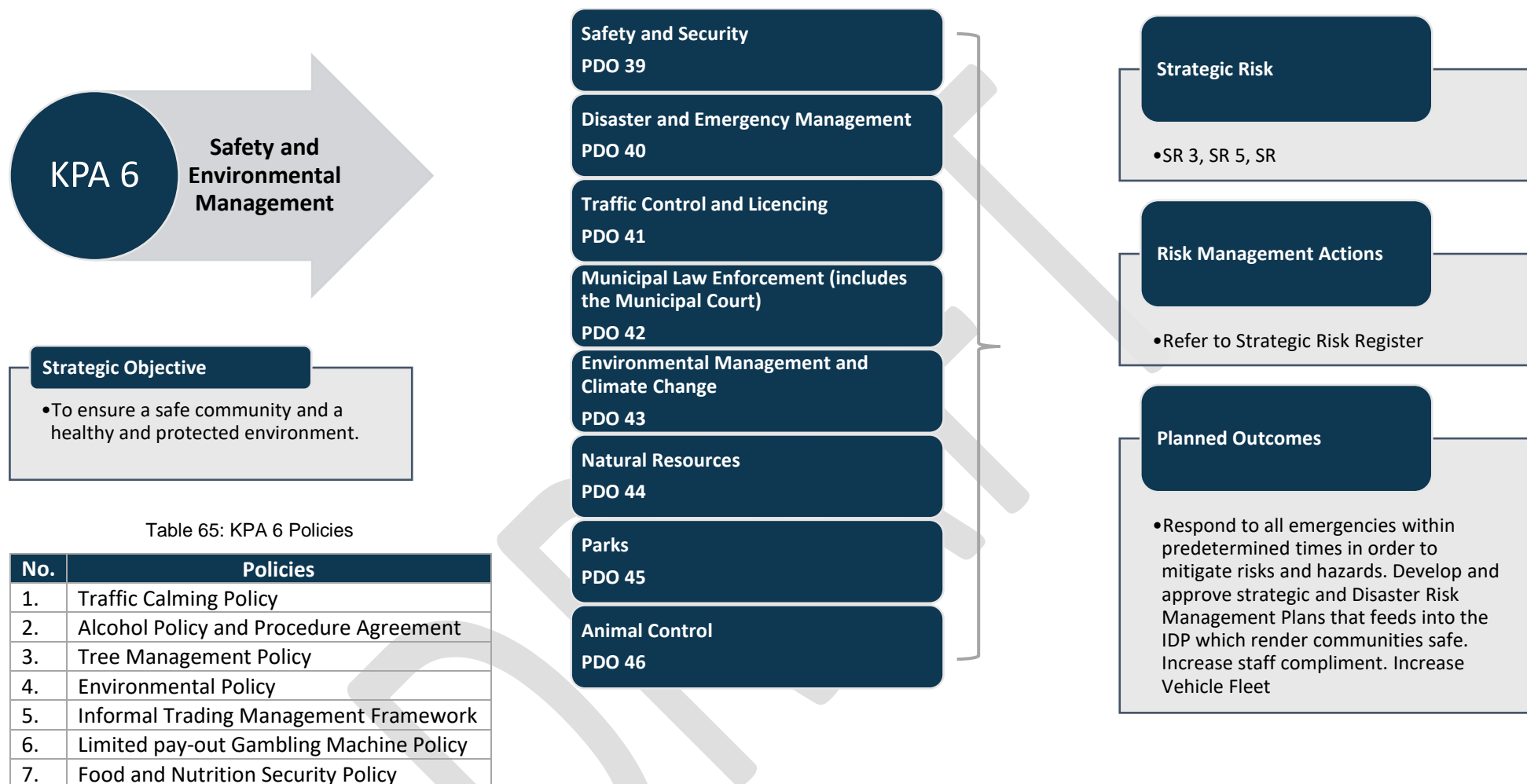
development of land and to ensure proper control in respect of the subdivision of land within the urban environment.

On the other hand, the Valuation Section, is responsible for the establishment and maintaining of a reliable property valuation roll with accurate valuations, as the basis for levying municipal property taxes. The General Valuation Roll 2016 was implemented on 01 July 2017 and is currently valid until 30 June 2021.

### RATING OF COMPONENTS

Table 64: PDO 38 – Rating of Components

CORE COMPONENTS	RATING
<b>Valuations</b>	
Compilation of 2020 General Valuation Roll (every four years)	😊
Appointment of service provider for the compilation of the General Valuation	😊
Establishing and maintaining reliable property valuation roll with accurate valuations	😊
Compilation of Supplementary Valuation (SV) Rolls (bi-annually)	😊



## Analysis of Internal and External Factors (The Current State):

Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

### PDO 39: SAFETY AND SECURITY

#### PDO DESCRIPTION

This PDO addresses issues pertaining to safety and security in the Drakenstein Municipal area. Drakenstein Municipality has plans to grow as a preferred investment destination. Public Safety in particular, is understood as the mitigation and prevention of incidents threatening the safety of the public but also the protection of the public i.e. criminal behaviour and natural or man-made disasters, such as crimes, floods, storms, traffic accidents, fire accidents, mass violence, service delivery protests, water safety, network security, to name but a few.

The Drakenstein Smart and Safety Network, which comprises of relevant stakeholders in the safety sphere and through which safety partnerships, emanated from the development of a Public Safety Plan and outlines all activities of relevant parties working together in order to maintain public order and safety in the municipal area and beyond.

#### RATING OF COMPONENTS OF THE PDO

Table 66: PDO 39 –Rating

COMPONENTS OF THE PDO	RATING
Functioning of the DSSN	😊
CCTV Coverage	😐
24-hr Control room	😊

### PDO 40: DISASTER AND EMERGENCY MANAGEMENT

This PDO relates to the municipality's activities in respect of Disaster and Emergency Management and is guided by the Disaster Management Plan. The plan confirms the arrangements for managing disaster risks and for preparing for, and responding to; disasters within the Drakenstein Municipality as required by the Disaster Management Act, 2002 (Act 57 of 2002). The Disaster and Emergency Management Plan is attached **Annexure I**.

Components of the function is divided into three sections namely:

1. Operations;
2. Training and Support services; and
3. Fire Safety and Disaster Risk Management.

## RATING OF COMPONENTS OF THE PDO

Table 67: PDO 40: Rating

COMPONENTS OF THE PDO	RATING
<b>Operations</b>	
24-hour emergency control and dispatch centre	😊
The use of drones	😐
Control software	😊
<b>Professional Fire-Fighting Training and Support Services</b>	
Roll-out of firefighting training to personnel and neighbouring fire services	😐
Response time to reported incidents	😊
<b>Fire Safety and Disaster Management</b>	
Implementation of the Disaster Management Plan	😊
Disaster Management Centre	😊
Compliance with the National Building Regulations and the Building Standards Act, and related Bylaws	😊
SANS 10900: Weight and speed of response pertaining to community protection against fire	😊
Events Management	😊
Disaster Manager Advisory Forum	😐
Stakeholder engagements/Service Level Agreements: Cape Winelands District Municipality, Provincial Government, Drakenstein Farm Watch, ValCare and EMS	😊
Community Safety and Awareness Programmes	😊

## PDO 41: TRAFFIC CONTROL AND LICENSING

### PDO DESCRIPTION

The main purpose of this PDO is to look at traffic control and licencing. It is not only necessary to prosecute offenders but also important in respect of the educating and training of road users, encouraging good road user behaviour through enforcement, managing accurate and complete data to inform strategy, and also to ensure that the road infrastructure and environment is forgiving and secure.

### RATING OF COMPONENTS

Table 68: PDO 41 – Rating of Components

COMPONENTS OF THE PDO	RATING
<b>Enforcing traffic laws on offenders</b>	
Offenders who talk on cell phones while driving	😊
Red light and stop street violations	😊
Red and yellow line offences	😊
Failure to wear seatbelts	😐
Excessive speeding	😊
Traffic violations by Taxis	😐
Illegal number plates	😐
Driving under the influence of alcohol	😐
Dealing with illegal dumping	😐
Illegal occupation of Municipal property and vagrancy	😐
Illegal occupation of vagrancy	😐

COMPONENTS OF THE PDO	RATING
<b>Implementation of the turn-around strategic plan</b>	
The construction of a public transport impoundment facility	😊
Regular roadblocks in conjunction with the South African Police Services (SAPS)	😊
The implementation of mobile cameras to effectively deal with excessive speed	😊
Issuing and collecting of traffic fines	😐
Traffic safety talks at various institutions to address irresponsible driver behaviour and pedestrian safety	😊
Training of Law enforcement officers to effectively deal and enforce Municipal Bylaws	😐
Electronic MVR licensing renewal	😐

#### PDO 42: MUNICIPAL LAW ENFORCEMENT (INCLUDING MUNICIPAL COURT)

##### PDO DESCRIPTION

The general priority of the Law Enforcement Section and the purpose of this PDO is to ensure that the community is adhering to the Bylaws of Drakenstein Municipality. A key focus area of the Municipal court is to ensure compliance and to strengthen the Justice Department in the execution of Municipal bylaws.

Table 69: PDO 42 – Rating of Components

COMPONENTS OF THE PDO	RATING
Implementation of the “Bobbies on the Beat” visible foot patrol programme	😊
Operations of the Tactical Response Unit (TRU)	😊
Working relationship with SAPS	😊
Farm and neighbourhood watches relationships	😊
Municipal Court (Corporate Services)	😐

#### PDO 43: ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

This PDO focuses on the role that Drakenstein Municipality plays in facilitating Integrated Environmental Management throughout the municipal area, as derived from the broad rights defined in Section 24 of the Constitution which states that: *“Everyone has the right: to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation; promote conservation; and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development”*.

Components of this PDO include:

1. Environmental Management;
2. Strategic Environmental Planning (Policy Alignment, Implementation and Monitoring); and
3. Climate Change.

**The Drakenstein Environmental Management Framework is attached hereto as Annexure J.**

## RATING OF COMPONENTS

Table 70: PDO 43 – Rating of Components

COMPONENTS OF THE PDO	RATING
<b>Environmental Management</b>	
Inclusion of standard resilience conditions in development approvals	☹️
Providing service delivery whilst protecting the environment and related environmental resources	😊
Increase environmental education and awareness at school level and the general public	😊
<b>Strategic Environmental Planning (Policy Alignment, Implementation and Monitoring)</b>	
Implementation of the Drakenstein Environmental Management Framework	😊
Alignment of the Drakenstein EMF and the SDF	☹️
Development and/or implementation of an overall environmental strategy to support or link with socio-economic plans/strategies in order to achieve sustainable development	☹️
<b>Climate Change</b>	
Implementation of the Climate Change Response Plan (Annexure K)	☹️
Lack of mainstreaming of climate change awareness within the organisation	☹️

## PDO 44: NATURAL RESOURCE MANAGEMENT

### PDO DESCRIPTION

PDO 44 assesses the measures implemented to protect the natural resources of the Drakenstein Municipality. Many livelihoods and operations are dependent on the ecosystem services that these resources provide and it plays an integral part in the functioning of the local economy. Ecosystem goods and services can be described as the benefits that people derive from nature and include air, water, food and other basics such as medicinal products and wood. These services are essential for human livelihoods, well-being and are significantly contributing to our quality of life. Drakenstein relies heavily on renewable and non-renewable natural resources and on the goods and services that ecosystems provide.

### RATING OF COMPONENTS

Table 71: PDO 44 – Rating of Components

COMPONENTS OF THE PDO	RATING
Environmental degradation of water resources	☹️
Implementation of the Drakenstein Municipal Air Quality Management Plan (Annexure L)	😊
Increase ambient air quality monitoring	☹️
Need for formal conservation status of municipal conservation areas	☹️

## PDO 45: PARKS

### PDO DESCRIPTION

















This PDO focuses on activities as undertaken by the municipality's Parks Section. The section is responsible for the maintenance of Town Entrances, Parks, Trees, Nature Conservation, Public Open Spaces, Fire Risks on Private Erven and Pest Control. It also provides and maintains facilities such the Paarl Arboretum, Paarl Mountain Nature Reserve, Victoria Parks in Wellington and Paarl, which both are of heritage value.

**Components of this PDO includes:**

1. Town Entrances;
2. Municipal Parks and Recreation; and
3. Local Amenities and Public Places.

**RATING OF COMPONENTS**

Table 72: PDO 45 – Rating of Components




COMPONENTS OF THE PDO	RATING
<b>Town Entrances (beautification of towns and creating a sense of place through planting and maintaining grass and trees)</b>	
Paarl Entrance	
Wellington Entrance	
Mbekweni Entrance	
Gouda Entrance	
Saron Entrance	
Simondium Entrance	
<b>Municipal Parks and Recreation</b>	
Removal of invasive alien vegetation	
Planting of trees on sidewalks and parks	
Maintaining existing and establishing new play parks	
Regular grass cutting at parks and town entrances	
Maintenance of grass and weeds growing on sidewalks and roads	
Combating vandalism at parks	
Environmental Awareness Programmes	
<b>Local Amenities and Public Places</b>	
Implementation of the “Cleaner and Greener” environmental programme	
Maintenance of local amenities and public places i.r.o cleaning, grass cutting and tree planting	
Upgrading of local amenities and public places	

**PDO 46: ANIMAL CONTROL****PDO DESCRIPTION**

This section is part of the Municipal Bylaw Enforcement Unit that deals with the management and control of stray animals on public open spaces and roads.

**RATING OF COMPONENTS**

Table 73: PDO 46 – Rating of Components

COMPONENTS OF THE PDO	RATING
Response time to complaints received in respect of live-stock roaming the streets/roads	
Partnership with SAPS' Stock Theft Unit to address branding of livestock to ensure easy identification of owners of stray animals	
Municipal Animal impoundment Facility	

**KPA 7****Social and  
Community  
Development****Strategic Objectives**

- To facilitate social and community development

Table 74: KPA 7 Policies

No.	Policies
1.	Grants in Aid Policy
2.	Transfer Policy for Human Settlement Projects
3.	Sport and Recreation Policy
4.	Events Support Framework
5.	Early Childhood Development Policy
6.	Housing Selection Policy
7.	Emergency Housing Policy
8.	Food and Nutrition Security Policy
9.	Street People Policy
10.	Grant in Aid Policy: Community

Health  
PDO 47

Early Childhood Development  
PDO 48

Gender, Elderly, Youth and Disabled  
PDO 49

Sustainable Human Settlements  
(Housing)  
PDO 50

Sport and Recreation and Facilities  
PDO 51

Arts and Culture  
PDO 52

Libraries  
PDO 53

Cemeteries and Crematoria  
PDO 54

**Strategic Risk**

- SR 6, SR 7

**Risk Management Actions**

- Refer to Strategic Risk Register

**Planned Outcomes**

- Integrated Sustainable Human Settlement Plan that addresses the needs based on the available financial Resources. To establish an environment where the poor and the most vulnerable are empowered through the building of social capital, the implementation of development programmes and support and sustainable livelihood strategies



## Analysis of Internal and External Factors (The Current State):

Below is an analysis of internal as well as external factors in respect of the status quo of PDOs and its related components that form part of the KPA.

### PDO 47: HEALTH & HIV

#### PDO DESCRIPTION

Public healthcare is not a municipal competency but resides with the Provincial Department of Health. This PDO aims to address the role the municipality can play to close the gap between Grassroots level and the Provincial Department of Health. Community Development is involved in the facilitation of stakeholder meetings, distribution of information and awareness of the public health sector. Furthermore to work with the Department of Health to improve service delivery in the spirit of WoSA (Whole of Society Approach).

Table 75: PDO 47 –Rating of Components

COMPONENTS OF THE PDO	RATING
<b>Health</b>	
Engagements with the Integrated Health Forum	😊
Relationship with stakeholders in the public healthcare domain	😊
<b>HIV/ AIDS</b>	
Functioning of the established Multi Sectoral Area Team (MSAT)	😊
WoSA	😐

### PDO 48: EARLY CHILDHOOD DEVELOPMENT

#### PDO DESCRIPTION

This PDO explores the role that Drakenstein Municipality plays in respect of Early Childhood Development Centres (ECDCs) within the municipal area. The Drakenstein ECD forum consists of three (3) forums from different areas within Drakenstein including Paarl, Wellington and Mbekweni. Saron, Hermon and Gouda forms part of the Wellington Forum and Simondium is included within the Paarl Area.

#### RATINGS OF COMPONENTS

Table 76: PDO 48 – Ratings of Components

COMPONENTS OF THE PDO	RATING
Implementation of the Drakenstein ECDC Strategy	😞
Functioning of ECDC Forums	😞
Partnership with all stakeholders in the ECDC domain, such as DSD as well as Cape Winelands District Municipality	😊
Updating of ECDC database for both registered and unregistered facilities	😊
Provision of training to community-based ECD operators	😊

### PDO 49: GENDER, ELDERLY, YOUTH AND DISABLED

#### PDO DESCRIPTION

This PDO looks at the Drakenstein Municipality's involvement in programmes pertaining to Gender, the Elderly, Youth and the Disabled.

## RATINGS OF COMPONENTS

Table 77: PDO 49 – Ratings of Components

COMPONENTS OF THE PDO	RATING
<b>Gender</b>	
Conducting of gender-specific programs to create awareness around gender issues such as Gender-based Violence etc.	😊
Participation in and functioning of the Gender Forum	😊
<b>Elderly</b>	
Participation and functioning of the Elderly Forum	😊
Establishment and maintaining of a database pertaining to the amount of Elderly people in the Drakenstein Municipal area and what their needs are	😊
<b>Youth</b>	
To conduct youth-specific programs to create awareness around youth matters.	😊
To establish and coordinate a Local Drug Action Committee	😊
Skills development programmes for the youth	😞
<b>Disabled People</b>	
Establishment and maintaining of a database pertaining to the amount of disabled people (per category e.g. blind, deaf, physically disabled etc.) in the Drakenstein Municipal area and what their needs are	😞
Disability Forum inclusive of relevant stakeholders in the disability domain.	😊
Development and/or implementation of a Disability Policy	😞
Database of all disability friendly- municipal buildings	😊

## PDO 50: SUSTAINABLE HUMAN SETTLEMENTS (HOUSING)

### PDO DESCRIPTION

This PDO focuses on the Human Settlements Division in the Drakenstein Municipality. The PDO comprises of the following components:

- Management and Compilation of Council's Integrated Sustainable Human Settlement Plan;
- Management and maintenance of Council's rental stock;
- Management of Housing Demand Data Base (waiting list);
- Management and maintenance of informal settlements; and
- Evictions and Emergency Housing Management.

*\*Detailed information regarding the current housing context and which encompasses all aspects pertaining to housing (i.e. informal settlements, housing projects, housing demands etc.) within the Drakenstein Municipality is included in the Integrated Human Settlements Plan that is attached as an **Annexure M** to the IDP.*

## RATINGS OF COMPONENTS

Table 78: PDO 50 – Ratings of Components

COMPONENTS OF THE PDO	RATING
<b>Management and Compilation of Council's Integrated Sustainable Human Settlement Plan</b>	
Maintaining / Update of Demand Database (Housing waiting list)	😊
Planning and Implementation of housing projects	😊
<b>Informal Settlements Management</b>	
Maintenance of services in Informal Settlements	😊

COMPONENTS OF THE PDO	RATING
Access to basic services in Informal Settlements	☹️
Implementation of Informal Settlement Upgrade Plans	☹️
<b>Upgrading of Informal Settlements (UISP)</b>	
<i>*Informal Settlements to be upgraded identified as per the municipal housing pipeline</i>	
Chester Williams	☹️
Loverslane	☹️
<b>Dignified Informal Settlements</b>	
Spooky Square (Chicago)	☹️
Kudu Land (Chicago)	☹️
New Beginnings (Chicago)	☹️
Camp Fresh (Amstelhof)	☹️
Jan Fiskaal (Amstelhof)	☹️
Silver Town 1 (Mbekweni)	☹️
Silver Town 2 (Mbekweni)	☹️
<b>Evictions and Emergency Housing Management</b>	
Eviction Management Planning	☹️
Emergency Housing Planning and Implementation	☹️
<b>Management and maintenance of Council's rental stock</b>	
Maintenance of Rental Stock	☹️
Repair and Upgrade of Rental Stock	☹️
Alienation/Transfer of Rental Stock to Qualifying Occupants	☹️
<b>New Housing Projects</b>	
Title Deed Restoration Project	☹️
Implementation of Social Housing Projects	☹️
Delivery of IRDP Projects	😊
<b>Completion of incomplete projects</b>	
Carterville 1068 project	☹️

## PDO 51: SPORT, RECREATION AND FACILITIES

### PDO DESCRIPTION

PDO 51 looks at the municipality's day-to-day management and maintenance of sports and recreation facilities. The municipality provides and maintains sports- and recreation facilities that will meet the needs of the community. The components of this PDO comprises of 24 facilities where the community can engage in various sporting codes, such as rugby, cricket, soccer, cycling, BMX, hockey, athletics, netball and swimming.

### RATINGS OF COMPONENTS

Table 79: PDO 51 – Ratings of Components

COMPONENTS OF THE PDO	RATING
<b>Sports Facilities</b>	
De Kraal Sports Complex	☹️
Newton Sports Fields	😊
Weltevrede Sports Field	😊
Pelikaan Sports Field	😊
Parys Sports Field	😊
New Orleans Sports Field	😊

COMPONENTS OF THE PDO	RATING
Mbekweni Sports Field	😊
Huguenot Tennis Court	😞
Gouda Sports Field	😊
Saron Sports Field	😊
Pen Basson Cricket Field	😊
Boy Louw Sports Facility	😊
Faure Street Stadium	😊
Dal Josaphat Stadium	😊
Hermon Sports Field	😊
<b>Swimming Pools</b>	
Pentz Street Swimming Pool	😊
Drakenstein Swimming Pool	😞
Mbekweni Swimming Pool	😞
Faure Street Swimming Pool	😊
Weltevrede Swimming Pool	😊
<b>Recreational Facilities</b>	
Antoniesvlei Resort	😞
Saron Resort	😞
Orleans Park	😞
<b>Other Sports Related Aspects</b>	
Functioning of the Sport Forum/Council	😞

## PDO 52: ARTS AND CULTURE

### PDO DESCRIPTION

PDO 52 explores the municipality's facilitation of activities in respect of arts and culture. These include engagements with various stakeholders that are involved in arts and culture projects, programmes and initiatives. These engagements ensure that there is increased participation and growth of the Drakenstein Arts and Culture sector, as well as better participation in Provincial arts and culture initiatives.

### RATINGS OF COMPONENTS

Table 80: PDO 52 – Ratings of Components

COMPONENTS OF THE PDO	RATING
Functioning of the Arts and Culture Forum	😞
Assisting local arts and culture organisations to establish an Arts and Culture Forum	😞
Provision of an Arts and Culture space in Mbekweni	😊

## PDO 53: LIBRARIES

PDO 53 looks at the status of the 18 operating libraries in the Drakenstein Municipal area, of which ten are on school grounds. Components of this PDO includes the library facilities as well as key initiatives and programmes pertaining to library services.

## RATINGS OF COMPONENTS

Table 81: PDO 53– Ratings of Components

COMPONENTS OF THE PDO	RATING
<b>Libraries</b>	
Saron Library	😊
Gouda, Hermon and Groenberg Library	😐
Wagenmakersvallei Library	😞
Wellington Library	😞
Bergrivier and Windmeul Library	😐
Nieuwedrift Library	😐
Readers Library	😊
Mbekweni Library	😐
Groenheuwel Library	😐
Drakenstein Library	😐
Klein Drakenstein and Ronwe Library	😐
Paarl Library	😊
Simondium Library	😐
Bergendal Library	😞
Service point at the Paarl East Thusong Centre	😊
<b>Library Programmes</b>	
House of Learning	😊
Wellington Library Upgrade	😞
Municipal-wide program to develop reading culture, increase information literacy and increasing social awareness	😊

## PDO 54: CEMETERIES AND CREMATORIA







### PDO DESCRIPTION

This PDO relates to the cemeteries and crematoria in the Drakenstein Municipal area. Currently, there are 13 cemeteries. All cemeteries but four (4) have reached full capacity. There is one crematorium in Drakenstein with a pending application for a second. The rating of components of this PDO relates to maintenance and challenges such as vandalism and encroachment of illegal housing structures as well as drainage.

## RATINGS OF COMPONENTS

Table 82: PDO 54 – Ratings of Components

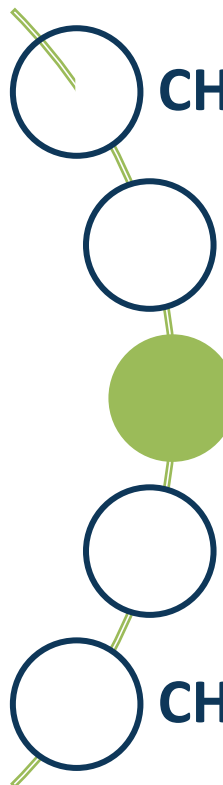
COMPONENTS OF THE PDO	RATING
<b>Cemeteries</b>	
Parys Cemetery	😐
Klein Parys Cemetery	😊
Simondium Cemetery	😐
Dal Josaphat Cemetery	😐
Hout Street Cemetery	😞
Bosman Street Cemetery	😞
Hillcrest Cemetery	😐
Champagne Cemetery	😐

COMPONENTS OF THE PDO	RATING
Bloekomlaan Cemetery	
Voor Street Cemetery	
Hermon Cemetery	
Gouda Cemetery	
Saron Cemetery	
<b>Crematorium</b>	
Drakenstein Crematorium	

## 2.17 CONCLUSION

In conclusion, Drakenstein Municipality has many challenges and issues as indicated in this chapter mostly emanating from the needs of the community that we serve. Some issues and challenges are as a result of internal municipal systems and processes which must be optimised and co-ordinated to facilitate better service. Increased cooperation between the various spheres of government and other key role players and, most particularly, collaboration with our community are critical for efficient and effective municipal governance and excellent service delivery.

Based upon the identification and interrogation of challenges hindering growth, good governance and service delivery, Chapter 3 will look towards solutions. Chapter 3 will identify the various projects, programmes and initiatives that the municipality plan to use when addressing its issues and challenges.

- 
- CHAPTER 1: Introduction and Background**
- CHAPTER 2: Situational Analysis**
- CHAPTER 3: Development Plan**
- CHAPTER 4: Long-term Financial Plan**
- CHAPTER 5: Performance Management**
-

### 3. CHAPTER 3: DEVELOPMENT PLAN

#### 3.1 INTRODUCTION

This Chapter focuses on the development plan of the Drakenstein Municipality and its alignment to the budget, as well as the new five year Spatial Development Framework. The development plan has framework of seven Key Performance Areas (KPA's), the fifty- four (54) Pre-determined Objectives (PDO's) and the respective key initiatives, key programmes as well as capital projects formulated to achieve the developmental goals and vision of the Municipality.

#### 3.2 ELEMENTS OF THE PLAN

##### 3.2.1 Drakenstein's Vision 2032:

In February 2017 Drakenstein Municipality initiated Vision 2032, a long-term strategic plan encompassing key initiatives, programs and projects which were allocated to a series of Big Moves. Big Moves are proposals which will, over the next twelve years dramatically alter and improve the space, economy and sustainability of Drakenstein. In turn, the Big Moves have been located spatially within five Catalytic Zones, and strategically within Key Performance Areas and SDF Focus Areas.

#### 3.3 IDENTIFICATION OF THE CATALYTIC ZONES

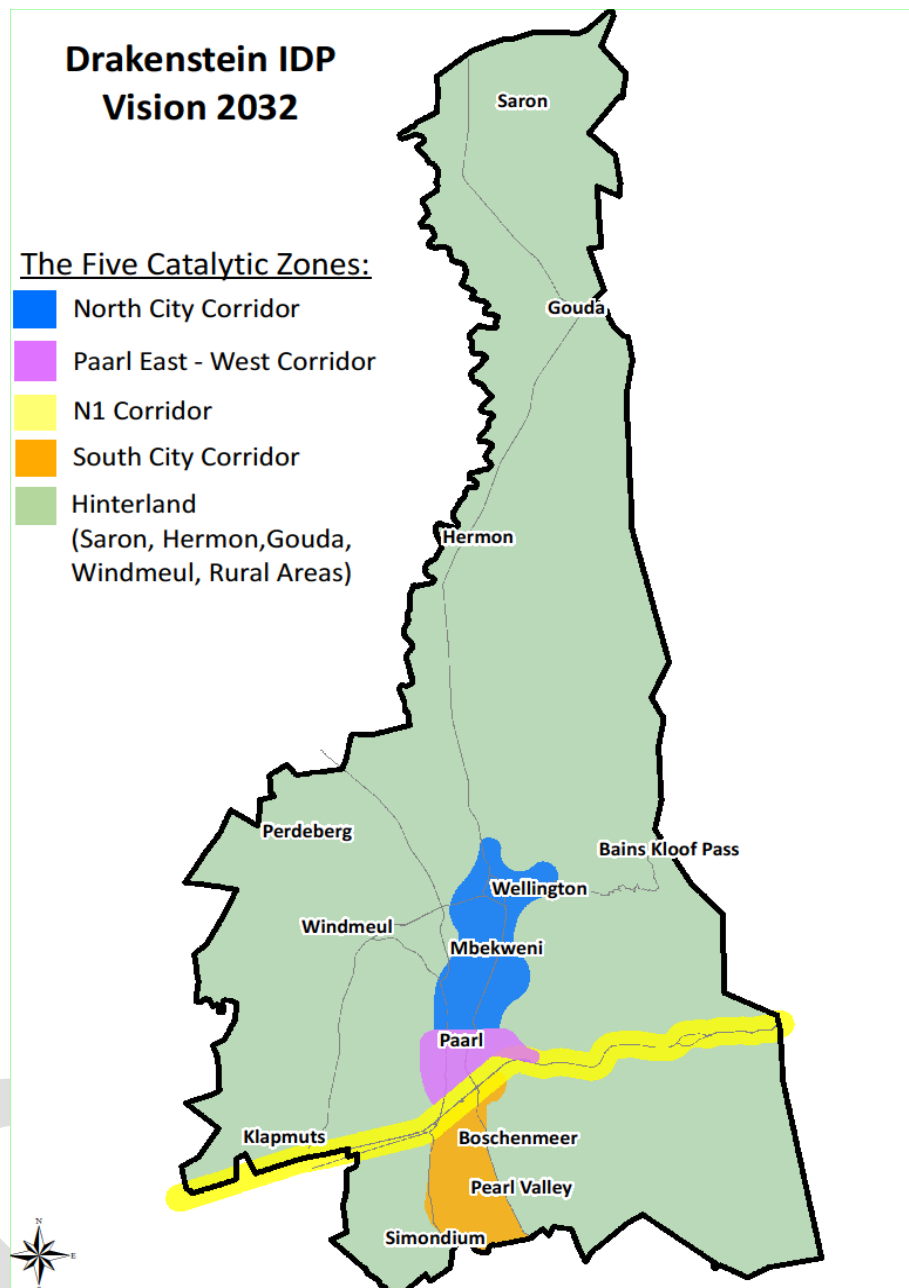
The Catalytic Zones are intra-municipal zones of spatial and economic activity. They cut across wards and administrative boundaries of the five towns in Drakenstein. The five Catalytic Zones identified are:

- North City Corridor;
- Paarl-East – West Corridor;
- N1 Corridor;
- South City Corridor; and
- Hinterland – Saron, Gouda, Hermon, Windmeul and Rural Areas.

The Zones are largely aligned to the Spatial Development Framework as well as the Capital Expenditure Framework (CEF). The five zones are outlined below. As can be seen certain Catalytic Zones overlap and thus share specific Big Moves (including Projects, Programmes and Key Initiatives). This is critical because it promotes and strengthens the integration between the different catalytic zones.



Figure 4: Five Catalytic Zones – Map



The details of the Zones, Moves, Initiatives, Programs and Projects are set out as follows:

### 3.3.1 N1 Corridor

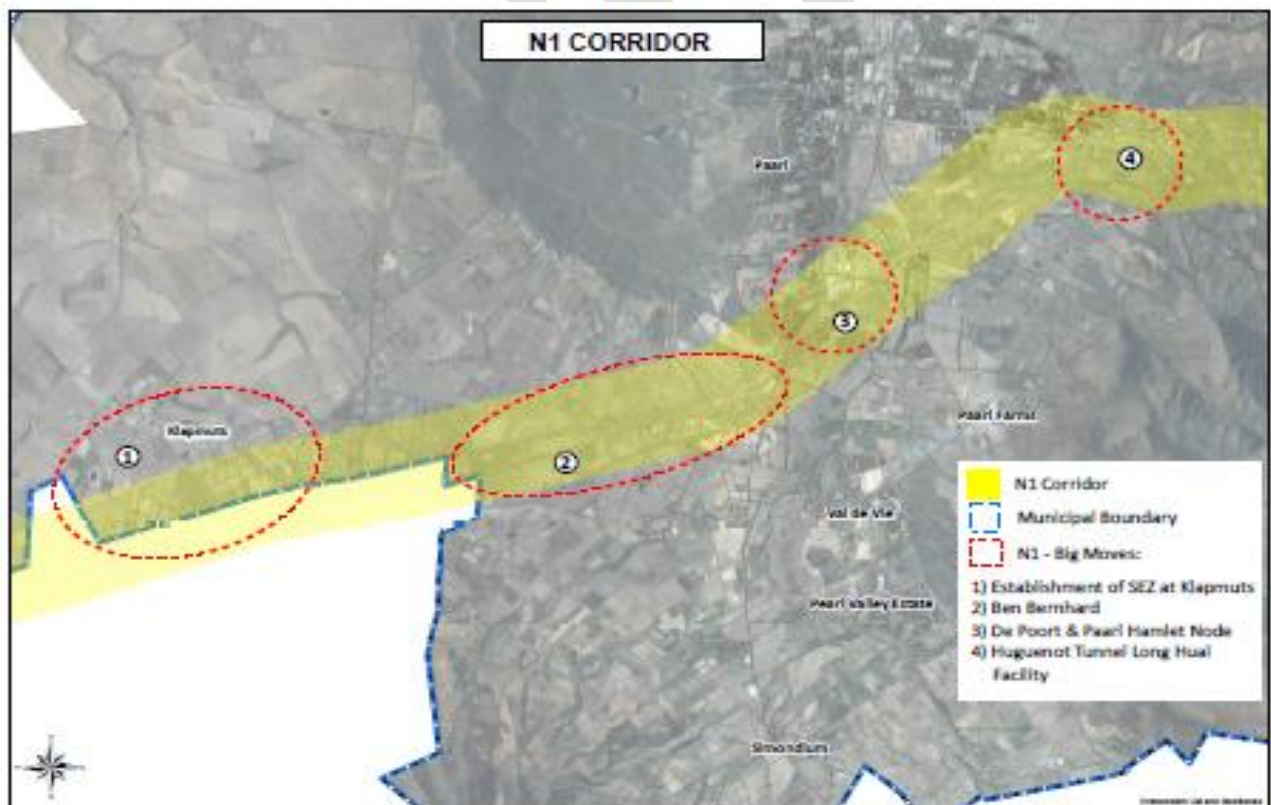
#### Description of Zone:

The N1 Corridor stretches from Klapmuts in the west and Huguenot Tunnel toll plaza in the east. The corridor straddles the N1 and includes areas such as Klapmuts, Ben Bernhard, the De Poort and Paarl Hamlet and the Huguenot Tunnel toll plaza. The corridor is part of the N1 route, being the main vehicular access route, linking Cape Town to the north of South Africa. The corridor thus has an important role as main access route to Paarl, Wellington and the Drakenstein hinterland. Development along this corridor must be well managed to promote Drakenstein area as destination for tourists as well as new businesses, industries and residents.

#### List of Big Moves:

- Implement a Special Economic Zone at Klapmuts;
- Development of the Huguenot Tunnel Long Haul facility;
- Promotion of a light industrial and commercial Business Hub at Ben Benhart;
- Development of De Poort and Paarl Hamlet node; and
- Development of Carolina/Lustigan Intersection (North of the N1).

Figure 5: N1 Corridor



# Implementation Matrix for Catalytic Zone 1: N1 Corridor

Table 83: N1 Corridor Implementation Matrix

CATALYTIC ZONE	N1 CORRIDOR
<b>BIG MOVE</b>	<b>Implement an Integrated Commercial and Industrial Hub at Klapmuts</b>
<b>KEY PERFORMANCE AREA</b>	<b>Planning and Economic Development</b>
<b>INDICATORS OF SUCCESS</b>	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Approval of Klapmuts SDF by Council</li> <li>2. Promulgation of Klapmuts Special Economic Zone</li> <li>3. Provision of adequate water, sewer, electricity, storm water and roads</li> </ol>
<b>PROJECTS, PROGRAMS, KEY INITIATIVES</b>	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Klapmuts Local Spatial Development Framework</li> <li>2. Brownfields – upgrade underutilised industrial sites with minimum infrastructure cost input requirements to encourage industrial investment</li> <li>3. Proposal call for the development of vacant municipal</li> <li>4. Implementation of basket of Incentives for industrial development</li> <li>5. Provision of bulk infrastructure services</li> <li>6. Green Industry Incubator Park</li> <li>7. Agrarian Reform Programme</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy,</p>
<b>BIG MOVE</b>	<b>Development of the Huguenot Tunnel Long Haul Facility</b>
<b>KEY PERFORMANCE AREA</b>	<b>Planning and Economic Development</b>
<b>INDICATORS OF SUCCESS</b>	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Developed Huguenot Tunnel Long Haul Facility</li> <li>2. Use of the cycle route as part of the greater Bitou/Cape Town Cycle Route</li> <li>3. Receive and approve developments on vacant municipal land by Council</li> </ol>
<b>PROJECTS, PROGRAMS, INITIATIVES</b>	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Huguenot Tunnel Long Haul Facility</li> <li>2. Develop of Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route</li> <li>3. Proposal call for the development of vacant municipal</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy,</p>

CATALYTIC ZONE	N1 CORRIDOR
BIG MOVE	Promotion of a light Industrial and Commercial Business Park at Ben Benhard
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p>ITEM</p> <ol style="list-style-type: none"> <li>1. A stable electricity network with spare capacity</li> <li>2. Upgraded Strawberry King Bulk Water Pipeline</li> <li>3. Lowering in unemployment rate</li> <li>4. Increase in capital investment</li> <li>5. Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs</li> <li>6. Reduced crime rate</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p>ITEM</p> <ol style="list-style-type: none"> <li>1. New Mall substation</li> <li>2. New N1 substation</li> <li>3. Upgrade of Strawberry King water</li> <li>4. Courtrai, Paarl – 2<sup>nd</sup> Reservoir and bulk balance pipeline</li> <li>5. Industrial water meters, Paarl – meter of unmetered connections</li> <li>6. Upgrading of WWTW to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>7. Develop of Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route</li> <li>8. Municipal Wide CCTV Coverage</li> <li>9. Increased law enforcement and SAPS patrols</li> <li>10. Fair Valley Communal Agri-project</li> <li>11. Green Logistics Hub and Business Park</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy,</p>
BIG MOVE	De Poort and Paarl Hamlet node
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p>ITEM</p> <ol style="list-style-type: none"> <li>1. Developed De Poort Tourism Gateway</li> <li>2. A stable electricity network with spare capacity</li> <li>3. Increase in capital investment</li> <li>4. Lowering in unemployment rate</li> <li>5. Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs</li> <li>6. Use of the cycle route as part of the greater Bitou/Cape Town Cycle Route</li> <li>7. Decrease in crime rate</li> <li>8. Use of Courtrai, Paarl – 2<sup>nd</sup> Reservoir and bulk balance pipeline</li> </ol>

CATALYTIC ZONE	N1 CORRIDOR
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>De Poort Tourism Gateway</li> <li>New Mall substation</li> <li>New N1 substation</li> <li>Courtrai, Paarl – 2<sup>nd</sup> Reservoir and bulk balance pipeline</li> <li>Upgrading of WWTW to ensure sufficient capacity for future developments (especially Paarl South) and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>Development of Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route</li> <li>Identification and Site development of cultural and heritage places of interest</li> <li>Installation of Tourism signage and infrastructure at iconic areas</li> <li>Municipal Wide CCTV Coverage</li> <li>Increased law enforcement and SAPS patrols</li> <li>Accreditation, restructuring zones</li> <li>Proposal call for the development of vacant municipal</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy,</p>
BIG MOVE	<b>Carolina/Lustigan Intersection (North of the N1)</b>
KEY PERFORMANCE AREA	<b>Sustainable Human Settlements</b>
INDICATORS OF SUCCESS	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>A stable electricity network with spare capacity</li> <li>Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs</li> <li>Decrease in crime rate</li> <li>Execution of Boland Park Precinct</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>New Mall substation</li> <li>New N1 substation</li> <li>Replacement/upsizing of reticulation system</li> <li>Upgrading of WWTW to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>Upgrade and rehabilitation of sewer system in entire Drakenstein</li> <li>Develop of Drakenstein cycle route as part of greater Bitou / Cape Town Cycle Route</li> <li>Municipal Wide CCTV Coverage</li> <li>Increased law enforcement and SAPS patrols</li> <li>Private Developments (Bergenzicht, Neffensaam, Klipland, Groot Parys, and Klein Parys Extension 2)</li> </ol>

CATALYTIC ZONE	N1 CORRIDOR
	10. Boland Park Precinct <b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy.

### 3.3.2 South City Corridor (South Of N1, Simondium)

The South City Corridor is situated to the south of the N1 – thus generally bound by the N1, R301, south of the Drakenstein Prison and the R45. This area is gaining popularity due to its strategic location within the Drakenstein Municipal boundaries and its accessibility to the City of Cape Town, transport nodes, the surrounding neighbouring municipalities and northern parts of South Africa.

Furthermore, the dramatic scenic landscape, the setting of iconic built heritage resources and provision of quality services is a highlight of this zone. The creation of the South City Corridor is focused on an efficient and integrated urban structure, inclusive of a variety of housing typologies, commercial opportunities, social and community facilities with well-connected open spaces which caters for different income groups.

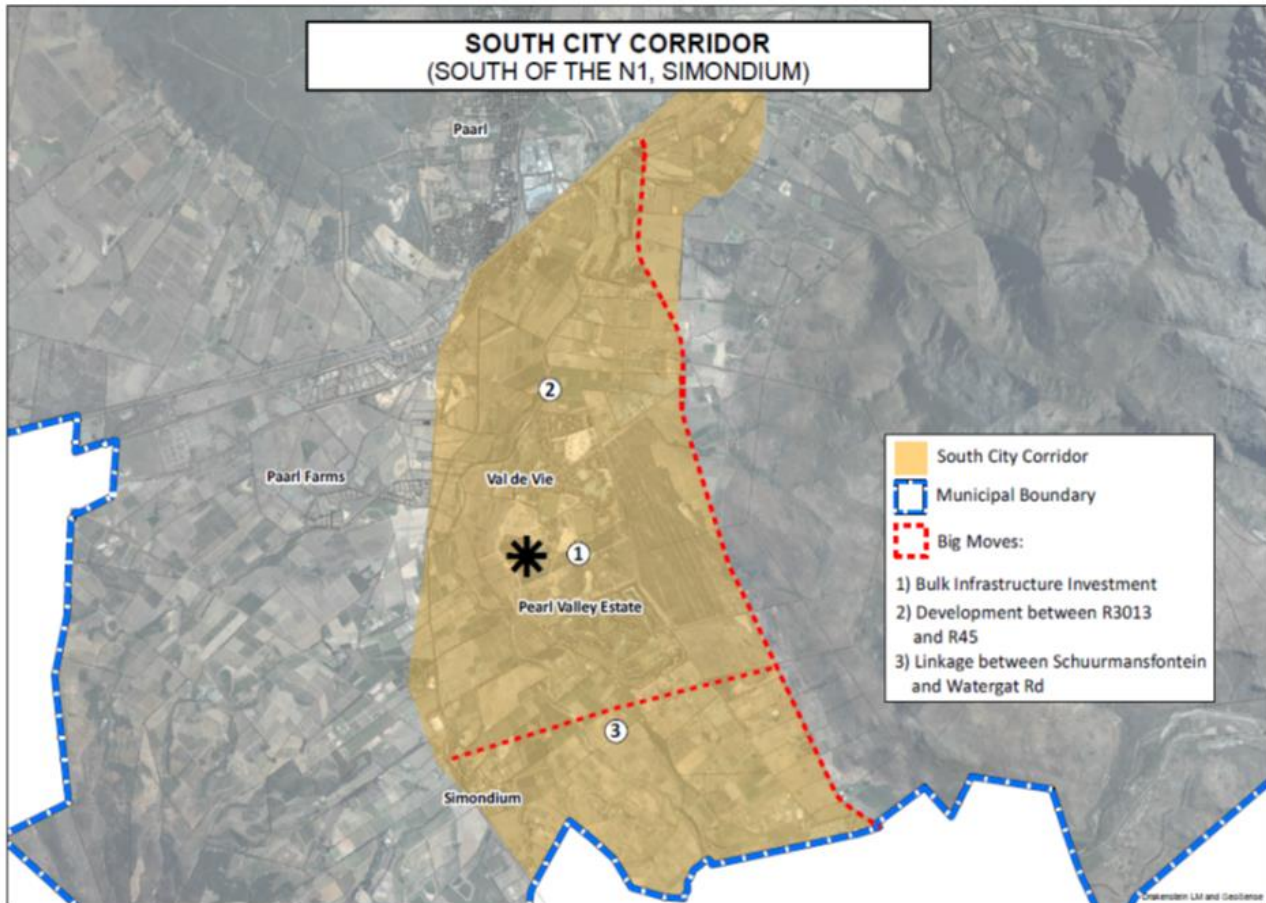
A new integration route (Watergat/Schuurmansfontein Roads) is proposed to spatially link communities to the east and west of the Berg River. Both accesses of the integration route (the R301 and R45) will be accentuated as tourism gateways leading to the Mandela House national heritage resource.

#### List of Big Moves and description:

- Creation of a new city corridor between R301 and R45;
- Creation of the Watergat/Schuurmansfontein Integration Route; and
- Investment in South City Corridor Bulk Infrastructure.



Figure 6: South City Corridor



### Implementation Matrix for Catalytic Zone 2: South City Corridor

Table 84: South City Corridor Implementation Matrix

CATALYTIC ZONE	SOUTH CITY CORRIDOR
BIG MOVE	Creation of a new city corridor between R301 and R45
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Construction of housing units</li> <li>2. Rates and tax base increasing for the area south of the N1</li> <li>3. Construction of public facilities</li> <li>4. Approval of re-naming of R301 by Competent Authority</li> <li>5. Infrastructure upgrade and improvement of R301</li> <li>6. Employment opportunities created</li> <li>7. Incremental increase of number of residents using community/public facilities</li> <li>8. Erection of signage and beautification of town gateways</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Attract investment for range of housing typology opportunities (IM037 wording amended)</li> <li>2. Provision of public facilities within new south city corridor</li> <li>3. Freedom Road project (R301 south of N1 – renaming and upgrade)</li> <li>4. Promotion of a commercial node</li> <li>5. Development of Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route</li> </ol>

CATALYTIC ZONE	SOUTH CITY CORRIDOR
	<ol style="list-style-type: none"> <li>Town Gateways</li> <li>Mountain Slope Study</li> <li>South of the N1 Local SDF</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy.</p>
BIG MOVE	<b>Creation of the Watergat/Schuermansfontein Integration Route</b>
KEY PERFORMANCE AREA	<b>Planning and Economic Development</b>
INDICATORS OF SUCCESS	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>Construction of bridge and public road</li> <li>Rates and tax base increasing for the south city corridor</li> <li>Inauguration ceremony attended by local, provincial and national spheres of government at Mandela House Tourism Node</li> <li>Employment opportunities created</li> <li>Incremental increase of number of residents using community/public facilities</li> <li>Erection of signage and beautification of town gateways</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>Linking Watergat and Schuurmansfontein Roads as a new Public Access Route</li> <li>Link bridge over Berg River at Simondium</li> <li>Promotion of investment zone (north of Drakenstein Prison)</li> <li>Create Mandela House Tourism Node</li> <li>Identification and site development of cultural and heritage places of interest</li> <li>Installation of Tourism signage and infrastructure at iconic attractions</li> <li>Simondium Social Node and Tourism Gateway</li> <li>Review of Simondium Precinct Plan</li> <li>Construction of Simondium Community Hall</li> <li>Simondium housing project</li> <li>Simondium Community Hall</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy.</p>
BIG MOVE	<b>Investment in South City Corridor Bulk Infrastructure</b>
KEY PERFORMANCE AREA	<b>Physical Infrastructure and Services</b>
INDICATORS OF SUCCESS	Provision of basic services to all residents within the South City Corridor
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>Commissioning of new N1 132/6611kV80MVA Substation</li> </ol>



CATALYTIC ZONE	SOUTH CITY CORRIDOR
	<ol style="list-style-type: none"> <li>2. Courtrai – Levendal/Val de Vie, Simondium, Paarl bulk pipeline</li> <li>3. Bulk water pipeline and 2MI reservoir – Simondium (Phase 1)</li> <li>4. Extension of reticulation system, Simondium (Phase 2)</li> <li>5. Upgrading of Waste Water Treatment Works to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>6. Boreholes and 0.5MI Reservoirs – 1x Simondium</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy.</p>

### 3.3.3 Paarl East/West Integration Corridor (Along Main Road, Paarl CBD, Paarl East)

#### Description of Zone:

The “Paarl East – West Integration Corridor Catalytic Zone” mainly focusses on the integration of Paarl East and Central Paarl/ Paarl West. The integration of the two areas is via the enhancement of the main distributor roads within the Catalytic Zone, which includes Klein Drakenstein Road and Lady Grey Street, as major activity corridors. It is also important to note that the revitalisation and upgrade of the Huguenot Station Precinct and Paarl Central Business District also forms part of this initiative. The development of key strategically located vacant properties within the catalytic zone for the development of the Paarl Waterfront, the Paarl Arboretum, the De Kraal Mixed Use Node, the Boy Louw Multi – Purpose Sport Centre and the Boland Park are crucial components of the spatial promotion of integration.

#### List of Big Moves and description:

- Development of the Berg River corridor/ Paarl Waterfront and Arboretum Precinct;
- Urban upgrade of Klein Drakenstein Road Central Improvement District (Including Lady Grey Street);
- Paarl Central Business District Renewal; and
- Upgrade and Development of the Huguenot Station and De Kraal Mixed Use Nodes.

Figure 7: Paarl East/West Integration Corridor

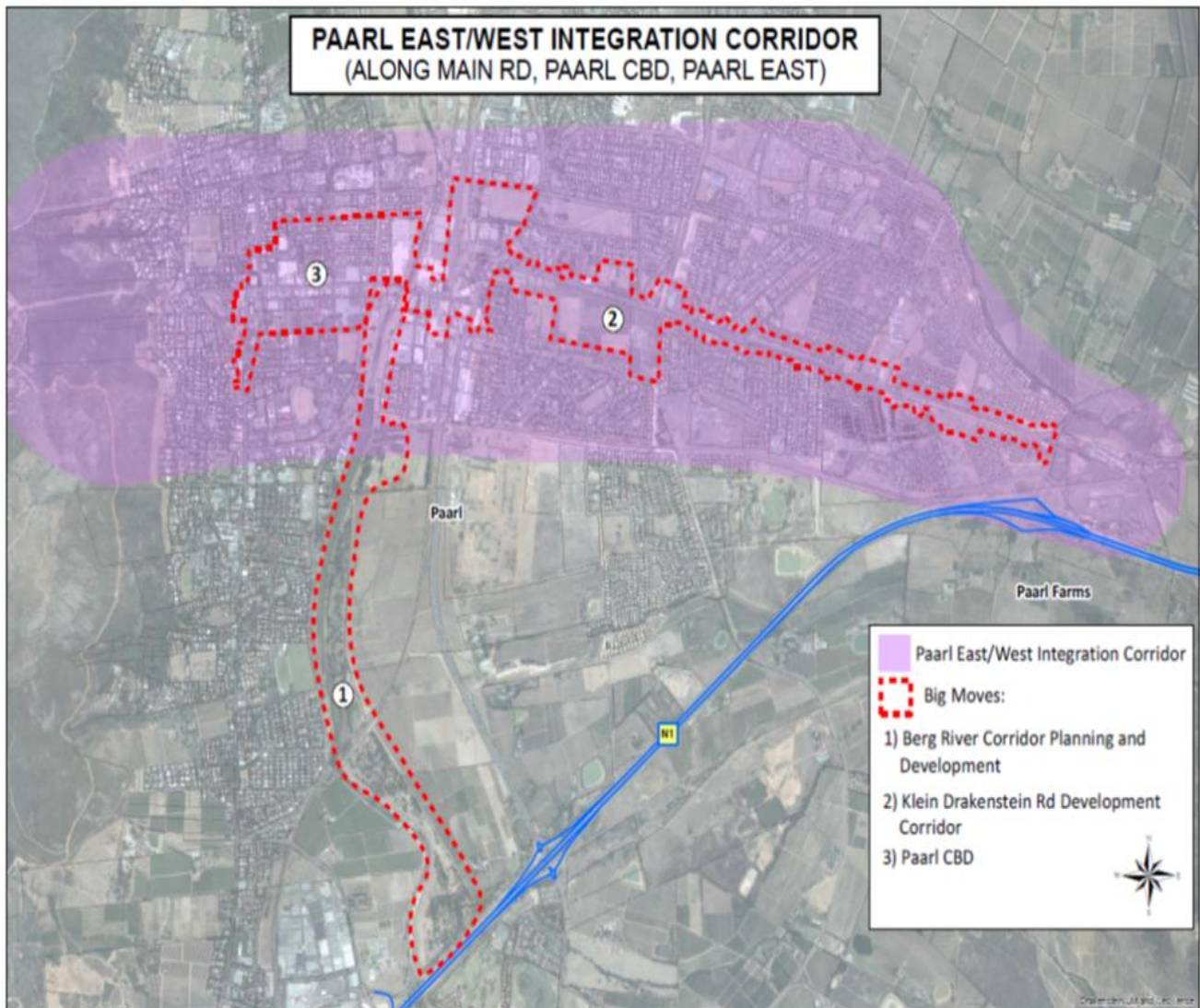
**Implementation Matrix for Catalytic Zone 3: Paarl East/ West Integration Corridor:**

Table 85: Paarl East/West Integration Corridor Implementation Matrix

CATALYTIC ZONE	Paarl East – West Integration Corridor
BIG MOVE	Berg River Corridor/Paarl Waterfront and Arboretum Precinct
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p>ITEM</p> <ol style="list-style-type: none"> <li>1. A stable electricity network with spare capacity</li> <li>2. Increase in capital investment</li> <li>3. Lowering in unemployment rate</li> <li>4. Reduce in the use of potable water</li> <li>5. Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs</li> <li>6. Establishment of the Boy Louw Multi-Purpose Sport Centre</li> <li>7. Use of the cycle route as part of the greater Bitou/Cape Town Cycle Route</li> <li>8. Receive and approve developments on vacant municipal land by Council</li> <li>9. Effective execution of the Paarl Waterfront and Arboretum Precinct Plan and Framework</li> <li>10. Decrease in crime rate</li> </ol>

CATALYTIC ZONE	Paarl East – West Integration Corridor			
	11. Safe and adequate public toilets			
PROJECTS, PROGRAMS, INITIATIVES	ITEM	BUDGET	TIMEFRAME	RESPONSIBILITY
	1. Commissioning of new N1 132/6611Kv80MVA Substation			
	2. Commissioning of new Mall Substation 66/11/kv20MVA			
	3. Special tariffs for property rates and bulk services by incentivizing capital investment and job creation			
	4. Recycle treated sewerage water, Paarl – pipe system to industrial area and sport fields			
	5. Upgrading of WWTW to ensure sufficient capacity for future developments (especially Paarl South) and eradicating maintenance backlogs especially at Paarl WWTW			
	6. Boy Louw Multi-purpose sport centre			
	7. Proposal call for the development of vacant municipal land)			
	8. Development of Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route			
	9. Identification and Site development of cultural and heritage places of interest			
	10. Installation of Tourism signage and infrastructure at iconic areas			
	11. Municipal Wide CCTV Coverage			
	12. Increased law enforcement and SAPS patrols			
	13. Upgrading of Public Toilets			
	<b>Strategic and Spatial Enablers:</b> Paarl Waterfront and Arboretum Precinct Plan, Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Berg River Maintenance Management Plan, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Paarl and Wellington CBD Local SDF and Implementation, Integrated Economic Growth Strategy.			
BIG MOVE	Klein Drakenstein Road Central Improvement District (Including Lady Grey Street)			
KEY PERFORMANCE AREA	Planning and Economic Development			
INDICATORS OF SUCCESS	ITEM			
	1. A stable electricity network with spare capacity			
	2. Reduced use of potable water			
	3. Increase in capital investment			
	4. Lowering in unemployment rate			
	5. Installed industrial water meters			
	6. Installed pre-paid water meters			
	7. Upsized reticulation system			
	8. Upgraded sewer system			
	9. Solid Waste Management Infrastructure at compliant level			
	10. Upgraded community and public facilities			
	11. Decrease in crime rate			
	12. Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs			
	13. Use of the cycle route as part of the greater Bitou / Cape Town Cycle Route			
	14. Completion of Van Der Stel Street towards Klein Drakenstein Road			
	15. Execution Olive Grove Community Project			

CATALYTIC ZONE	Paarl East – West Integration Corridor
	16. Execution of Klein Drakenstein Road Central Improvement District Plan
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Commissioning of new N1 132/6611Kv80MVA Substation</li> <li>2. Commissioning of new Mall Substation 66/11/kv20MVA</li> <li>3. Action plan to manage high water consumers</li> <li>4. Brownfields – upgrade underutilised industrial sites with minimum infrastructure cost input requirements to encourage industrial investment</li> <li>5. Special tariff for property rates and bulk services by incentivizing capital investment and job creation</li> <li>6. Industrial water meters, Paarl – meter of unmetered connections</li> <li>7. Recycle treated sewerage water, Paarl – pipe system to industrial area and sport fields</li> <li>8. Replacement/upsizing of reticulation system</li> <li>9. Pre-paid water meters area wide</li> <li>10. Upgrading of WWTW to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>11. Upgrade and rehabilitation of sewer system in entire Drakenstein</li> <li>12. Increase monitoring of wet industries into municipal bulk sewers and to WWTW</li> <li>13. Law enforcement i.r.o. water restrictions</li> <li>14. Upgrading of Solid Waste Management Infrastructure to compliance levels</li> <li>15. Maintenance and upgrade of all community and public facilities (community halls and Thusong centres)</li> <li>16. Alienation of serviced industrial and commercial sites</li> <li>17. Investigating Urban Special Rating Areas to establish Central Improvement Districts</li> <li>18. Proposal call for the development of vacant municipal</li> <li>19. Develop Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route</li> <li>20. Identification and site development of cultural and heritage places of interest</li> <li>21. Installation of Tourism signage and infrastructure at iconic areas</li> <li>22. Municipal Wide CCTV Coverage</li> <li>23. Increased law enforcement and SAPS patrols</li> <li>24. Upgrading of public toilets</li> <li>25. Coordination of sufficient health services/facilities</li> <li>26. Accreditation, restructuring zones</li> <li>27. Completion of Van Der Stel Street towards Klein Drakenstein Road</li> <li>28. Boland Cricket Park regeneration</li> <li>29. Olive Grove Community Project</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Klein Drakenstein Road Central Improvement District Plan, Paarl and Wellington CBD Local SDF, Incentive and Retention Policy and Strategy, Informal Trading Policy Review and Implementation Plan, Integrated Economic Growth Strategy, Tourism and Investment Destination Marketing, Devolution of Heritage Decision/Competency from Heritage Western Cape, Update Heritage Survey, Small Business Entrepreneurs Capacity Building and Mentorship, Vacant land Study, Densification Study, Secondary City Study, Paarl and Wellington CBD Local SDF and Implementation, Boland Park Precinct</p>

<b>CATALYTIC ZONE</b>	<b>Paarl East – West Integration Corridor</b>
	Plan, Roll-out of Broadband, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module.
<b>BIG MOVE</b>	<b>Paarl Central Business District Renewal</b>
<b>KEY PERFORMANCE AREA</b>	<b>Planning and Economic Development</b>
<b>INDICATORS OF SUCCESS</b>	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. A stable electricity network with spare capacity</li> <li>2. Reduced use of potable water</li> <li>3. Increase in capital investment</li> <li>4. Lowering in unemployment rate</li> <li>5. Installed industrial water meters</li> <li>6. Upsized reticulation system</li> <li>7. Installed pre-paid water meters</li> <li>8. Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs</li> <li>9. Upgraded sewer system</li> <li>10. Use of the cycle route as part of the greater Bitou/Cape Town Cycle Route</li> <li>11. Decrease in crime rate</li> <li>12. Safe and adequate public toilets</li> <li>13. Execution of the Paarl and Wellington CBD Local SDF</li> </ol>
<b>PROJECTS, PROGRAMS, INITIATIVES</b>	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Commissioning of new N1 132/6611Kv80MVA Substation</li> <li>2. Commissioning of new Mall Substation 66/11/kv20MVA</li> <li>3. Action plan to manage high water consumers</li> <li>4. Special tariff for property rates and bulk services by incentivizing capital investment and job creation</li> <li>5. Area wide water saving devices for municipal buildings</li> <li>6. Industrial water meters, Paarl – meter of unmetered connections</li> <li>7. Replacement/upsizing of reticulation system</li> <li>8. Pre-paid water meters area wide</li> <li>9. Upgrading of WWTW to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>10. Upgrade and rehabilitation of sewer system in entire Drakenstein</li> <li>11. Increase monitoring of wet industries into municipal bulk sewers and to WWTW</li> <li>12. Law enforcement i.r.o. water restrictions</li> <li>13. Investigating Urban Special Rating Areas to establish Central Improvement Districts</li> <li>14. Develop of Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route</li> <li>15. Identification and site development of cultural and heritage places of interest</li> <li>16. Installation of Tourism signage and infrastructure at iconic areas</li> <li>17. Municipal Wide CCTV Coverage</li> <li>18. Increased law enforcement and SAPS patrols</li> <li>19. Upgrading of public toilets</li> <li>20. Coordination of sufficient health services/facilities</li> <li>21. Accreditation, restructuring zones</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Incentive and Retention Policy and Strategy, Informal Trading</p>



<b>CATALYTIC ZONE</b>	<b>Paarl East – West Integration Corridor</b>
	Policy Review and Implementation Plan, Integrated Economic Growth Strategy, Tourism and Investment Destination Marketing, Devolution of Heritage Decision/Competency from Heritage Western Cape, Update Heritage Survey, Small Business Entrepreneurs Capacity Building and Mentorship, Vacant land Study, Densification Study, Secondary City Study, Roll-out of Broadband, Paarl and Wellington CBD Local SDF and Implementation, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Integrated Economic Growth Strategy.
<b>BIG MOVE</b>	<b>Huguenot Station and De Kraal Mixed Use Nodes</b>
<b>KEY PERFORMANCE AREA</b>	<b>Planning and Economic Development</b>
<b>INDICATORS OF SUCCESS</b>	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. A stable electricity network with spare capacity</li> <li>2. Reduced use of potable water</li> <li>3. Increase in capital investment</li> <li>4. Lowering in unemployment rate</li> <li>5. Installed industrial water meters</li> <li>6. Upsized reticulation system</li> <li>7. Installed pre-paid water meters</li> <li>8. Establishment of a WWTW with sufficient capacity for future developments and the eradication of maintenance backlogs</li> <li>9. Upgraded sewer system</li> <li>10. Upgraded community and public facilities</li> <li>11. Completion of the De Kraal Sport Stadium</li> <li>12. Receive and approve developments on vacant municipal land</li> <li>13. Use of the cycle route as part of the greater Bitou/Cape Town Cycle Route</li> <li>14. Decrease in crime rate</li> <li>15. Execution of the Paarl and Wellington CBD Local SDF</li> <li>16. Execution of the Klein Drakenstein Road Central Improvement District Plan</li> <li>17. Completion of De Kraal and Zanddrift Sport ground Indoor facility</li> <li>18. Execution of the Huguenot Station Precinct Plan</li> </ol>
<b>PROJECTS, PROGRAMS, INITIATIVES</b>	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Commissioning of new N1 132/6611Kv80MVA Substation</li> <li>2. Commissioning of new Mall Substation 66/11/kv20MVA</li> <li>3. Action plan to manage high water consumers</li> <li>4. Brownfields – upgrade underutilised industrial sites with minimum infrastructure cost input requirements to encourage industrial investment</li> <li>5. Special tariff for property rates and bulk services by incentivizing capital investment and job creation</li> <li>6. Area wide water saving devices for municipal buildings</li> <li>7. Industrial water meters, Paarl – meter of unmetered connections</li> <li>8. Replacement/upsizing of reticulation system</li> <li>9. Pre-paid water meters area wide</li> <li>10. Upgrading of WWTW to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>11. Upgrade and rehabilitation of sewer system in entire Drakenstein</li> <li>12. Increase monitoring of wet industries into municipal bulk sewers and to WWTW</li> <li>13. Law enforcement i.r.o. water restrictions</li> <li>14. Maintenance and upgrade of all community and public facilities (community halls and Thusong centres)</li> </ol>

CATALYTIC ZONE	Paarl East – West Integration Corridor
	15. De Kraal Sport Stadium 16. Alienation of serviced industrial and commercial sites 17. Investigating Urban Special Rating Areas to establish Central Improvement Districts 18. Proposal call for the development of vacant municipal land 19. Develop Drakenstein cycle route as part of greater Bitou/Cape Town Cycle Route 20. Identification and site development of cultural and heritage places of interest 21. Installation of Tourism signage and infrastructure at iconic areas 22. Municipal Wide CCTV Coverage 23. Increased law enforcement and SAPS patrols 24. Accreditation, restructuring zones 25. De Kraal and Zanddrift Sport ground Indoor facility 26. Huguenot Station Precinct  <b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Incentive and Retention Policy and Strategy, Informal Trading Policy Review and Implementation Plan, Integrated Economic Growth Strategy, Tourism and Investment Destination Marketing, Integrated Zoning Scheme, Devolution of Heritage Decision/Competency from Heritage Western Cape, Update Heritage Survey, Small Business Entrepreneurs Capacity Building and Mentorship, Vacant Land Study, Densification Study, Secondary City Study, Roll-out of Broadband, Paarl and Wellington CBD Local SDF and Implementation, Klein Drakenstein Road Central Improvement District Plan, Huguenot Station Precinct Plan, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Integrated Economic Growth Strategy.

### 3.3.4 North City Integration Corridor (Paarl, Mbekweni, Wellington)

#### Description of Zone:

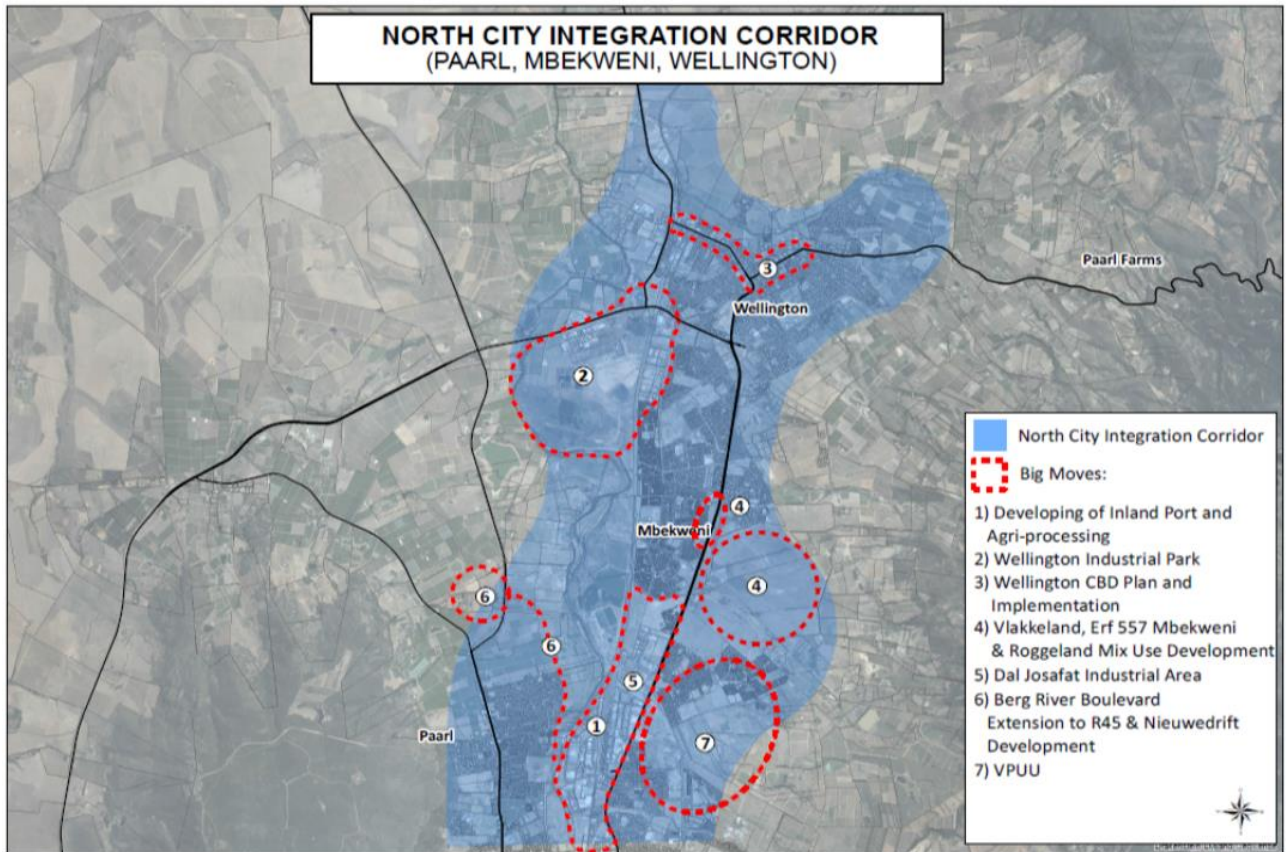
This Catalytic Zone is located north of the N1 and runs in a general north-south direction (with inclusion of Nieuwedrift as exception) and is referred to as the North City Integration Corridor. The Corridor comprises the urban areas of Paarl, Mbekweni and Wellington, including the Wellington Industrial Park Precinct, the Berg River Boulevard extension to the R45, and Nieuwedrift. The Corridor overlaps with the N1 Corridor and the Paarl East/West Integration Corridor. The Big Moves that overlap with the other Catalytic Zones are not included in the tables for the North City Integration Corridor zone (i.e. therefore please refer to the other 2 Zones).

#### List of Big Moves and description:

- Development of the Wellington Industrial Park;
- Implementation of the Wellington CBD Plan and Implementation;
- Development of the Vlakkeland, Erf 557 Mbekweni, Erf 16161 and Roggeland (SAHRA acquisition of land for Integrated Mixed-Use development);
- Upgrade and development of the Dal Josafat Industrial Area;
- Development of the Berg River Boulevard Extension to R45 and Nieuwedrift Development; and

- Planning and Implementation of the Violence Prevention through Urban Upgrade program.

Figure 8: North City Integration Corridor



### Implementation Matrix for North City Integration Corridor

Table 86: North City Integration Corridor Implementation Matrix

CATALYTIC ZONE	NORTH CITY CORRIDOR
BIG MOVE	Wellington Industrial Park
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Commencement of the extension development of the Wellington Industrial Park Precinct</li> <li>2. Establishment of Agro-parks in the Wellington Industrial Park Precinct</li> <li>3. Completion of the upgrade of infrastructure, at minimum cost, of Brownfield sites</li> <li>4. Serviced Industrial and Commercial sites transferred to property developers</li> <li>5. Commencement of the operation of the new landfill site</li> <li>6. Completion of the upgrade and rehabilitation of sewerage pump stations</li> <li>7. Completion of the development of the R44 and R45 intersection Gateway</li> <li>8. Rates and tax base increases for the area</li> <li>9. Employment opportunities created</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Secure development rights</li> <li>2. Agro-processing parks</li> <li>3. Brownfields – upgrade underutilised industrial sites with minimum infrastructure cost input requirements to encourage industrial investment</li> </ol>



CATALYTIC ZONE	NORTH CITY CORRIDOR
	<ol style="list-style-type: none"> <li>4. Alienation of serviced Industrial and Commercial sites</li> <li>5. Identify new landfill site</li> <li>6. Solution to landfill site problem</li> <li>7. Upgrade and rehabilitation of sewerage pump stations (...Wellington Industrial)</li> <li>8. Town Gateways</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Klappmuts Local SDF and Implementation, Infrastructure Master Plan, Integrated Economic Growth Strategy.</p>
BIG MOVE	Wellington CBD Plan and Implementation
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Upgrade and development of the Church and Tourist Gateway Precinct in accordance with the Urban Design Plan (i.t.o. Wellington CBD Urban Design Framework)</li> <li>2. Upgrade and development of the other 6 precincts in accordance with the Urban Design Plans (i.t.o. Wellington CBD Urban Design Framework)</li> <li>3. Upgrading of the Wellington WWTW completed</li> <li>4. Rates and tax base increases for the area</li> <li>5. Completion of the development of the Retief Street/Champagne Road, Hermon road and Bainskloof road Gateways Employment opportunities created</li> <li>6. Employment opportunities created</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Church Street, Wellington UDF Implementation - Secure development rights</li> <li>2. Upgrading of Waste Water Treatment Works to ensure sufficient capacity for future developments and eradicating maintenance backlogs</li> <li>3. Town Gateways</li> </ol> <p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Klappmuts Local SDF and Implementation, Infrastructure Master Plan, Integrated Economic Growth Strategy.</p>
BIG MOVE	Vlakkeland, Erf 16161, Erf 557 Mbekweni and Roggeland (SAHRA acquisition of land for Integrated Mix Use development)
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Completion of the Vlakkeland bulk water upgrade, Mbekweni</li> <li>2. Completion of the development of the Vlakkeland mixed use development</li> <li>3. Completion of the development of Erf 557</li> <li>4. Completion of the development of the Roggeland</li> </ol>

CATALYTIC ZONE	NORTH CITY CORRIDOR
	<ol style="list-style-type: none"> <li>Upgrade and development of Mbekweni in accordance with the Urban Design Plans (i.t.o. Mbekweni Precinct Plan)</li> <li>Completion of upgrading of Pelikaan Park/Newton</li> <li>Upgrading of Paarl WWTW completed</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Klappmuts Local SDF and Implementation, Infrastructure Master Plan, Integrated Economic Growth Strategy.
BIG MOVE	Development of Dal Josaphat Industrial Area
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<b>ITEM</b> <ol style="list-style-type: none"> <li>Completion and establishment of the Inland Port and Agri-processing plant</li> <li>Completion the upgrade of the infrastructure, at minimum cost, of Brownfield sites</li> <li>Serviced Industrial and Commercial sites transferred to property developers</li> <li>Completion of the establishment of a Special Ratings Area in Dal Josaphat industrial area</li> <li>Upgrading of Paarl WWTW completed</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<b>ITEM</b> <ol style="list-style-type: none"> <li>Development of Inland Port and Agro-processing plant (BM)</li> <li>Brownfields – upgrade underutilised industrial sites with minimum infrastructure cost input requirements to encourage industrial investment.</li> <li>Alienation of serviced Industrial and Commercial sites</li> <li>Upgrading of Dal Josaphat</li> <li>Upgrading of Waste Water Treatment Works to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> </ol> <b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Klappmuts Local SDF and Implementation, Infrastructure Master Plan, Integrated Economic Growth Strategy.
BIG MOVE	Berg River Boulevard Extension to R45 and Nieuwedrift Development
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<b>ITEM</b> <ol style="list-style-type: none"> <li>Completion of reservoir and bulk water pipeline</li> <li>Council accepts successful bidder's development proposals</li> <li>Upgrading of Paarl WWTW completed</li> <li>Completion of Berg River Boulevard extension to Retief Street</li> <li>Council approval and implementation of site development plan for R45 and Nieuwedrift/Berg River Boulevard Gateways</li> </ol>

CATALYTIC ZONE	NORTH CITY CORRIDOR
PROJECTS, PROGRAMS, INITIATIVES	6. Completion of Berg River Boulevard extension to R45
	<b>ITEM</b> <ol style="list-style-type: none"> <li>1. Nieuwedrift, Paarl – 0.5Ml reservoir and bulk water pipe</li> <li>2. Nieuwedrift – Call for Development Proposals</li> <li>3. Upgrading of Waste Water Treatment Works to ensure sufficient capacity for future developments and eradicating maintenance backlogs especially at Paarl WWTW</li> <li>4. Extension of Berg River Boulevard to Retief Street</li> <li>5. Town Gateways</li> <li>6. Extension of Berg River Boulevard to R45 and Nieuwedrift</li> </ol>
	<b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Vacant land study, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Klapmuts Local SDF and Implementation, Infrastructure Master Plan, Integrated Economic Growth Strategy.

### 3.3.5 Hinterland (Saron, Gouda, Hermon, Rural Areas)

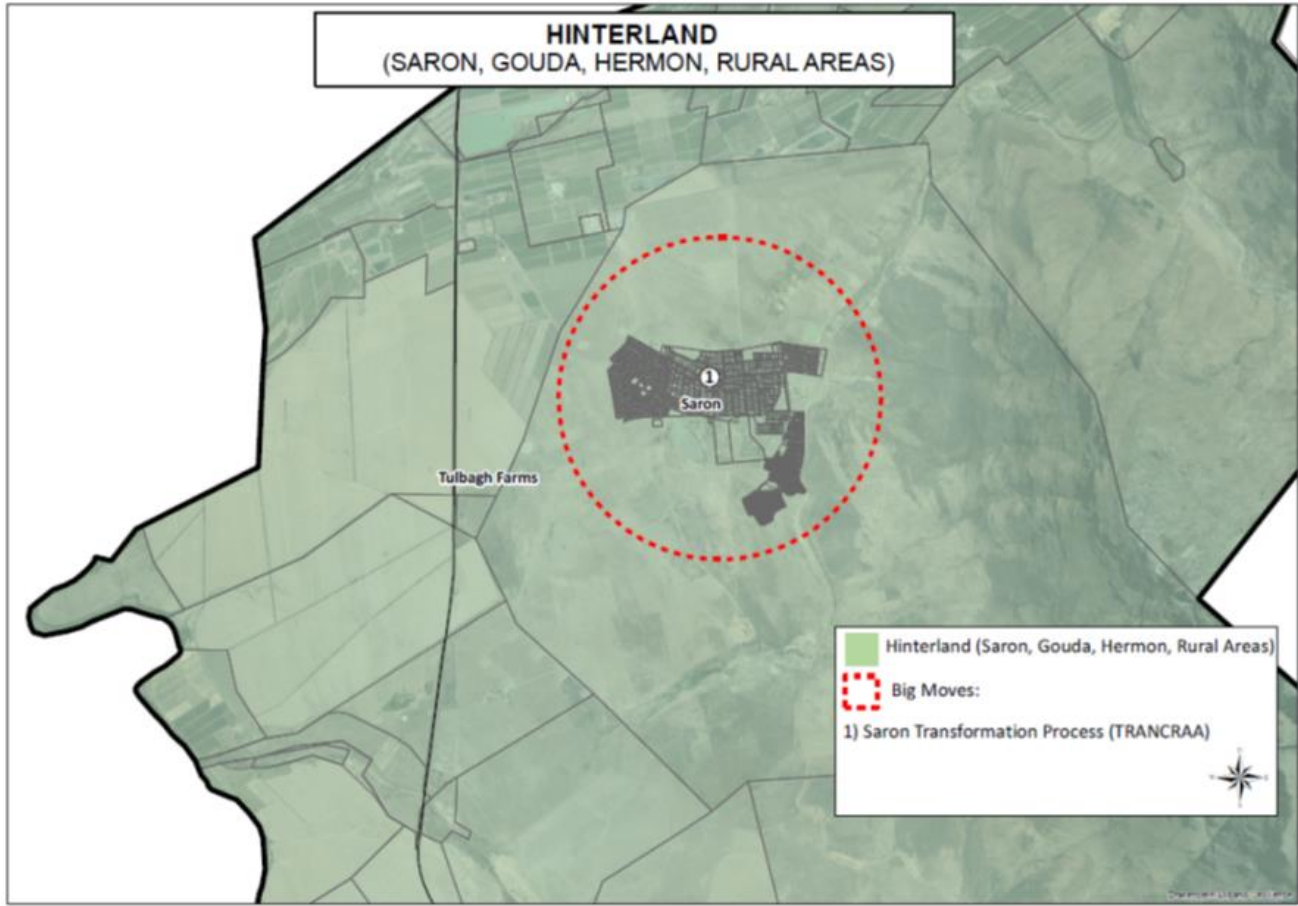
#### Description of Zone:

Drakenstein's extensive Hinterland constitutes Windmeul, Hermon, Gouda and Saron, as well as the rural properties. This inland region is located along the R44 and in close proximity of the N7 a strategic transport corridor of the Western Cape. The region focuses primarily on agriculture and related sector activities and therefore we identified the need to enhance the agro –processing value chain in the area.

#### List of Big Moves and description

- Agro –processing value chain in the area- This Big Move will focus on enhancing the existing sector in the region through the development of a Business Retention and Expansion Strategy linked to the sector. We will focus on both upstream and downstream linkages of this sector.

Figure 9: Hinterland – Saron, Gouda, Hermon Rural Areas Corridor



### Implementation Matrix for Catalytic Zone 5: Hinterland – Saron, Gouda, Hermon Rural Areas Corridor

Table 87: Hinterland (Saron, Gouda, Hermon, Rural Areas)

CATALYTIC ZONE	HINTERLAND (SARON, GOUDA, HERMON, RURAL AREAS)
BIG MOVE	Enhance Agro-processing value-chain in rural area
KEY PERFORMANCE AREA	Planning and Economic Development
INDICATORS OF SUCCESS	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. High Value Manufacturing.</li> <li>2. Increased contribution of SME Agro-processors to the GDP and employment.</li> <li>3. Increased access of SME Agro-processors to business development services.</li> <li>4. Availability of Integrated Transportation system –both passenger and goods and services</li> <li>5. Business Expansion</li> <li>6. Capital Investment</li> <li>7. Infrastructure Investment</li> <li>8. Social Stability</li> <li>9. Decrease in Social Services demands in area</li> <li>10. Number of businesses established in value chain</li> <li>11. Output per Capita</li> <li>12. Development of dignified and integrated human settlements</li> <li>13. Increase in skilled workforce</li> <li>14. Decrease in Absolute Poverty Rates</li> </ol>

CATALYTIC ZONE	HINTERLAND (SARON, GOUDA, HERMON, RURAL AREAS)
PROJECTS, PROGRAMS, INITIATIVES	<p><b>ITEM</b></p> <ol style="list-style-type: none"> <li>1. Gouda and Saron CBD: Small Business Development Upgrade.</li> <li>2. Hermon Precinct Plan</li> <li>3. Rural Tourism Product Development</li> <li>4. Identification and site development of cultural and heritage places of interest</li> <li>5. Installation of Tourism signage and infrastructure at iconic attractions</li> <li>6. Saron Transformation Process (TRANCRAA)</li> <li>7. Construction of Saron Community Hall</li> <li>8. Upgrade/replace reticulation system in Saron</li> <li>9. Replace/upgrade of bulk water pipe, Saron and Gouda</li> <li>10. Pre-paid water meters –area wide</li> <li>11. Saron Water Depot</li> <li>12. Centralize sludge management</li> <li>13. Upgrade and rehabilitation of sewerage pump station (Saron)</li> <li>14. Upgrade and Rehabilitation of sewer systems in entire Drakenstein</li> <li>15. Re-use of treated wastewater effluent</li> <li>16. Water Treatment works (2MI/d, 2MI reservoir and 100MI, open dam, Saron)</li> <li>17. Gouda Small Holdings- Water Reticulation System</li> <li>18. Telemetric system upgrade</li> <li>19. Replacement/Upsizing of reticulation system</li> <li>20. Environmental Performance Monitoring System</li> <li>21. Promotion of Green Economy</li> <li>22. 100-year Berg River Flood scenarios</li> <li>23. Air Quality Management Plan and Air Quality monitoring</li> <li>24. Berg River Maintenance Management Plan</li> <li>25. Update of key plans including Climate Change Strategy and Environmental Management Framework</li> <li>26. Water and Sanitation in rural areas</li> <li>27. Identification of available land for ECD centres</li> <li>28. Accreditation Restructuring Zones - Appointment of turnkey implementation housing agent</li> <li>29. Co-ordination of sufficient health services</li> </ol>
PROJECTS, PROGRAMS, INITIATIVES	<p><b>Strategic and Spatial Enablers:</b> Development and Investment Desk, Public Transport Plan, Tourism and Investment Destination Marketing, Environmental Performance Monitoring System, Climate Change Strategy and Environmental Framework, Biodiversity and Alien Management Strategies, Integrated Zoning Scheme, Land Use Planning By-law, Building Control Collaborator Module, Land Use Planning Collaborator Module, Roll-out of Broadband, Plan for Alien Management on Municipal Land, Klappmuts Local SDF and Implementation, Infrastructure Master Plan, Integrated Economic Growth Strategy, Tourism and Investment Destination Marketing, Rural Development Strategy, Facilitate linkages with Agri-park, Rural Tourism Strategy.</p>

### 3.4 ALIGNMENT BETWEEN THE IDP AND THE SDF

The Integrated Development Plan is the key strategic tool for the facilitation and management of development within the Drakenstein Municipal area. It is the development plan for a municipality, prepared in terms of the Municipal Systems Act, No 32 of 2000, and it guides decision-making, budgeting and development in the municipality.

In terms of Section 26 (e) of the Municipal Systems Act, No 32 of 2000 it is required that an integrated development plan must include a spatial development framework. The SDF presents the long-term vision of the spatial desired form of the Municipality.

According to the Local Government: Municipal Planning and Performance Management Regulations, 2001, a spatial development framework must, amongst other requirements:

- (i) Set objectives that reflect the desired spatial form of the municipality;
- (ii) Identify programs and projects for the development of land within the municipality;
- (iii) Provide a visual representation of the desired spatial form of the municipality which representation: -
  - (a) Must indicate where public and private land development and infrastructure investment should take place;
  - (b) Must indicate desired or undesired utilisation of space in a particular area;
  - (c) May delineate the urban edge; and
  - (d) Must identify areas where strategic intervention is required; and must indicate areas where priority spending is required.

The SDF is thus a critical component of the IDP, as it directs municipal and private sector spending and investment by providing spatial proposals and interventions that will assist in achieving the Municipality's long-term vision of being a "City of Excellence" within the next twelve years. Notable in the new SDF is the inclusion of the Capital Expenditure Framework and an aligned investment and implementation plan.

Taking the above into consideration, it is of utmost importance that the IDP and SDF is purposefully aligned in order to provide strategic guidance and investment certainty.

### **3.5 COMPILATION OF A NEW SPATIAL DEVELOPMENT FRAMEWORK**

This Spatial Development Framework (2020) entails the preparation of an entire new SDF for the Drakenstein Municipality for next five years (2020 to 2025), but it also reflects a 10 year (2020-2030) and a 20-year (2020-2040) planning horizon.

The SDF is compiled in accordance with requirements of the following pieces of legislation:

- The Municipal Systems Act, No 32 of 2000 (MSA);
- The Spatial Planning and Land Use Management Act, No 16 of 2013 (SPLUMA);
- The Western Cape Land Use Planning Act, No 3 of 2014 (LUPA); and
- The Drakenstein Land Use Planning Bylaw (2018).

Chapter 2 of SPLUMA sets out the development principles that must guide the preparation, adoption and implementation of any SDF, policy or bylaw concerning spatial planning and the development or use of land.



The development principles are summarized as follows:

Table 88: SPLUMA Development Principles

SPLUMA Development Principle	Description
<b>Spatial Justice</b>	Past spatial and other development imbalances must be redressed through improved access to, and use of, land by disadvantaged communities and persons.
<b>Spatial Sustainability</b>	Spatial planning and land use management systems must promote the principles of socio-economic and environmental sustainability by encouraging the protection of prime and unique agricultural land; promoting land development in locations that are sustainable, and limit urban sprawl; consider all current and future costs to all parties involved in the provision of infrastructure and social services to ensure the creation of viable communities.
<b>Efficiency</b>	Land development must optimise the use of existing resources and the accompanying infrastructure, while development application procedures and timeframes must be efficient and streamlined in order to promote growth and employment.
<b>Spatial Resilience</b>	Ensure sustainable livelihoods in communities that are likely to suffer the impacts of economic and environmental shocks.
<b>Good Administration</b>	All spheres of government must ensure an integrated approach to land development and all departments must provide their sector inputs and comply with prescribed requirements during the preparation or amendment of SDFs.

Although, the compilation of an SDF is a legal requirement for any municipality, it is important to note that an SDF does not confer/give rights or take away land use rights but guides and informs decisions to be made by the Municipality relating to land development. Therefore, it is important to understand that the SDF is only a guiding document. However, the importance of an SDF is emphasized because it gives effect to the vision, goals and objectives of the IDP or related business plans of government.

### 3.6 ALIGNMENT OF STRATEGIC VISIONS OF THE IDP AND SDF

The Drakenstein Vision 2032 Strategy sets the strategic agenda for Drakenstein Municipality to realise its vision to evolve into a “City of Excellence” within the next twelve years. Key facets of the Vision are economic dynamism, quality of life for all, a strong, well-governed brand and financial sustainability. Long-term strategies are required to develop, maintain and extend Drakenstein’s national and international competitiveness.

The visions of the IDP and SDF are presented as follows:

Table 89: Visions of the IDP and SDF

Integrated Development Plan Vision	Spatial Development Framework Vision
To evolve into a 'City of excellence' within the next twelve years. Key facets of the vision are economic dynamism; quality of life for all; a strong, well-governed brand and financial sustainability. Long-term strategies are required to develop, maintain and extend Drakenstein's national and international competitiveness.	"A diverse community sustained within the valley of freedom, striving for excellence' provides the guidance for the development trajectory and development decisions for the Drakenstein Municipality. The vision of Drakenstein is one that leverages the natural, physical and cultural elements that define its unique position. The Drakenstein Municipality seeks to create an inter-connected, resilient environment that strives for excellence, embraces innovation and pursues freedom for all, creating a tolerant and cohesive society in which informality is accepted, redress of past injustices is prioritised, and freedom for all is realised.
Alignment of the IDP vision and the SDF vision	
<p><b>Both Visions:</b></p> <ul style="list-style-type: none"> <li>a) Strive towards excellence;</li> <li>b) Emphasize a long-term strategy for Drakenstein Municipality;</li> <li>c) Build on the municipality's key assets, quality of life and economic sustainability; and</li> <li>d) Realise the municipality's competitiveness on a regional, national and international level.</li> </ul>	

It can therefore be concluded that the two visions are aligned with the IDP providing the strategic vision and the SDF providing the spatial guidance for the development trajectory to give effect to the vision contained in the IDP.

Both visions emphasize on the importance of continuously excelling and enhancing the quality of life of all who reside within Drakenstein in a sustainable manner.

### 3.7 ALIGNMENT OF THE IDP KPA'S AND SDF OVERARCHING THEMES

Taking cognizance of the, national, provincial and district policies and plans, seven Key Performance Areas (KPA's) were identified in the IDP for Drakenstein Municipality. Seven key spatial concepts emerged from the SDF based on an evaluation of the spatial opportunities and challenges as well as the formulation of the spatial vision.

The table below links the IDP KPAs with the three SDF Overarching Themes in accordance with the seven key spatial concepts. It can therefore be concluded that the IDP KPAs, the SDF Key Concepts and the Overarching Themes are aligned with the KPAs providing the overall basis for performance within the municipality and the key spatial concepts providing the spatial strategies are aligned and in support of achieving the KPAs.



Table 90: Alignment of the IDP KPAs and the SDF Overarching Themes

SDF OVERARCHING THEMES
<b>IDP KPA: GOOD GOVERNANCE</b> Strategic Objective: To promote proper governance and public participation.
<b>Biophysical</b> <ul style="list-style-type: none"> <li>• Develop environmental awareness campaigns and create educational programmes on environmental issues, ethics and sustainable development;</li> <li>• Increase awareness of sustainable agriculture in order to increase food security and nutritional value of agricultural products; and</li> <li>• Establish partnerships for integrated management of cultural/natural landscapes, scenic routes, and areas of heritage significance.</li> </ul>
<b>Socio-Economic</b> <ul style="list-style-type: none"> <li>• A responsive municipality based on sound principles that embodies and embrace the rule of law, public participation, accountability and responsibility;</li> <li>• Encourage and promote sustainable development principles at all levels of governance; and</li> <li>• Investigate private-public partnerships for key priority projects.</li> </ul>
<b>Built Environment</b> <ul style="list-style-type: none"> <li>• Promote through public participation the focus of investment according to the hierarchy of settlements;</li> <li>• Establish inter-governmental forums to promote logistics corridors and improve connectivity; and</li> <li>• Investigate private-public partnerships for key priority projects.</li> </ul>
<b>IDP KPA: FINANCIAL SUSTAINABILITY</b> Strategic Objective: To ensure financial sustainability in order to meet the statutory requirements.
<b>Biophysical</b> <ul style="list-style-type: none"> <li>• Promote public-private partnerships for disaster management;</li> <li>• Incentivise conservation of private land;</li> <li>• Re-orientation of existing farming model to facilitate appropriate subdivision, diversification, and adaptive reuse of irrigated land;</li> <li>• Fast track land reform and new local food chains between producers and consumers; and</li> <li>• Acknowledge the potential of heritage/cultural landscapes in order to expand the contribution of these resources to the local economy.</li> </ul>
<b>Socio-Economic</b> <ul style="list-style-type: none"> <li>• Affordable and sustained revenue base to finance capital and operating budget expenses; and</li> <li>• Sound financial management practices and clean audit reports to build the public's confidence in management.</li> </ul>
<b>Built Environment</b> <ul style="list-style-type: none"> <li>• Expand the municipal revenue base and prioritise capital investment aligned to the prioritisation of settlements;</li> <li>• Establish N1 gateways and logistic hubs to improve spending and revenue in the municipal area;</li> <li>• Promote urban renewal programmes in CBDs; and</li> <li>• Facilitate land ownership and security of sense.</li> </ul>
<b>IDP KPA: Institutional Transformation</b> Strategic Objective: To transform the municipality into an effective and efficient organization.
<b>Biophysical</b> <ul style="list-style-type: none"> <li>• Invest in various public-private partnership to foster integrated environmental management in the Municipality;</li> <li>• Provide for agricultural diversification in the municipal land use regulations and policies;</li> <li>• Manage agricultural diversification in terms of the land use management scheme; and</li> <li>• Manage the impact on sensitive heritage/cultural landscapes in terms of the land use management scheme and heritage overlay zones.</li> </ul>

## SDF OVERARCHING THEMES

### Socio-Economic

- A motivated and skilled workforce that supports the operational needs of the Municipality in the implementation of the IDP objectives.

### Built Environment

- Municipal Capital Investment Prioritisation Model to be aligned to prioritisation of settlements as identified in the SDF;
- Efficient institutional procedures to prepare land for development of logistic hubs; and
- New models of housing delivery and security of tenure to promote densification, accommodate a variety of income groups and a range of land uses.

### IDP KPA: PHYSICAL INFRASTRUCTURE AND SERVICES

Strategic Objective: To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services.

### Biophysical

- Promote off-grid agriculture infrastructure. Employ new technology such as hydroponic growing;
- Promote off-grid services in outer-lying areas and/or environmentally sensitive areas; and
- Stricter management of resource utilisation and consumption.

### Socio-Economic

- A caring Municipality that is sensitive to the needs of the community based on a sound and embedded value system.

### Built Environment

- An adequate and well-maintained infrastructure network complementing the development goals of the Municipality;
- Improve basic services to reduce disaster risk;
- Planning and implementation of new infrastructure and upgrading/renewal of infrastructure, to be prioritised according to the hierarchy of settlements;
- Integrated planning and provision of services to support logistic hubs and connectivity, especially the Paarl East-West integration Corridor;
- Upgrade network capacity to cope with densification; and
- Ensure that long-term planned expansion of infrastructure networks will result in optimal use of land and smart growth patterns.

### IDP KPA: PLANNING AND DEVELOPMENT

Strategic Objective: To plan and facilitate sustainable and inclusive economic growth and development.

### Biophysical

- Encourage/promote initiatives such as eco-tourism, agri-tourism, heritage/cultural tourism, etc.;
- Encourage food security and sustainable agricultural practices; and
- Seek employ opportunities via the Expanded Public Works Programme (EPWP).

### Socio-Economic

- To facilitate sustainable economic empowerment for all communities within Drakenstein and enable a viable and conducive economic environment through the development of related initiatives including job creation and skills development; and
- Focus on creating conducive environments and empowered communities in the settlements.

### Built Environment

- Empower communities by improving connectivity between to markets, to places of work, stay and economic opportunities; and
- Optimise use of land in green and brownfield developments.

### IDP KPA: SAFETY AND ENVIRONMENTAL MANAGEMENT

Strategic Objective: To ensure a safe community and a healthy and protected environment.

### Biophysical

- Protect Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs);

### SDF OVERARCHING THEMES

- Recognise the threat of climate change;
- Roll-out disaster management plans and map high vulnerability index and risk areas;
- Establish site for urban agriculture to promote household food security and improved nutrition;
- Employ appropriate technology to manage climate control; and
- Protect scenic routes, gateways, view sheds, mountain slopes, and sensitive interfaces between settlements and the natural and rural environment.

#### Socio-Economic

- To contribute to the health and safety of communities in Drakenstein through the proactive identification, prevention, mitigation and management of health, including environmental health, fire and disaster risks.

#### Built Environment

- Provide for adequate access to health and safety facilities, and improve access routes required by emergency vehicles;
- Settlement planning and renewal to identify areas of safety and environmental mitigation required in order to secure community safety and environmental protection; and
- Protect the particular/unique sense of place of settlements and nodes and parts of the hinterland.

### IDP KPA: SOCIAL AND COMMUNITY DEVELOPMENT

Strategic Objective: To facilitate social and community development.

#### Biophysical

- Identify and map high disaster risk areas in Drakenstein; and
- Celebrate gateways/scenic entry points to the municipality and its settlements.

#### Socio-Economic

- To assist and facilitate with the development and empowerment of the poor and the most vulnerable. These include the elderly, youth and the disabled;
- Promote social development, community livelihoods and safety through the sustainable delivery of social facilities, public open spaces, recreational facilities and housing;
- Pursue social and physical integration of previously segregated areas;
- Plan for adequate access to social facilities for all citizens, but especially for the poor and vulnerable; and
- Provide for farmworker and rural dweller housing options in the Human Settlement Plan.
- Provide for innovative land reform options.

#### Built Environment

- Promote sustainable delivery of social facilities, public open spaces, recreational facilities and housing in each settlement.

### 3.8 ALIGNMENT BETWEEN IDP CATALYTIC ZONES AND SDF FOCUS AREAS

Vision 2032 outlines five Catalytic Zones, whilst the SDF developed 12 Focus Areas (with the rural areas dealt with at a finer grain). The zones indicate spatial location on a broader scale, whilst the SDF Focus Areas provides detailed spatial information up to a cadastral level.

Each Focus Area (FA) contains a spatial strategy consisting of a spatial concept plan, a land use implication plan and an implementation matrix for IDP prioritization. These focus areas should not be seen in isolation, but should be considered in close relation to one another in order to ensure that the broader spatial concepts are achieved in a holistic and cohesive manner.

The SDF Focus Area Maps were superimposed on the IDP Catalytic Zone Maps. As can be derived from the superimposed maps, both IDP Catalytic Zones and the SDF Focus Areas provide spatial referencing for the

entire Drakenstein municipal area. The table below indicates the linkages between the IDP Catalytic Zones and SDF Focus Areas.

Table 91: Linkages between the IDP Catalytic Zones and the SDF Focus Areas

Catalytic Zones identified in IDP	Focus Areas identified in SDF	Superimposed Maps
North City Corridor (Paarl, Mbekweni, Wellington)	<b>FA1, FA2 and FA3</b> (Paarl, Mbekweni and Wellington)	<b>Figure 11</b>
Paarl East/West Integration Corridor (corridor to the south a portion of Berg River Boulevard and Arboretum, Paarl CBD, Huguenot station pre-and portions of Paarl East)	<b>FA1</b> (Paarl)	<b>Figure 12</b>
South City Corridor (south of N1 [mostly within the urban edge] and Simondium)	<b>FA4 and FA5</b> (Drakenstein South, Simondium)	<b>Figure 13</b>
N1 Corridor (Klapmuts North, Ben Bernhard, De Poort, Paarl Hamlet [including the Paarl Mall precinct], Huguenot Tunnel)	<b>FA1, FA4, FA6 and FA7</b> (Portions of Paarl which abuts the N1, Portions of Drakenstein South which abuts the N1, Ben Bernhard, Klapmuts North)	<b>Figure 14</b>
Hinterland (Windmeul, Hermon, Gouda Saron, Bainskloof Village, farms)	<b>FA8, FA9, FA10, FA11 and FA12</b> (Windmeul, Hermon, Gouda Saron, Bainskloof Village and farms)	<b>Figure 15</b>

The linkages outlined in Table 98 are dealt with in more detail below:

### 3.8.1 Catalytic Zone - North City Integration Corridor as per the IDP and its relation to the SDF:

The Corridor includes the urban areas of Paarl, Mbekweni and Wellington (including the Wellington Industrial Park Precinct and the Berg River Boulevard extension to the R45 and Nieuwedrift). The Corridor overlaps with the N1 Corridor and the Paarl East/West Integration Corridor. The SDF promotes this corridor as the area with the highest social and economic benefits for its residents based on the area's appetite for mixed use development, densification, different modes of transport and creating employment opportunities.

### 3.8.2 SDF Spatial Strategy – Wellington Industrial Park as link to N1 (City of Cape Town, east into greater South Africa), Swartland Municipality and Saldanha Municipality:

The extension of the existing Wellington Industrial Park provides investment opportunities for national and international markets with subsequent employment opportunities being created for the residents of Drakenstein Municipality. The location of this industrial park on the R44, provides unrivalled access to Swartland Municipality, with linkages to the N7 connecting with the Saldanha Bay.

Figure 10: Catalytic Zones and the Big Moves

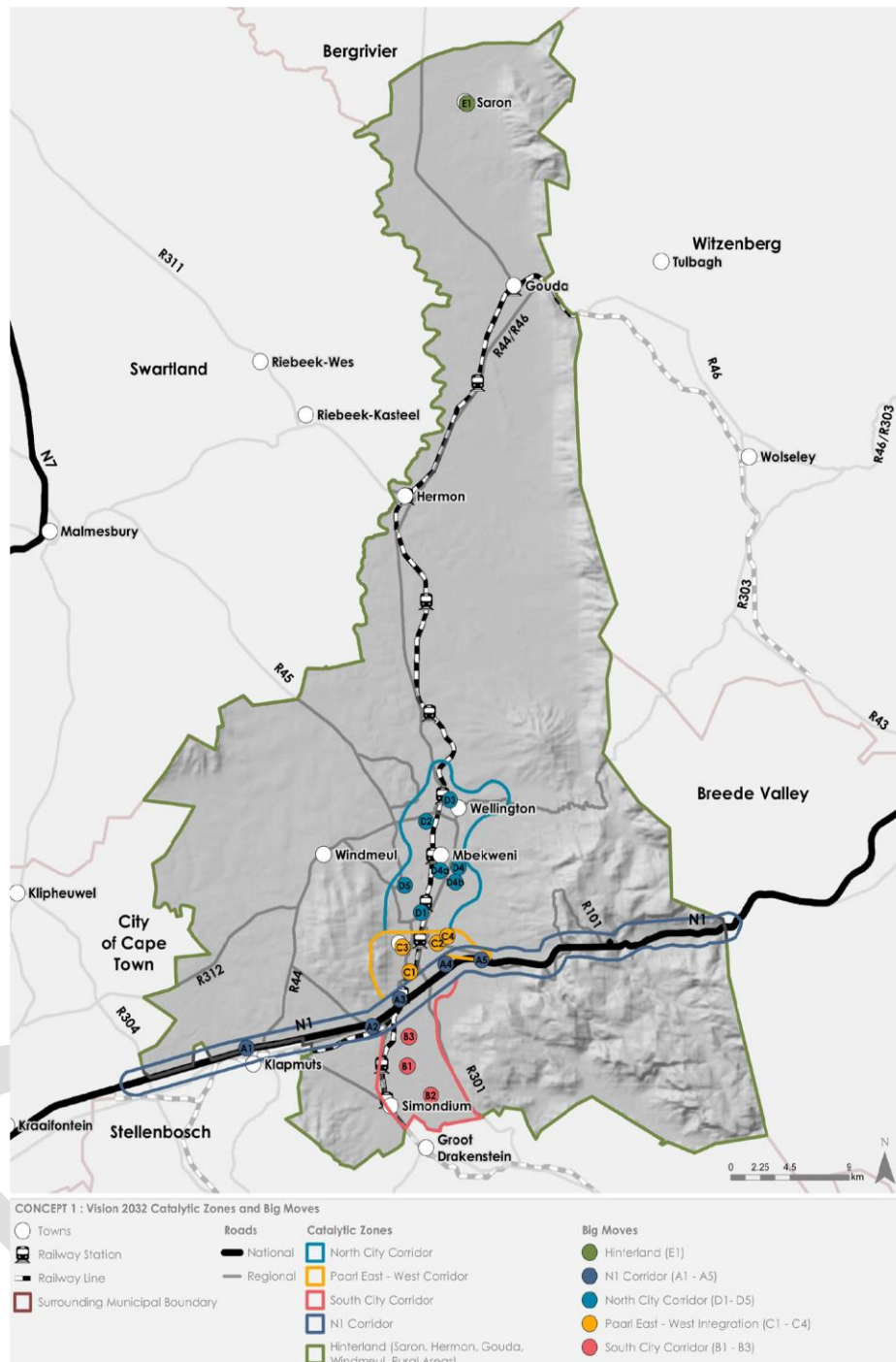




Figure 11: North City Integration Corridor

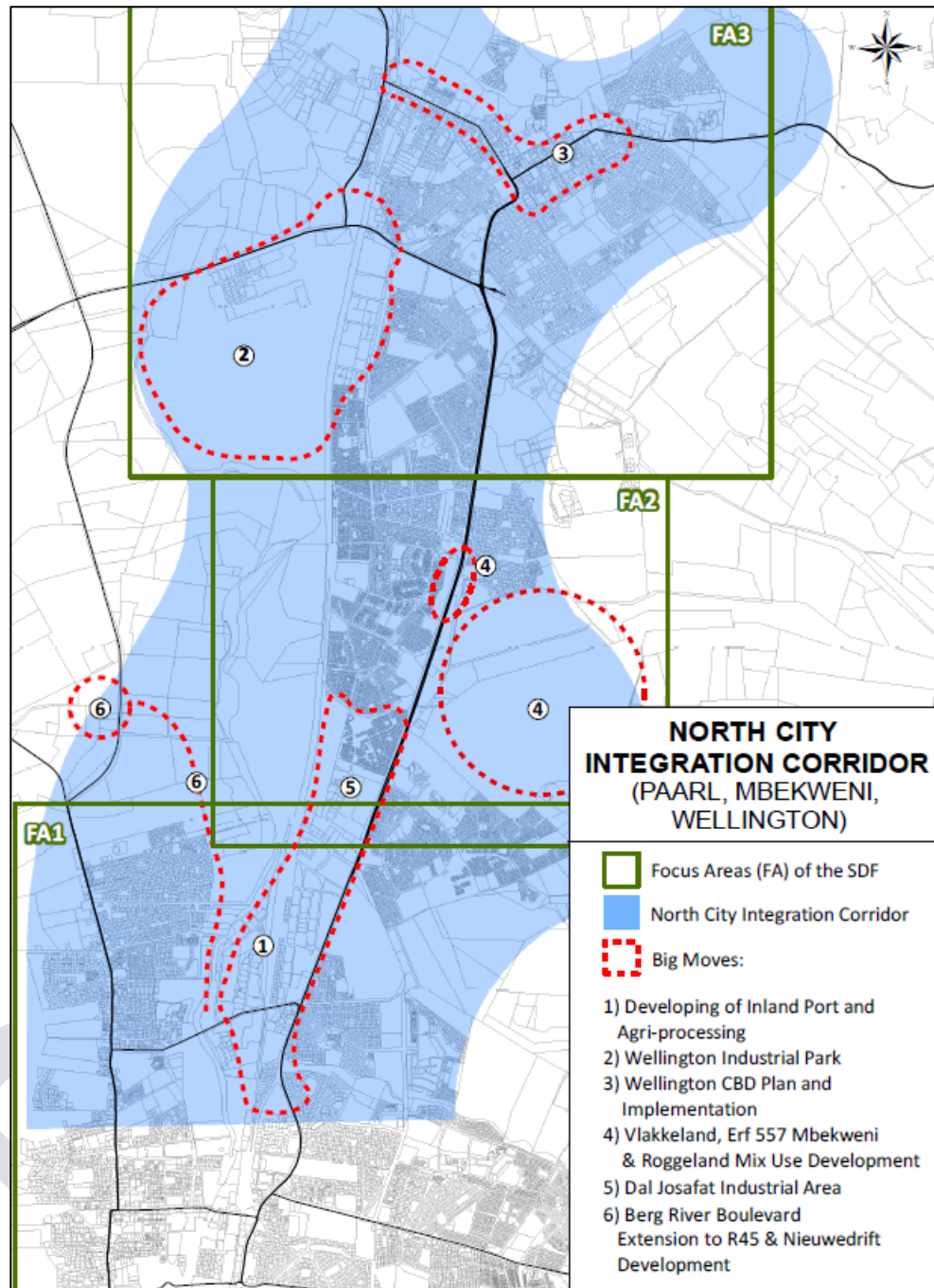
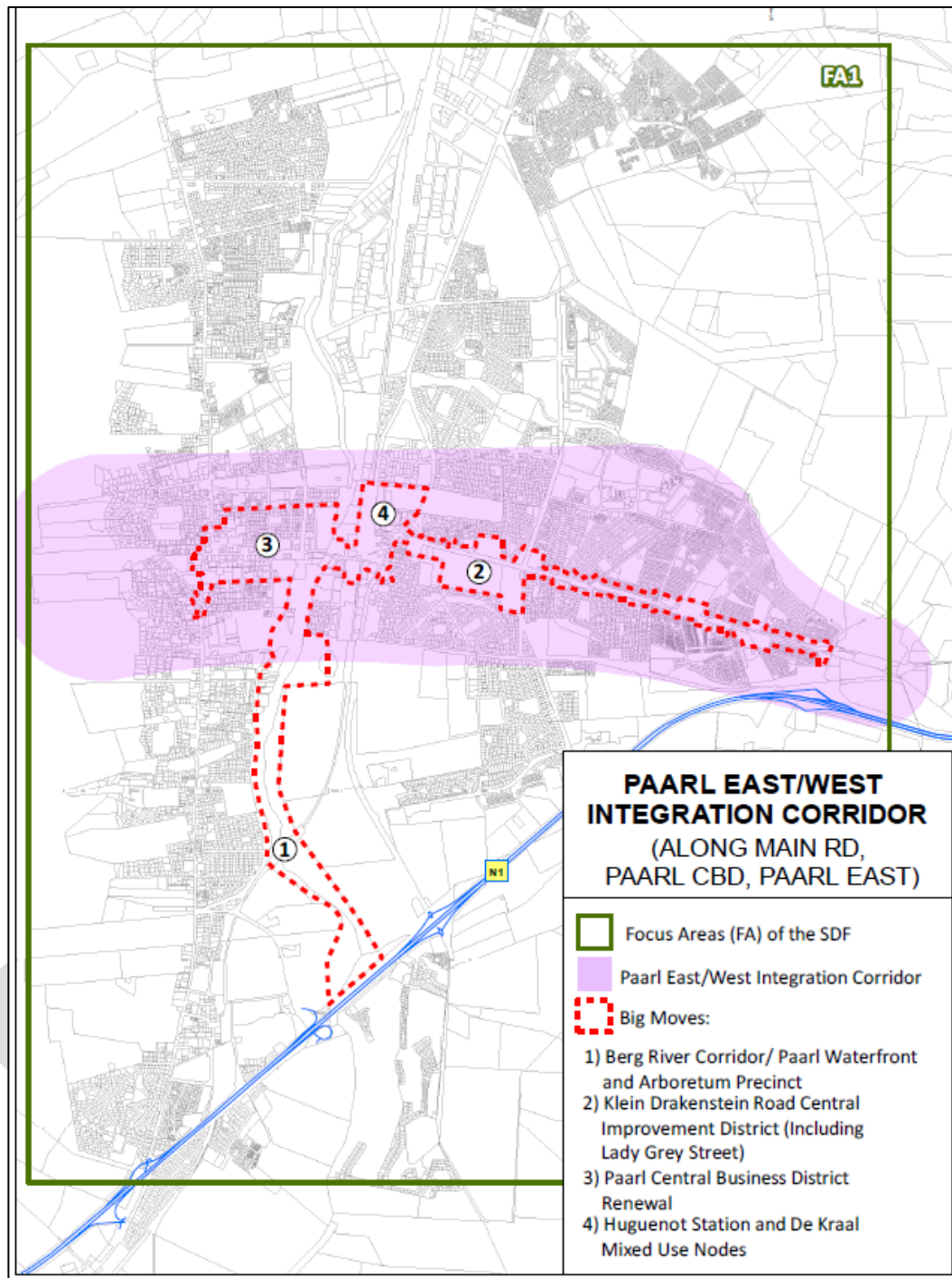


Figure 12: Paarl East/West Integration Corridor



### **3.8.3 Catalytic Zone - South City Corridor as per the IDP and its relation to the SDF:**

The South City Corridor is situated to the south of the N1 – thus generally bounded by the N1, R301, south of the Drakenstein Prison (municipal boundary with Stellenbosch Municipality) and the R45. This area is gaining popularity due to its strategic location within the Drakenstein Municipal boundaries and its accessibility to the City of Cape Town, Stellenbosch Municipality (Franschhoek, Pniel and Stellenbosch) and northern parts of South Africa. A new public integration route (Watergat/Schuurmansfontein Roads) is proposed in the SDF to spatially link communities to the east and west of the Berg River.

### **3.8.4 SDF Spatial Strategy - Simondium as link to Stellenbosch Municipality:**

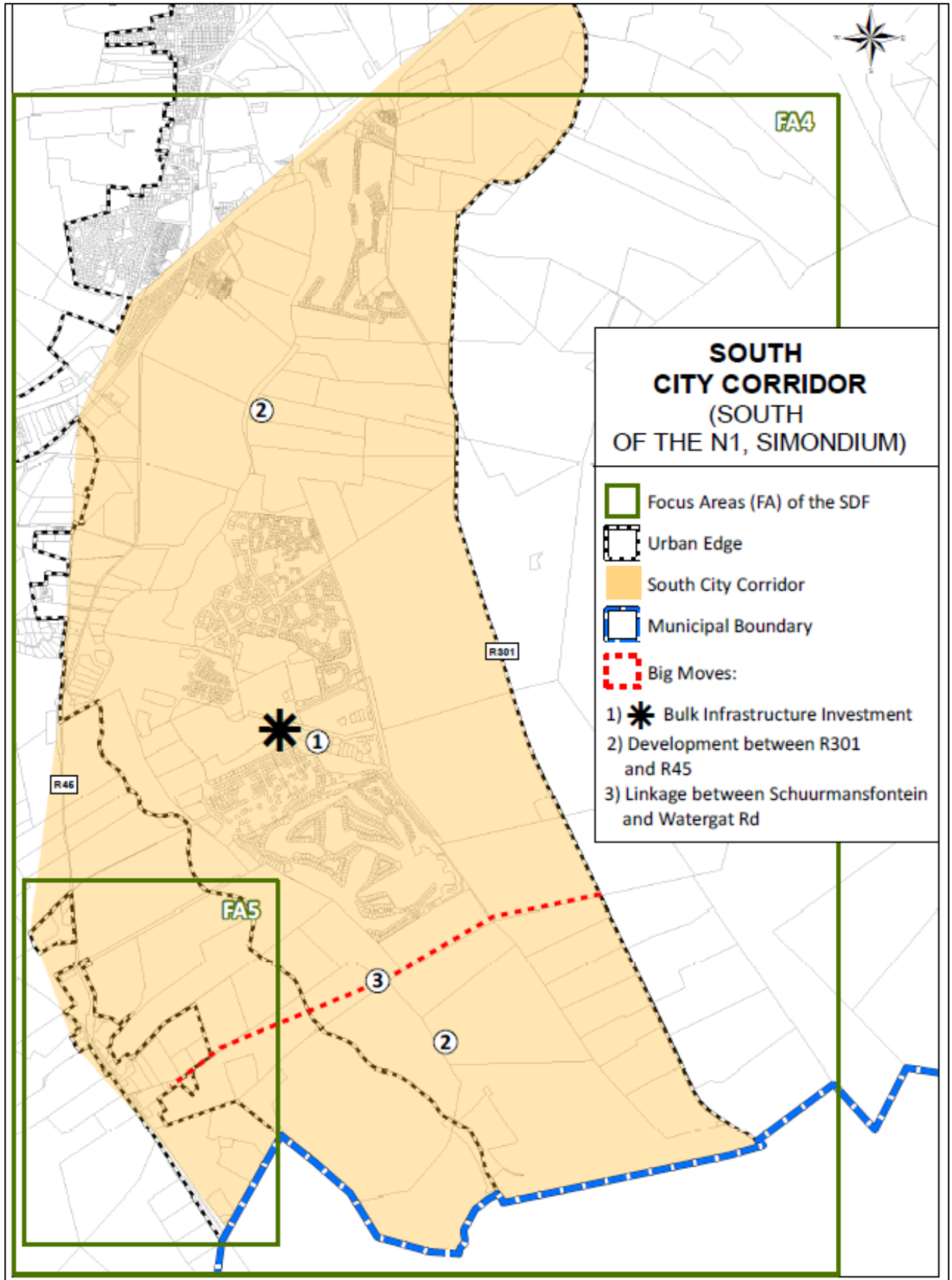
The Watergat/Schuurmansfontein Integration Route as indicated in the SDF and prioritized in the IDP proposes a spatial link to connect communities to the east (Simondium) and west (along the R301) of the Berg River. This public route will also provide a further additional link to the Stellenbosch Municipal Area. The subsequent provision of bulk services in the area will also unlock development opportunities in the Simondium area, which could link up/connect with the Groot Drakenstein and Meerlust housing project located within the Stellenbosch Municipal Area. Again, an opportunity can be created to address the dire need for farmworker housing in an integrated manner in the Simondium/Groot Drakenstein Area should transport linkages and bulk services be prioritized by both municipalities. Working together on this common goal can result in benefits for both municipalities with greater motivation for MIG funding, housing subsidies and other funding options. It is also noteworthy that Drakenstein Municipality supplies and are responsible for providing electricity (including the related infrastructure) to areas located within the Stellenbosch Municipal Area.

### **3.8.5 SDF Spatial Strategy – R301 as link to Stellenbosch Municipality:**

Upgrading of the R301 is considered a priority in the IDP as this will stimulate further development in the area. The SDF proposes that mixed land uses should be encouraged along this route. The R301 is also the main route in Drakenstein Municipality providing access to Mandela House and it links up with Franschhoek being a main tourist destination within the Stellenbosch Municipal Area. Greater tourism linkages should be investigated in order to attract tourists from the Franschhoek area to the scenic and rich history of Drakenstein Municipality.



Figure 13: South City Corridor



### **3.8.6 Catalytic Zone - N1 Corridor as per the IDP and its relation to the SDF:**

The N1 Corridor stretches from Klapmuts in the west to the Huguenote Tunnel toll plaza in the east. The corridor straddles the N1 and includes areas such as Klapmuts, Ben Bernhard, the De Poort and Paarl Hamlet and the Huguenote Tunnel toll plaza.

The SDF emphasises the role of the N1 as a connecting and main movement and logistics corridor within the Drakenstein Municipality and beyond. The N1 Corridor provides direct movement between this municipality and the City of Cape Town to the west and unrivalled movement to the west, thereby accessing Breede Valley Municipality and the greater Western Cape and broader South Africa.

### **3.8.7 SDF Spatial Strategy - Klapmuts as nodal link to City of Cape Town and neighbouring municipalities:**

On the N1 Corridor, the Klapmuts Area is considered a new regional economic node within the Greater Cape Metro Regional Spatial Implementation Framework. Klapmuts, north of the N1, and situated within the Drakenstein Municipal area, is earmarked as a Special Economic Zone thereby opening up major economic opportunities for Drakenstein Municipality. The Klapmuts area, located south of the N1, lies within the Stellenbosch Municipal Area, where major housing opportunities are currently being provided along together with socio-economic opportunities. Drakenstein Municipality should therefore capitalize on providing investment opportunities to the north of the N1 in order to grow this new node into a viable economic space. The Klapmuts area can serve as the “Connecting Gateway” with our neighbouring municipalities, namely City of Cape Town, Stellenbosch Municipality (via R44 to the south) and Swartland Municipality (via R44 to the north) and Breede Valley Municipality and/or any South African area situated along the N1 (via N1 to the east).

### **3.8.8 Drakenstein Municipality should therefore strive to market Klapmuts as:**

- An attractive decentralized economic node with quality services and good accessibility for businesses wishing to locate outside of the City of Cape Town due to pressures such as traffic congestion, high property rates etc.; and
- An attractive economic hub for goods and services from other neighbouring municipalities due its unrivalled regional access and logistics network.

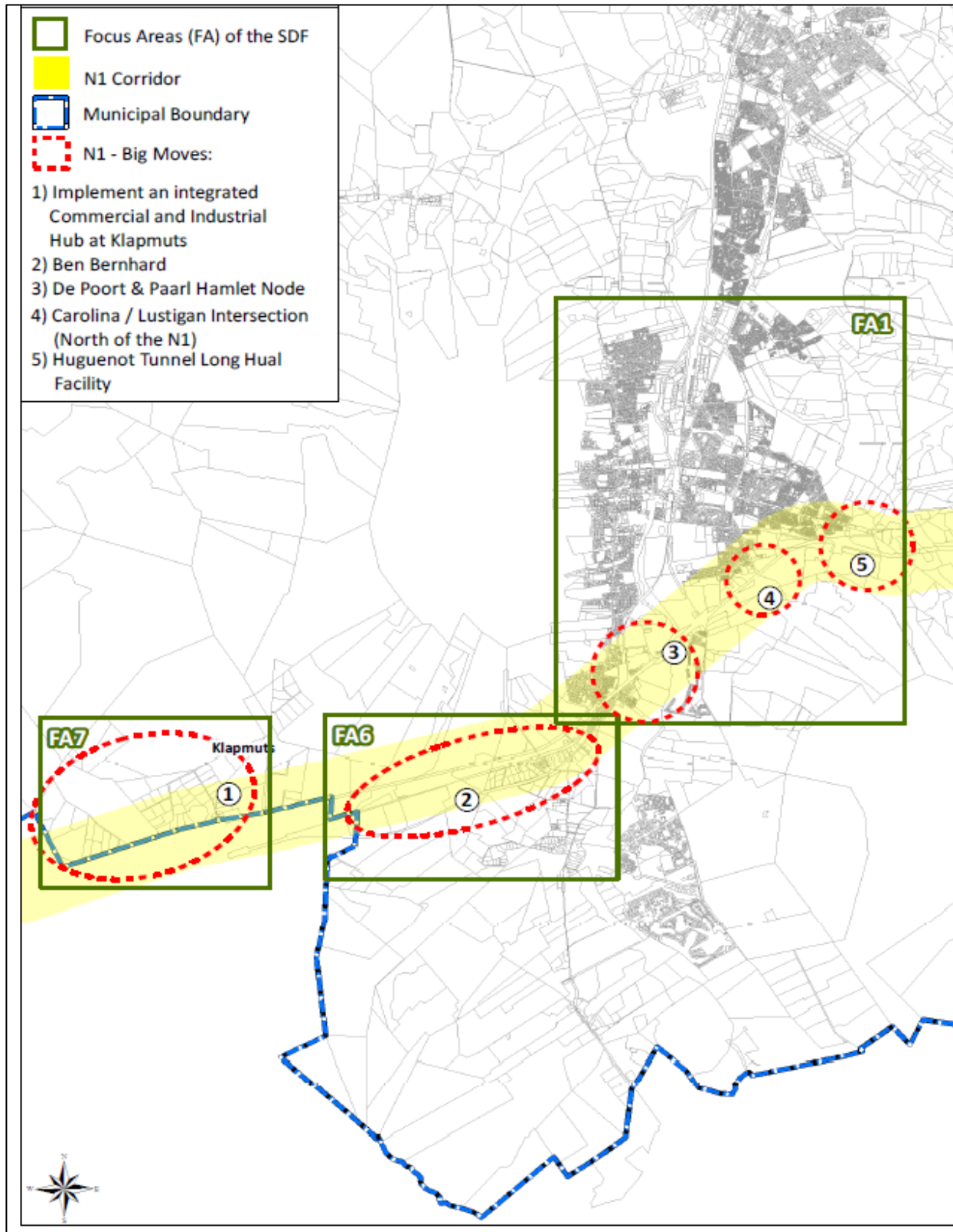
This economic node will achieve even greater traction and momentum should Drakenstein and Stellenbosch Municipalities have a mutual understanding and commitment to attract businesses and employment opportunities to the Klapmuts area to benefit both municipalities and its communities to achieve its development objectives. Addressing the Klapmuts development issue clearly requires a collaborative sub-regional spatial development framework between the Stellenbosch and Drakenstein Municipalities in order to avoid unsustainable ‘*twin developments*’.

### **3.8.9 SDF Spatial Strategy – Huguenot Tunnel as a link to Breede Valley Municipality, Western Cape and Southern Africa:**

A logistics hub and tourism gateway are proposed at the Huguenot Tunnel (i.e. Toll gate plaza) as this is the entry point to the Winelands area and City of Cape Town and/or exit to several other national destinations.

Drakenstein Municipality could capitalize on this longhaul transport facility by creating an enabling environment for tourism opportunities and creating logistics opportunities. These opportunities should be exploited to create employment opportunities for the residents of Drakenstein Municipality.

Figure 14: N1 Corridor



### **3.8.10 Catalytic Zone - Hinterland as per the IDP and its relation to the SDF:**

Drakenstein's Hinterland (and Hamlets) constitutes Windmeul, Hermon, Bainskloof Village, Gouda, Saron, farms and natural areas. The SDF promotes agriculture, agri-processing, tourism, operating as local service centres as core economic drivers for the rural areas.

### **3.8.11 SDF Spatial Strategy – Accessible routes as link to the City of Cape Town, Swartland Municipality and Berg River Municipality:**

Windmeul is strategically located at the intersection of the R44 and MR281 (eventually becoming Paarl Main Road). This hamlet should harness its strategic location and scenic quality to establish Windmeul as a centre for outdoor adventure sports to attract residents from City of Cape Town (Durbanville is closest town) and Swartland Municipality. The Perdeberg Nature Reserve falls partially within the Drakenstein Municipal Areas and partially (larger area) within the Swartland Municipal Area.

Hermon, situated at the intersection of the R44 and R46, should capitalize on its linkage with Riebeeck Kasteel and Riebeeck Wes in the Swartland Municipal Area to create tourism opportunities.

The Berg River is a blue lung that, forms the boundary to the north of Wellington, between Drakenstein Municipal Area and the Swartland Municipal Area. The fact that these two municipalities 'share' the Berg River means that the river serves the purpose of 'connecting' the 2 Local Authorities. To the north of the northern boundary of the Drakenstein Municipal Area, the Berg River forms the boundary between the Swartland Municipal Area, and the Berg River Municipal Area.

Opportunities for recreational activities, festivals, sporting activities should be investigated along the Berg River. Tourism should be a main focus with coordination between Drakenstein, Swartland and Berg River Municipalities for major events spanning over all three Local Authority Areas.

The R44 also running parallel to the Berg River also 'connects' rural hamlets such as Gouda and Saron with Porterville which is located within the Berg River Municipal Area to the north.

### **3.8.12 SDF Spatial Strategy – Gouda as nodal link to Witzenberg Municipality:**

Gouda is strategically located at the intersection of the R46 to Tulbagh (via the Nuwekloof Pass) and the R44 to Saron and Porterville. This strategic location should be capitalized on through pursuing a freight logistics hub with weighbridge, service station and truck stop as indicated in the SDF. With an Agri-Park being proposed for Ceres in the Witzenberg Municipality by the Department of Rural Development and Land Reform, this logistics hub could serve as a major economic injection for the Gouda area.

Drakenstein Municipality should capitalize on the above linkages with surrounding municipalities in order to strengthen its role as a leading secondary city in the Western Cape.

Figure 15: Hinterland and Hamlets

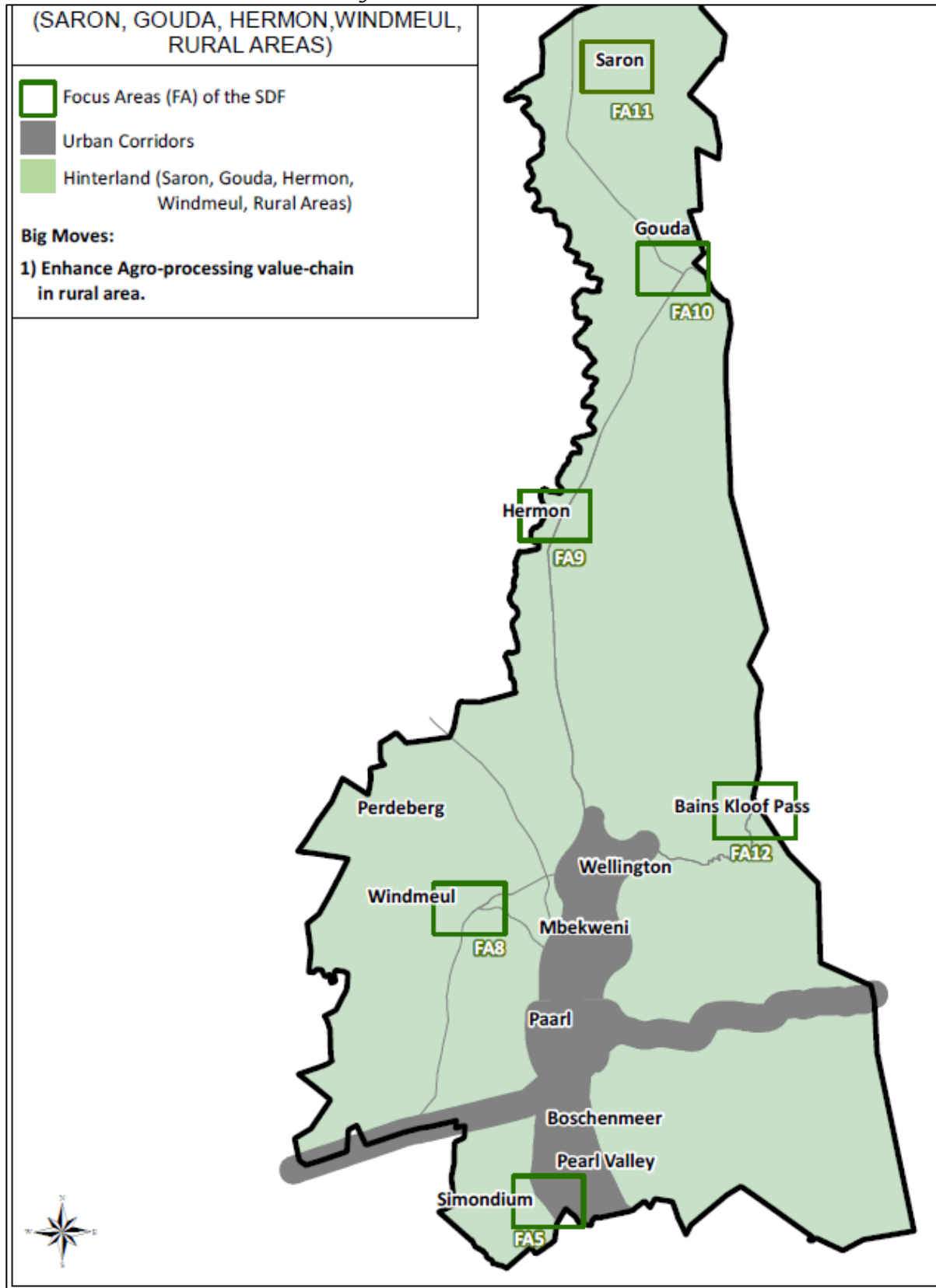


Table 92: Alignment between the Catalytic Zones and the Big Moves

Catalytic Zone	Big Move
<b>N1 Corridor</b>	<ol style="list-style-type: none"> <li>1) Implement an Integrated Commercial and Industrial Hub at Klappmuts.</li> <li>2) Promotion of a light Industrial and Commercial Business Hub at Ben Bernhard.</li> <li>3) Development of De Poort and Paarl Hamlet node</li> <li>4) Development of Carolina / Lustigan Intersection (North of the N1).</li> <li>5) Development of the Huguenot Tunnel Long Haul Facility.</li> </ol>
<b>South City Corridor</b>	<ol style="list-style-type: none"> <li>1) Bulk infrastructure upgrades required for the proposed developments in the area.</li> <li>2) Creation of the Schuurmansfontein Road and Watergat Road Integration Road.</li> <li>3) Proposed development between the R301 and R45.</li> </ol>
<b>Paarl East – West Integration Corridor</b>	<ol style="list-style-type: none"> <li>1) Berg River Corridor / Paarl Waterfront and Arboretum Precinct.</li> <li>2) Klein Drakenstein Road Central Improvement District (including Lady Grey Street).</li> <li>3) The Paarl Central Business District Renewal and integration between Paarl East and West.</li> </ol>
<b>North City Integration</b>	<ol style="list-style-type: none"> <li>1) Development of the Dal Josafat Industrial Area.</li> <li>2) Wellington Industrial Park.</li> <li>3) Wellington Urban Design Framework and Implementation.</li> <li>4) Vlakkeland, Erf 16161 and Erf 557 Mixed Use Development.</li> <li>5) Berg River Boulevard Extension to R45 and Nieuwedrift development.</li> </ol>
<b>Hinterland</b>	<ol style="list-style-type: none"> <li>1) Farmer Production Support Unit.</li> </ol>

### 3.9 ALIGNMENT OF IDP INTERVENTIONS WITH SDF KEY SPATIAL PROPOSALS AND INTERVENTIONS

Chapter 6 of the SDF translates the identified IDP Chapter 3 projects, programs and initiatives, as far as possible, into key spatial proposals and interventions, which must be executed in order to achieve the desired spatial form of the municipality. The respective SDF key spatial proposals and interventions are visually represented through the use of a series of maps.

The key spatial proposals and interventions are included in the SDF implementation plan which is directly aligned with the financial plan and key performance indicators and performance targets as required in terms of Sections 26(h) – (i) of the MSA.

### 3.10 STRATEGIC ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES

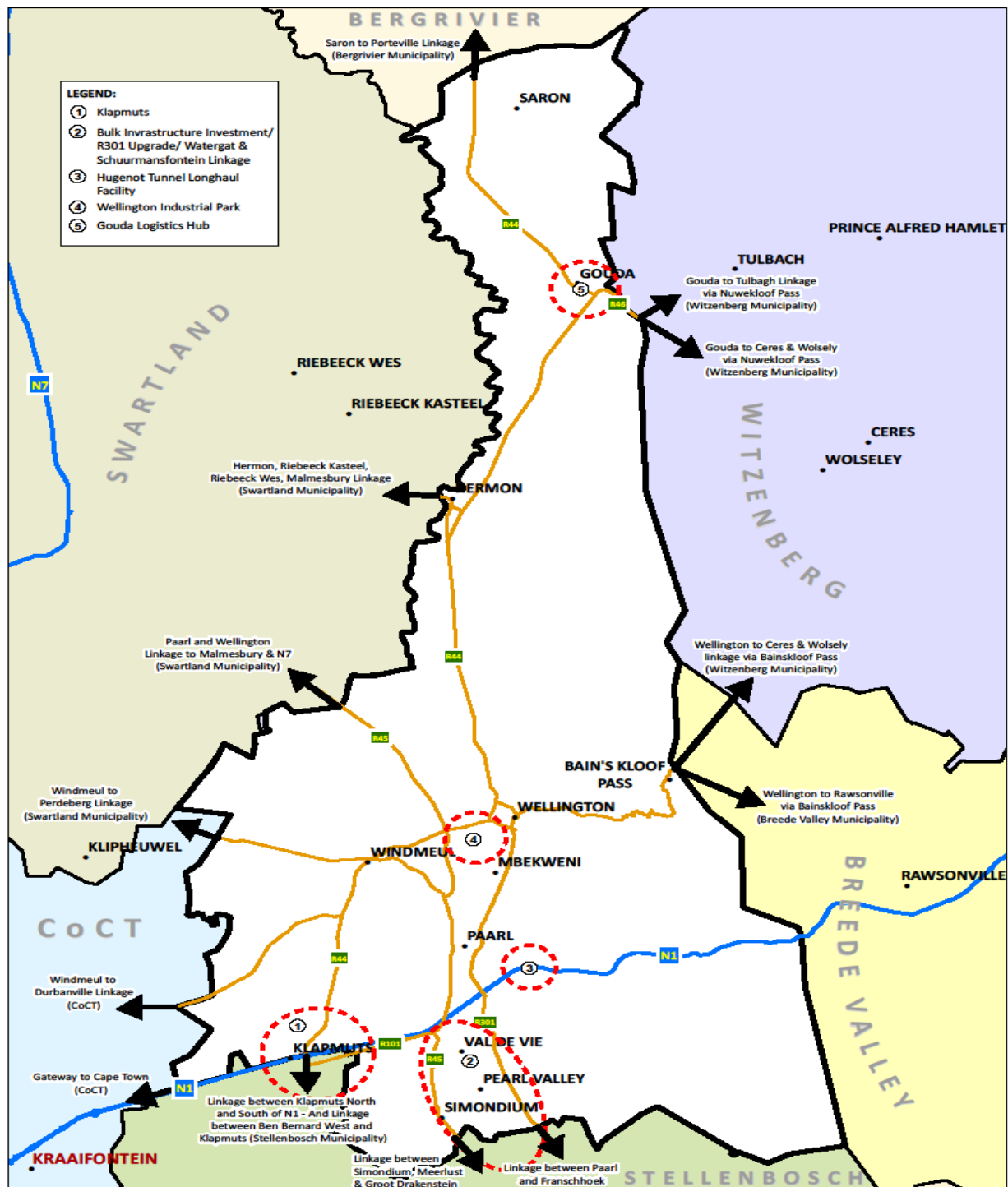
Drakenstein Municipality is bordered by the Swartland Municipality towards the north-west. Witzenberg Municipality borders Drakenstein Municipality towards the north-east, and the Bergriver Municipality abuts the northern border of Drakenstein Municipality. Towards the east, Drakenstein is bordered by the Breede Valley Municipality, to the south by the Stellenbosch Municipality, and towards the south-west by City of Cape Town.

The spatial proposals contained in the SDFs of the neighbouring municipalities impact and inform the Drakenstein SDF's spatial proposals – and vice versa. In addition, the municipalities are interdependent and must ensure that a consistent approach to key elements are shared to ensure that the Greater Cape Metropolitan Functional Area's functionality is maintained and managed sustainably. The following key aspects are important to consider in this regard:



- Maintaining and managing the integrity to linear green/opens spaces;
- Understanding the regional settlement hierarch and positioning of the major nodes and their sustainable growth related to one another;
- Management of alien invasive species to reduce the risk and spreading of fires, and to enhance the water supply as shared water resources;
- Disaster risk management;
- Land use management; and
- Protection of cultural and scenic landscapes, routes and passes.

Figure 16: Strategic alignment with neighbouring municipalities





### **3.11 PROGRAMMES, INITIATIVES AND CAPITAL PROJECTS PER KPA AND PDO**

What follows in the remainder of this chapter is a concise synthesis of all the programmes, key initiatives and projects that the Municipality plans to roll out over a 5- year period in order to reach its developmental goals per KPA and PDO. The capital expenditure is provided at a high level per KPA.

- A “programme” refers to a schedule of activities, e.g. conducting a series of workshops or maintenance of municipal buildings.
- A key “initiative” refers to a once-off activity, e.g. development of a policy.
- A “project” refers to a project that requires a capital investment and a clear project ending, e.g. construction of a bulk sewerage line or upgrading of a road.

DRAFT

## KEY PERFORMANCE AREA (KPA) 1: GOOD GOVERNANCE

**PDO 01:**  
Governance  
Structures

**PDO 02:**  
Risk Management  
and Assurance

**PDO 03:**  
Stakeholder  
Participation

**PDO 04:**  
Policies and  
By-Laws

**PDO 05:**  
Inter-  
Governmental  
Relations (IGR)

**PDO 06:**  
Communications  
(Internal and  
External)

**PDO 07:**  
Marketing  
(Branding and  
Website)

**PDO 08:**  
Customer Relations  
Management

No.	Policies linked to KPA 1
1.	Recruitment and Selection Policy
2.	Rules Regulating the Election and Establishment of Ward Committees
3.	Ward Committee Policy
4.	Travel and Subsistence Policy
5.	Roles and Responsibilities of Council, Political Structures, Office Bearers and Municipal Manager
6.	Fraud Prevention Policy
7.	Enterprise Risk Management Policy
8.	Public Participation Policy
9.	Marketing Strategy
10.	Communication Policy and Strategy
11.	Language Policy
12.	Rules Regulating the Election and Establishment of Ward Committees
13.	Fraud Prevention Policy
14.	Marketing Strategy
15.	Communication Policy and Strategy
16.	Policy for Formulation, Development and Review of Policies

No.	Key By-laws linked to KPA 1
1.	By-law: Rules of order regulating the conduct of meetings of the Council of the Municipality of Drakenstein
2.	By-law No 21/2007: Rules of order regulating the conduct of meetings of the Portfolio committees of the Municipality of Drakenstein

PROGRAMMES AND INITIATIVES (KPA 1)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO 1): Governance Structures</b>							
Capacitating Councillors	Councillor Workshops	x	x	x	x	x	N/A
Functioning of Portfolio Committees Committee	<ul style="list-style-type: none"> <li>Undertake annual self-assessments by committee members</li> <li>Quarterly report to Council regarding attendance of portfolio committees</li> </ul>	x	x	x	x	x	
<b>PRE-DETERMINED OBJECTIVE (PDO 2): Risk Management and Assurance</b>							
Limitation on time available for project implementation due to late transfer of approved funds	Initiative – Completion of the Risk Based Internal Audit Plan	x	x	x	x	x	N/A
Combined Assurance	Programme – Implementation of Combined Assurance Framework	x	x	x	x	x	N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 3: Stakeholder Participation</b>							
Regular Feedback with the communities	IDP/ Budget Public Participation Processes	x	x	x	x	x	All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 4: Policies and By-Laws</b>							
Administer by-laws	<ul style="list-style-type: none"> <li>Finalise identified new by-law (Community Services Department)</li> <li>Review identified existing by-laws (Community Services and Finance departments)</li> </ul>	x					
Administer policies	Maintain administering of policies	x	x	x	x	x	
Commencement of Municipal Court	Implement Service Level Agreement with Department of Justice	x	X	X	X	x	
<b>PRE-DETERMINED OBJECTIVE (PDO 5): International and Inter-Governmental Relations</b>							
International Agreements	Review all Twinning Agreements and International Agreements	x	-	-	-	-	N/A
<b>PRE-DETERMINED OBJECTIVE (PDO 6): Communications</b>							
Lack of webpage update	New webpage launched and is to be updated frequently	x	x	x	x	x	N/A

<b>PRE-DETERMINED OBJECTIVE (PDO 7): Marketing (Branding and Website)</b>							
Lack of webpage update	New webpage launched and to be updated frequently	x	x	x	x	x	N/A
Maximising events-related and other marketing opportunities to the optimum	Add resources; Build a closer relationship between LED, the Sports Division and the DLTA for more effective marketing	x	x	x	x		N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 8: Customer Relations Management</b>							
Continuously measure the satisfaction levels of citizens pertaining to service delivery	Conduct annual Citizen Satisfaction surveys	x	x	x	x	x	N/A

<b>CAPITAL PROJECTS (KPA 1)</b>							
<b>Core Components</b>	<b>Project Description</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Wards</b>
<b>PRE-DETERMINED OBJECTIVE (PDO) 4: Policies &amp; By-Laws</b>							
Archive Management Policy Compliance and Implementation	Upgrade of document storage area	R125,000	x	x	x	x	N/A

**KEY PERFORMANCE AREA (KPA) 2:**  
**FINANCIAL STABILITY**

**PDO 9:**  
**Revenue**  
**Management**

**PDO 10:**  
**Expenditure and**  
**Cost Management**

**PDO 11:**  
**Budgeting/Funding**

**PDO 12:**  
**Capital Expenditure**

**PDO 13:**  
**Asset Management**

**PDO 14:**  
**Financial Viability**

**PDO 15:**  
**Supply Management**

**PDO 16:**  
**Financial Reporting**

No.	Policies linked to KPA 2
1.	Travel and Subsistence Policy
2.	Tariff Policy
3.	Customer Care, Credit Control and Debt Collection and Indigent support Policy
4.	GRAP Accounting Policy
5.	Asset Management Policy
6.	Property Rates Policy
7.	Cash and Investment Management Policy
8.	Insurance Policy Supply Chain Management Policy
9.	Petty Cash Policy
10.	Budget and Management Oversight Policy
11.	Fraud Prevention Policy
12.	Long Term Financial Sustainability Policy
13.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
14.	Asset Transfer Policy
15.	Policy on Stock Management
16.	Unforeseen and Unavoidable Expenditure Policy
17.	Virement Policy
18.	Borrowing Policy
19.	Funding and Reserve Policy
20.	Policy on the writing-off of irrecoverable debt
21.	Prioritization model for capital assets investment
22.	Donations Policy
23.	Financial Asset Management Policy
24.	Unclaimed Deposits Policy

No.	Key By-laws linked to KPA 2
1.	By-law on Property Rates
2.	Tariff By-law
3.	Customer care, Credit control, Debt collection and Indigent support By-law

PROGRAMMES AND INITIATIVES (KPA 2)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 9: Revenue Management</b>							
Valuation Roll	Implement supplementary valuation rolls per year (including general valuation in 2021/2022)	x	x	x	x		All wards
Accurate Billing: Property Rates	Ensure that all properties are rated and levied at the correct tariff and property category	x	x	x	x		All wards
Accurate Billing: Electricity	Ensure that the applicable availability charges/consumer tariffs are levied on each property	x	x	x	x		All wards
Accurate Billing: Water	Ensure that the applicable availability charges/consumer tariffs are levied on each property	x	x	x	x		All wards
Accurate Billing: Sanitation	Ensure that the applicable availability charges/consumer tariffs are levied on each property	x	x	x	x		All wards
Accurate Billing: Solid Waste	Ensure that the applicable availability charges/consumer tariffs are levied on each property	x	x	x	x		All wards
Accurate Billing: Housing Rentals	Ensure that the applicable housing rental tariffs are levied on each property	x	x	x	x		All wards
Pre-Paid Electricity Meters	Monthly review the pre-paid sales statistics to investigate no or low purchases	x	x	x	x		All wards
Conventional Electricity Meters	Read at least 90% of All electricity meters on a monthly basis	≥90%	≥90%	≥90%	≥90%		All wards
Conventional Water Meters	Read at least 80% of All electricity meters on a monthly basis	≥80%	≥80%	≥80%	≥80%		All wards
Indigent Register	Compile and maintain an indigent register	x	x	x	x		All wards
Revenue Collection	Improve and sustain revenue collection to 98% of total revenue billed	97%	98%	98%	98%		All wards

PROGRAMMES AND INITIATIVES (KPA 2)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Traffic Fine Collections	Improve the collection of traffic fines issued to at least 50%	35%	40%	45%	50%		All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 10: Expenditure and Cost Management</b>							
Operating Expenditure	Compile a zero-based operating expenditure budget	x	x	x	x		
Cost Containment	Compile a zero-based operating expenditure budget	x	x	x	x		
Creditor Payments	Pay all creditors within 30 days of receipt of invoice	≤30 days	≤30 days	≤30 days	≤30 days		
<b>PRE-DETERMINED OBJECTIVE (PDO) 11: Budgeting/Funding</b>							
Zero Based Budgeting	Compile a zero-based balanced operating budget to generate operating surpluses	-3%	-1.5%	0%	1.5%		
Grants	Compile & submit business plans to obtain more grant funding from National and Provincial grant programs	x	x	x	x		
<b>PRE-DETERMINED OBJECTIVE (PDO) 11: Budgeting/Funding</b>							
External Borrowings	Reduce borrowings to reduce gearing ratio to 45%	66%	60%	55%	50%		N/A
Own Reserves (CRR)	Compile a zero-based balanced operating budget to generate operating surpluses	-3%	-1.5%	0%	1.5%		N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 12: Capital Expenditure</b>							
Capital Expenditure	Calculate own funding mix (CRR and borrowings) for compiling a capital expenditure framework (CEF)	x	x	x	x		N/A
Capital Expenditure	Compile and submit business plans to obtain more grant funding from National and Provincial grant programs	x	x	x	x		N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 13: Asset Management</b>							
GRAP Compliant Asset Register	Submit GRAP compliant asset register by 31 August	x	x	x	x		N/A



PROGRAMMES AND INITIATIVES (KPA 2)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Moveable Assets	Compile and maintain a moveable asset register	x	x	x	x		N/A
Immoveable Assets	Compile and maintain an immoveable asset register	x	x	x	x		N/A
PRE-DETERMINED OBJECTIVE (PDO) 14: Financial Viability Ratios							
Capital Expenditure to Total Expenditure	Reduce the Capital Expenditure to Total Expenditure Ratio to 5 %, until the gearing ratio decrease to 45%.	5%	5%	5%	5%		N/A
Impairment of PPE, IP and Intangible Assets	Maintain the impairment to PPE and IP ratio to less than 0.5%.	<0.50%	<0.50%	<0.50%	<0.50%		N/A
Repairs and maintenance as a % of PPE and IP	Provide for repairs and maintenance of 10% to 12% of total operating expenditure	11%	11%	11%	11%		N/A
Debtors Collection Ratio	Improve and sustain revenue collection to 98% of total revenue billed	97%	98%	98%	98%		N/A
Bad debts Written-off as a % of Provision for Bad Debt.	Maintain the bad debts written off as a % of Provision for Bad Debt to 100%.	100%	100%	100%	100%		N/A
Net Debtors Days	Improve revenue collection to reduce net debtors' days ratio to 40 days	46 days	44 days	42 days	40 days		N/A
Cash/Cost Coverage Ratio	Compile a balanced operating budget to improve cash/cost coverage ratio to 3 months	2 months	2.5 months	3 months	3 months		N/A
Current Ratio	Compile a balanced operating budget and improve revenue collection to stabilise current ratio to 1.5 : 1	1.2	1.3	1.4	1.5		N/A
Capital Cost as a % of Total Operating Expenditure	Reduce borrowings to reduce interest and redemption as a % of total operating expenditure to 12%.	14%	13.5%	13%	12%		N/A
Debt (Total Borrowings/Revenue – Gearing Ratio	Reduce borrowings to reduce gearing ratio to 45%	66%	60%	55%	50%		N/A

PROGRAMMES AND INITIATIVES (KPA 2)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Level of Cash Backed Reserves (Net Assets – Accum. Surplus)	Maintain the Level of Cash Backed Reserves (Net Assets – Accum. Surplus) to more than 100%.	>100%	>100%	>100%	>100%		N/A
Net Operating Surplus Margin	Compile a balanced operating budget to generate operating surpluses	-3%	-1.5%	0%	1.5%		N/A
Net Surplus/Deficit: Electricity	Review charge outs of internal costs to ensure cost reflective electricity tariffs and a surplus of 15%	15%	15%	15%	15%		N/A
Net Surplus/Deficit: Water	Review charge outs of internal costs to ensure cost reflective water tariffs and a surplus of 15%	15%	15%	15%	15%		N/A
Net Surplus/Deficit: Refuse	Review charge outs of internal costs to ensure cost reflective refuse removal tariffs and a surplus of 10%	10%	10%	10%	10%		N/A
Net Surplus/Deficit: Sanitation	Review charge outs of internal costs to ensure cost reflective sanitation tariffs and a surplus of 10%	10%	10%	10%	10%		N/A
Electricity Distribution Losses	Maintain electricity distribution losses to less than 6%, by monitoring illegal connections and performing meter audits.	6%	6%	6%	6%		N/A
Water Distribution Losses	Maintain water distribution losses to less than 15%, by monitoring broken water pipes, meter auditing.	15%	15%	15%	15%		N/A
Growth in Number of Active Consumer Accounts	Maintain the Growth in Number of Active Consumer Accounts to more than 2% year-on-year	2%	2%	2%	2%		N/A
Revenue Growth (%)	Improve revenue enhancement through analysing consumption and basic charges patterns and tariffs levied for property rates and service charges customers	x	x	x	x		N/A

PROGRAMMES AND INITIATIVES (KPA 2)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Revenue Growth (%): Excluding Capital Grants	Improve revenue enhancement through analysing consumption and basic charges patterns and tariffs levied for property rates and service charges customers	x	x	x	x		N/A
Creditors Payment Period (Trade Creditors)	Maintain the Creditors Payment period to 30 days and less	≤30 days	≤30 days	≤30 days	≤30 days		N/A
Irregular, F&W & UE/Total Operating Expenditure	Compile/maintain a SCM contract management register for rates tenders to avoid deviations	x	x	x	x		N/A
Remuneration as a % of Total Operating Expenditure	Monitor the employee spending on a monthly basis – focusing on overtime and the appointment of employees against the amount budgeted for employee cost	≤30 days	≤30 days	≤30 days	≤30 days		N/A
Contracted services % of Total Operating Expenditure	Monitor the spending on contracted services – through monthly budget monitoring meetings.	≤6.5%	≤6.5%	≤6.5%	≤6.5%		N/A
Capex (Grants excluded) to Total Capital Expenditure	Compile a balanced operating budget to generate operating surpluses to reduce external borrowings	-3%	-1.5%	0%	1.5%		N/A
Capex (Grants & EL excluded) to Total Capital Expenditure	Compile a balanced operating budget to generate operating surpluses to reduce external borrowings	-3%	-1.5%	0%	1.5%		N/A
Own Source Revenue to Total Operating Revenue	Reduce the Own Source Revenue to Total Operating Revenue mix, by applying for more capital grants.	75%	75%	75%	75%		N/A
Capital Expenditure Budget Implementation Indicator	Monitor the capital expenditure budget implementation indicators with monthly budget monitoring meetings with all departments	100%	100%	100%	100%		N/A

PROGRAMMES AND INITIATIVES (KPA 2)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Operating Expenditure Budget Implementation Indicator	Monitor the operating expenditure budget implementation indicators with monthly budget monitoring meetings with all departments (Housing Grant budgeted and actual expenditure excluded)	95%	95%	95%	95%		N/A
Operating Revenue Budget Implementation Indicator	Monitor the operating revenue budget implementation indicators with monthly budget monitoring meetings with all departments (Housing Grant budgeted and actual expenditure excluded)	98%	98%	98%	98%		N/A
Service Charges & Property Rates Budget Implementation indicator	Compile and maintain tariff modelling for property rates and service charges	x	x	x	x		N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 15: Supply Chain Management</b>							
Municipal Stores	Annually review the minimum and maximum stock levels with user departments	x	x	x	x		N/A
Acquisitions	Monthly reporting to Council on deviations from legislative required procurement processes	x	x	x	x		N/A
Demand Planning	Compile and maintain a demand planning database	x	x	x	x		N/A
Contract Management	Compile and maintain a contract management register	x	x	x	x		N/A
Compliance Reporting	Monthly reporting to National Treasury on tenders awarded	x	x	x	x		N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 16: Financial Reporting</b>							
MSCOA Structure	Implement new MSCOA 6.3 version and maintain MSCOA charts in outer years	x	x	x	x		N/A
Compliance Reporting	Submit annual financial statements by 31 August	x	x	x	x		N/A

CAPITAL PROJECTS (KPA 2)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 15: Supply Chain Management							
ACQUISITIONS							
Limited fuel storage areas	Construction of a new fuel pump facility	R2,082,860	R	R	R		N/A

### KEY PERFORMANCE AREA (KPA) 3: INSTITUTIONAL TRANSFORMATION

**PDO 17:**  
Organisational  
Structure

**PDO 18:**  
Human Capital and  
Skills Development

**PDO 19:**  
Project and  
Programme  
Management

**PDO 20:**  
Performance  
Management and  
Monitoring and  
Evaluation

**PDO 21:**  
Systems  
Technology

**PDO 22:**  
Processes and  
Procedures

**PDO 23:**  
Equipment and Fleet  
Management

No.	Policies linked to KPA 3
1.	Recruitment and Selection Policy
2.	Performance Management Policy
3.	Information and Communication Technology Policy
4.	PAIA Section 14 Manual (Promotion of Access to Information)
5.	Fleet Management Policy and User Guide
6.	Language Policy
7.	Education, Training and Development Policy

No.	Key By-laws linked to KPA 3
1.	N/A

PROGRAMMES AND INITIATIVES (KPA 3)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 17: Organisational Structure</b>							
Efficient Utilisation of Staff	Implementation of Staff Prioritisation Committee	x	x	x	x	x	N/A
Filling of Funded Vacancies	Implementation of Critical Vacancy Committee (ED and R&S)		x				N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 18: Human Capital and Skills Development</b>							
Skilled Workforce	Finalize Workplace Skills Audit	x	-	-	x	x	N/A
	Implement Training Initiatives and Bursary Programme	x	x	x	x	x	N/A
Retention of Institutional Memory	Formalise on the job training Train coaches and mentors	x	x	x	x	x	N/A
Motivated, Energised and Healthy Staff Compliment	Implement infectious disease health and safety plan with the relevant PPE	x	x	x	x	x	N/A
<b>PRE-DETERMINED OBJECTIVE (PDO 19): Project and Programme Management</b>							
Mitigating Project Risk	Incorporate Main Projects on Project Management Information System	100%	100%	100%	100%		N/A
Breaking down Silo Implementation	Establish Project Management Forum for Transversal functions	x					N/A
Efficient Project Implementation Cycles	Circulate project implementation cycle guidelines and hold implementation cycle planning meetings to identify and communicate future requirements	x	x	x	x	x	N/A



PROGRAMMES AND INITIATIVES (KPA 3)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Centralisation of Municipal Project Information	Capture and report on Main Projects via the Project Management Information System	100%	100%	100%	100%	100%	N/A
Project and Programme policy guideline distribution and training	Workshop project templates and procedures with project managers to ensure key project management aspects are addressed	x	x	x	x	x	
<b>PRE-DETERMINED OBJECTIVE (PDO) 20: Performance Management</b>							
Individual Performance Management	Implementation of Staff Efficiency Monitoring by all Departments	50%	75%	100%	100%	100%	N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 21: Systems and Technology</b>							
Virtual Server Environment	Upgrade server hosting operating system (Migrate VM-Ware to Hyper V)	x					N/A
ICT Continuity	Provision of additional redundant optic fibre line from Drakenstein network to the Internet Service provider	x					N/A
Ageing ICT infrastructure	Manage and Prioritise Infrastructure Replacement Plan in accordance with allocated budget	x	x	x	x	x	N/A
E-Mail to Azure Cloud	Move the e-mail server to the Microsoft Cloud				x		N/A

PROGRAMMES AND INITIATIVES (KPA 3)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Disaster Recovery	Move the disaster recovery facility from Wellington Civic Centre to the Microsoft Azure Cloud		x				
Network Security Vulnerabilities	Acquire Software to scan the network to identify and address vulnerabilities that could be exploited within the network.	x					
ICT Security	Continuous update of implemented security mechanisms	x	x	x	x	x	
Cyber Security awareness	Provide continuous cyber security awareness information to computer users and formalise user awareness practises	x	x	x	x	x	
Corporate Governance of ICT	Facilitate regular ICT Steering Committee meetings	x	x	x	x	x	
	Manage the annual review and implementation of the ICT Master Plan	x	x	x	x	x	
Review of Critical Business Systems	Perform annual review of business context applicability of implemented information system under the oversight of the ICT Steering Committee	x	x	x	x	x	
Technology Environmental Controls	Monitor application of environmental controls standard operating procedures	x	x	x	x	x	

PROGRAMMES AND INITIATIVES (KPA 3)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 22: Process and Procedures							
Optimising Business Processes	Create awareness of business process automation	x	x	x	x	x	N/A
PRE-DETERMINED OBJECTIVE (PDO) 23: Equipment and Fleet Management							
Efficient Prioritisation of Fleet Purchases	Implement Standard Operating Procedure for fleet prioritisation and inclusive decisions	x	x	x	x	x	N/A
	Establish process to centralize approval of vehicle hire orders	x					N/A
Efficient Utilisation of Existing Equipment and Fleet	Distribute fleet utilization reports and fleet management changes to vehicle allocations	x	x	x	x	x	N/A
	Establish a fleet control room	x					N/A
Minimising of Equipment and Fleet Down Time	Establish electronic dashboard for vehicle downtime	x					N/A
Ensure Responsible Driving	Monitor and Report on Functioning of Vehicle Control Officers	x	x	x	x	x	N/A
	Implement Rating System for Driver Behaviour	x					N/A

<b>CAPITAL PROJECTS (KPA 3)</b>							
<b>Core Components</b>	<b>Project Description</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Wards</b>
<b>PRE-DETERMINED OBJECTIVE (PDO)21: Systems &amp; Technology</b>							
<b>COMPUTER RELATED</b>							
Aged Desktops and Laptops	Replacement of Windows 7 Desktops and Laptops	R1,096,000	R700,000	R700,000	R700,000	R700,000	N/A
Microsoft Software	New Microsoft Licences	R700,00	R700,000	R700,000	R700,000	R700,000	N/A
Aged Computer Server Environment	Replacement of Host Server for Virtual Server environment	R571,294	-	-	-	-	N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 23: Equipment &amp; Fleet Management</b>							
<b>FLEET AND WORKSHOP</b>							
Efficient Utilisation of Existing Equipment & Fleet	Replacement of Workshop equipment and tools	R160,000	R0	R0	R55,000	R0	N/A
Efficient Prioritisation of Fleet Purchases	Replacement of vehicles and equipment	R1,073,543	R4,156,186	R8,550,000	R11,045,000	R11,600,000	N/A

### KEY PERFORMANCE AREA (KPA) 4: PHYSICAL INFRASTRUCTURE AND SERVICES

**PDO 24:**  
Energy Supply Efficiency and Infrastructure

**PDO 25:**  
Transport, Roads and Stormwater Infrastructure

**PDO 26:**  
Water, Sanitation Services and Infrastructure

**PDO 27:**  
Solid Waste Management and Infrastructure

**PDO 28:**  
Municipal and Public Facilities

No.	Policies linked to KPA 4
1.	Customer Care, Credit Control and Debt Collection and Indigent Support Policy
2.	Lighting on private rural land
3.	Water Losses Policy
4.	Electricity Losses Policy
5.	Electrical Infrastructure Maintenance Policy
6.	Prioritization model for capital assets investment

No.	Key By-laws linked to KPA 4
1.	By-law No 2/2002: Establishment of Improvement Districts
2.	By-law No 10/2007: The Management of Premises provided by the Municipality for Dwelling Purposes
3.	By-law No 15/2007: Streets
4.	By-law No 18/2007: Water supply, sanitation services and industrial effluent
5.	By-law No 17/2007: Refuse Removal
6.	By-law No 2014: Water Services

PROGRAMMES AND INITIATIVES (KPA 4)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 24: Energy Supply Efficiency &amp; Infrastructure</b>							
Replacing aged infrastructure	Annual aged electrical reticulation replacement	x	x	x	x	x	All wards
Additional electrical supply	Quality of supply (upgrading of SCADA system)	x	x	x	x	x	All wards
	Create projects for energy generation: Drakenstein Street Light Projects	x	x	x	x	x	All wards
Need for a new Customer Care Management System	New Customer Care System	x					N/A
Create projects for energy generation	Provision of self-generating solutions	x	x	x	x	x	1, 23, 16, 18, 17, 28
	Installation and upgrade of electrical infrastructure to provide spare capacity for future development	x	x	x	x	x	All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 25: Transport, Roads and Stormwater Infrastructure</b>							
Outdated Storm Water Master Plan and Flood Levels	Revision of SWMP and flood lines		x	x	x	x	All wards
Aged infrastructure	Eradication of Midblocks in Wellington South			X	X	X	7,8,9,10,11
Development of enabling infrastructure	Wellington Town Square (EDP project)		x	x	x	x	2, 7, 10, 11, 18,29
Masterplanning	Updating Stormwater Masterplans		X	X	X	x	All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 26: Water and Wastewater Services</b>							
Lack of basic services in informal settlements	Extension of Basic Services: Informal Settlements		x	x	x	x	5, 6, 7, 14, 13, 24, 21
Development of enabling infrastructure	Scientific Laboratory Equipment	x	x	x	x	x	All wards
Development of enabling infrastructure	Traffic Signals		x	x	x	x	All wards
Development of enabling infrastructure	Provision of Borehole Infrastructure	x					All wards

PROGRAMMES AND INITIATIVES (KPA 4)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Lack of Basic Services in Informal Settlements	Extension of Basic Services: Informal Settlements	x	x	x	x	x	1, 5, 6, 7, 8, 12, 13, 14, 15, 16, 20, 21, 22, 24, 25, 27, 31, 32
Water loss management	Installation of Pressure Management Systems	x		X	X	X	Paarl/Wellington
	Drakenstein Rural Area: Ronwe project				x	x	28
	Gouda Small Holding Water Scheme			x	x	x	31
Aged infrastructure	Renovations to Market Street Building	x	x	x	x	x	N/A
Aged infrastructure	Major repairs of corporate buildings (waterproofing of Civic Centre)	x	x	x	x	x	N/A
Aged infrastructure	Depot & Office Renovations	x	x				N/A
Aged infrastructure	Replacement of vehicles & equipment		x	x	x		N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 27: Solid Waste Management &amp; Infrastructure</b>							
Norms and standards compliance	Fencing at Wellington Disposal Facility (licencing conditions, provision of concrete palisade fence)					x	2, 7, 10, 11, 18,29
Illegal dumping/area cleaning	Construction of Mini drop-off facilities	x	x				All wards
Illegal dumping/area cleaning	Street refuse bins		x	x	x		All wards
Illegal dumping/area cleaning	Wheelie bins	x	x	x	x		All wards
Illegal dumping/area cleaning	Bulk Refuse containers	x	x	x			All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 28: Municipal &amp; Public Facilities</b>							
Development of enabling infrastructure	Saron Community Hall - Higher voltage usage for the Hall						30
Aged Infrastructure	Paarl Town Hall - Painting and upgrading						4



PROGRAMMES AND INITIATIVES (KPA 4)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Aged Infrastructure COVID 19 social response to the needs of the homeless, including accommodation, health screening, catering, COVID19 awareness and reintegration with family structures	Wellington Town hall - Roof repairs and upgrading Conversion of the Wellington hall, ablution space and kitchen to accommodate 60 homeless people for a period of 2 months. Preparation of meals, supply of sanitary material, sanitation of hall and surfaces. Maintenance of hall facility. Education of homeless on COVID 19.	x					2, 7, 10, 11, 18, 29
Aged Infrastructure	Mbekweni Community Hall - Painting						5, 6, 7, 8, 9, 12, 16
COVID-19 social response to the needs of the homeless, including accommodation, health screening, catering, COVID-19 awareness and reintegration with family structures	Conversion of the Huguenot Hall, ablution space and kitchen to accommodate 60 homeless people for a period of 2 months. Preparation of meals, supply of sanitary material, sanitation of hall and surfaces. Maintenance of hall facility. Education of homeless on COVID 19.	x					22
COVID-19 social response to the needs of the homeless, including accommodation, health screening, catering, COVID19 awareness and reintegration with family structures	Conversion of the Thusong Centre Hall, ablution space and kitchen to accommodate 60 homeless people for a period of 2 months. Preparation of meals, supply of sanitary material, sanitation of hall and surfaces. Maintenance of hall facility. Education of homeless on COVID-19.	x					22

CAPITAL PROJECTS (KPA 4)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 24: Energy Supply Efficiency & Infrastructure							
ENERGY SUPPLY							
Aged infrastructure	Replace 11KV switchgear at Dalwes substation	R9,250,000	R7,583,814	R0	R0	R0	16
Illegal connections	Electrification of Informal Settlements	R28,500,000	R28,000,000	R25,000,000	R24,500,000	R24,000,000	5, 6, 7, 14, 13, 24, 21
Aged infrastructure and vandalism	Vandalism and theft to existing infrastructure	R0	R3,500,000	R4,000,000	R5,000,000	R6,000,000	All wards
Low capacity of energy infrastructure	Increase existing High-Tension network capacity to facilitate development, electrification and existing load growth (transformers at Parys 66/11 kV substation) Finish off phase 1 of project	R1,500,000	R4,000,000	R8,000,000	R8,000,000	R8,000,000	23, 16, 28, 11, 15, 1
Insufficient capacity for future development	Increase existing MT network capacity to facilitate development, electrification and existing load growth		R13,000,000	R14,000,000	R15,000,000	R15,000,000	All wards

CAPITAL PROJECTS (KPA 4)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 25: Transport, Roads &amp; Stormwater Infrastructure</b>							
<b>ROADS</b>							
Large backlog in the upgrading of municipal roads exist	Backlog in reseal of streets: Programme: Reseal of streets in terms of the Roads Asset Management System (Pavement Management)	R6,013,163	R3,000,000	R16,452,169	R6,500,000	R6,500,000	All wards
Sidewalk condition inadequate	Upgrading of sidewalks in accordance with budget by existing tenders	R2,597,843	R0	R0	R0	R0	All wards
Large backlog in the upgrading of municipal roads exist	Upgrading of Oosbosch Street to dual carriageway: Project: Construction of upgrading by external tender	R76,983,546	-	-	-	-	All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 25: Transport, Roads &amp; Stormwater Infrastructure</b>							
<b>TRANSPORT</b>							
Excessive speeding in streets	Installation of traffic calming measures	R1,800,000	R0	R0	R0	R0	All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 26: Water and Wastewater Services</b>							
<b>WATER AND SANITATION</b>							
Aged infrastructure	Pipe cracking projects to replace old sewer pipes	R7,370,000	R8,000,000	R1,500,000	R1,500,000	R1,500,000	All wards
Need for new Bulk Infrastructure	Simondium Bulk Sewer				R39,782,000	R39,782,000	1
Low capacity of Waste Water Treatment Works	Upgrading of Paarl WWTW/ Recycling of WWTW effluent	R1,230,000					All Paarl Wards

CAPITAL PROJECTS (KPA 4)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 26: Water and Wastewater Services							
WATER AND SANITATION							
Need for upgrade of equipment	Replacement of equipment – Scientific services & Waste water	R315,000	R410,000				All Paarl and Wellington Wards
Need for new network reticulation	Upgrading of Informal Settlements sewer reticulations	R600,000	R500,000	R500,000	R500,000	R500,000	1,5,6,7,8,12,13,14,15,16,20,21,22,24,25,27,31,32
Need for new network reticulation	Upgrading of Informal Settlements water reticulation	R1,300,000	R1,000,000	R1,000,000	R1,000,000	R1,000,000	1,5,6,7,8,12,13,14,15,16,20,21,22,24,25,27,31,32
Need for new network reticulation	Replace/Upgrade water reticulation system (Paarl/Wellington)	R10,027,622	R3,000,000	R14,000,000	R8,000,000	R8,000,000	1,5,6,7,8,12,13,14,15,16,20,21,22,24,25,27,31,32
Need for new Bulk Infrastructure	Completion of Courtrai reservoir x 2 plus bulk supply pipelines	R858,457	-	-	-	-	All Paarl and Wellington Wards
Need for new Bulk Infrastructure	Bulk storage & water treatment in Saron	R23,552,460	R23,209,354	-	-	-	30
PRE-DETERMINED OBJECTIVE (PDO) 27: Solid Waste Management & Infrastructure							
SOLID WASTE MANAGEMENT							
Landfill operation optimisation	Construction of Material Recovery Facility	R1,500,000	R9,000,000	R3,000,000			All wards
Illegal dumping/area cleaning	Construction of Mini Drop-Off Facilities	R500,000	R500,000	R500,000	R500,000	R500,000	All wards

CAPITAL PROJECTS (KPA 4)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 27: Solid Waste Management & Infrastructure							
SOLID WASTE MANAGEMENT							
Illegal dumping/area cleaning	Street refuse, Bulk refuse and Wheelie Bins	R1,000,000	R1,000,000	R1,000,000	R1,000,000	R1,000,000	All wards
Landfill compliance	Extension/Compliance of Wellington Disposal Facility (inclusive of geomembranes)	R2,000,000					All wards
Alternative to Landfill	Construction of Biogas Plant		R20,000,000				All wards
Rehabilitation of Old Landfill Sites	Rehabilitation of Old Landfill Sites					R60,000,000	All wards
Landfill operation optimisation	Upgrading of Paarl Transfer Station			R12,000,000			All wards
Landfill operation optimisation	Upgrading of Satellite Transfer Stations in Saron, Hermon and Gouda			R80,000,000			All wards
PRE-DETERMINED OBJECTIVE (PDO) 28: Municipal & Public Facilities							
MUNICIPAL FACILITIES							
Ageing Infrastructure	Safmarine Community Hall: Upgrading of hall	R100,000	R100,000	R100,000			11
Development of enabling infrastructure	Saron Community Hall - Higher voltage usage for the Hall	-	-	R250,000	-		30
Aged Infrastructure	Maintenance and upgrades to Corporate buildings	R1,010,399	R750,000	R750,000	R750,000	R750,000	N/A
Aged Infrastructure	Upgrade of smoke detectors		R100,000	R100,000	R100,000	R100,000	All wards

**KEY PERFORMANCE AREA (KPA) 5:  
PLANNING AND DEVELOPMENT**



No.	Policies linked to KPA 5
1.	Informal Trading Management Framework
2.	Integrated House Shop Policy
3.	Events Support Framework
4.	Integrated Economic Growth Strategy
5.	Informal Trading Enhancement Strategy
6.	Investment Incentive Policy
7.	Tourism Development Plan
8.	Limited pay-out Gambling Machine Policy
9.	SMME Business Support Plan
10.	Rural Development Strategy
11.	Telecommunication Infrastructure Policy
12.	Drakenstein Mountain Slope Policy
13.	Drakenstein Spatial Development Framework (SDF)
14.	Paarl CBD LSDF
15.	Klapmuts North LSDF
16.	Wellington CBD Urban Design Framework
17.	Paarl Hamlet Urban Design Framework
18.	Environmental Management Framework
19.	Naming and Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities Policy
20.	Special Ratings Areas Policy
21.	Student Accommodation Policy
22.	Drakenstein Heritage Guidelines

No.	By-laws linked to KPA 5
1.	By-law No 14/2007: Informal Trade
2.	By-Law: Municipal Land Use Planning
3.	Problem Building By-law
4.	Building Control Bylaw 2020
5.	Municipal Zoning Scheme Bylaw 2018
6.	Outdoor Advertising and Signage Bylaw, 2003
7.	Establishment of Improvement Districts Bylaw, 2002

PROGRAMMES AND INITIATIVES (KPA 5)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 29: Economic Growth</b>							
Scarcity of job opportunities and lack of economic opportunities	Implementation of the Integrated Economic Growth Strategy and the Rural Development Strategy	x	x	x	x		All wards
SMME and Entrepreneurship Development	Develop a mentoring and skills development programme for SMMEs and entrepreneurs	x	x	x			All wards
Informal Trading Economy Enhancement Strategy	Implementation of the Informal Trading Economy Enhancement Strategy	x	x	x	x		All wards
Addressing the digital divide and unemployment	Developing a digital economy strategy and implementation plan				x		All wards
Development of Small Business linkages	Supply Chain Policy Reforms - Implementation of Preferential Procurement Regulations Strategy/Policy	x	x	x	x		All wards
Development of Small Business linkages	Implementation of Contractor Development Programme (Supplier Development Programme)	x	x	x	x		All wards
Development of Small Business linkages	Develop a comprehensive small business database and have a dedicated information service offering aimed at small businesses			x	x	x	All wards
Development of Small Business linkages	Develop and implement a local "Tradeworld" portal to facilitate localised procurement opportunities for SMMEs				x		All wards
Enhancing Small Business support	Development of a Township Economy Strategy and implementation plan	x	x	x	x		All wards
Need for a Social Contribution Framework to drive Corporate Social Investment	Develop and implement a Social Contribution Framework	x	x	x	x		All wards



PROGRAMMES AND INITIATIVES (KPA 5)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Development of Small Business linkages	Establish a One-Stop Business Support Centre			x	x		All wards
Enhancing Small Business support	Establish an Incubator Hive at Wellington Industrial Park		x	x	x		All wards
Enhancing Small Business support	Establish a Business Hive in Ward 25	x	x				Ward 25
<b>PRE-DETERMINED OBJECTIVE (PDO) 30: Investment Promotion</b>							
Investor Facilitation	Implementation of Investment Incentive Policy	x	x	x	x		All wards
Investor Facilitation	Transactional Advisory services to facilitate investment promotion with prospectus which include 5 bankable priority projects			x	x		All wards
Investment Promotion	Develop and implement an Investment and Development marketing guide		x	x	x	x	All wards
Investment Promotion	Development of an Investment Promotion Strategy (identification of sector priorities-via IEGS process		x	x	x	x	All wards
Investment Facilitation	Facilitate the development of business and industrial parks at Klappmuts, Wellington, Ben Bernhard and Waterfront		x	x	x		
Investment Promotion	Support fibre roll -out plan	x	x	x	x	x	All wards
Investment Retention	Establish a database of businesses and investors with aligned monitoring and evaluation tool			x	x		All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 30: Investment Promotion</b>							
Investment Retention	Implement an after-care service and conducting an annual business confidence survey		x	x	x		All wards

PROGRAMMES AND INITIATIVES (KPA 5)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Investment Retention	Provide sufficient research support to enable investment decisions by companies		x	x	x		All wards
Investment Retention	Publish quarterly economic bulletins to assure investor confidence		x	x	x		All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 31: Land Use Management and Surveying</b>							
Land Use management of liquor outlets	Implementation of the Liquor Premises Policy	x	x	x	x	x	All wards
Expediting land use application processes via an electronic system	Implementation of the E-Land Use Management System	x	x	x	x	x	All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 32: Built Environment Management (includes Heritage Resource Management and Building Control)</b>							
Development of a Heritage By-law	Engage with HWC and Legal Services and approval of required by-law				x		All wards
Heritage Committees to be duly constituted	<ul style="list-style-type: none"> <li>Formulate a terms of reference for the new heritage committees;</li> <li>Formulate code of conducted for the members of the heritage committees;</li> <li>Formulate rules of proceeding of meeting of the heritage committees.</li> </ul>		x	x			All wards
Need to have a single source of heritage assets	Develop and maintain a Heritage Register				x		All wards
Heritage areas require approval i.t.o. the NHRA	Obtain approval for specific Heritage Areas			x	x		All wards
Lack of a Cultural Heritage Strategy for the municipality	Develop a Cultural Heritage Strategy			x			All wards
Building Control Bylaw	By Law Review		x				All wards
Problem Premises Bylaw	By Law Review		x				All wards
Development of SOP's and SLA's to align with Drakenstein's Service	<ul style="list-style-type: none"> <li>Beacon Inspections SOP</li> <li>Trench Inspections SOP</li> </ul>	x					

PROGRAMMES AND INITIATIVES (KPA 5)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Charter between municipal stakeholders	<ul style="list-style-type: none"> <li>Drainage Inspections SOP</li> <li>Acquiring Building Plans SOP</li> <li>Municipal Rental Stock Prior Plan SOP</li> <li>Submission Process SOP</li> <li>Demolition Applications SOP</li> </ul>						
<b>PRE-DETERMINED OBJECTIVE (PDO) 33: Urban Regeneration</b>							
Investment Plan for the Paarl CBD, Mbekweni and Paarl East Area	Develop an Investment Plan for the Paarl CBD, Mbekweni and Paarl East Area and implement recommendation.	x	x				4, 6, 8, 9, 12, 13, 14, 16, 19, 20, 21, 22, 24, 25, 26, 27 and 33
Urban management	Finalise the Special Ratings Area policy and bylaws	x					All wards
Lack of Suitable/Diverse Housing and Need for Social Integration	Develop proposals within SDF and HSP for inner CBD housing opportunities			x			All wards
Develop a SOP to follow to outline the requirements and responsibilities of the stakeholders.	Implementation of Wellington Urban Design Framework			x			Wellington wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 34: Skills Development and Capacity Building</b>							
No integration and proper planning of the skills development value chain	Establishment of the Drakenstein Skills Development Forum			x	x		All wards
No integration and proper planning of the skills development value chain	Develop an Integrated Skills Development Plan			x			All wards
Lack of financial assistance for youth to access education	Review of the Youth Employment Facilitation Plan		x	x			All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 35: Rural Development</b>							
Lack of Food security initiatives within the rural hinterland	Implementing of programmes focusing on Food security	x	x	x	x	x	Rural wards

PROGRAMMES AND INITIATIVES (KPA 5)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Inadequate spatial planning in rural areas	Integration of rural areas in SDF, where appropriate initiatives will be identified and implemented	x	x	x	x	x	All wards
Lack of financial assistance for youth to access education	Implementation of the rural bursary initiative	x	x	x	x	x	Rural wards
Lack of economic opportunities	Driver's licence initiative for rural unemployed youth and learners.	x	x	x	x	x	Rural wards
PRE-DETERMINED OBJECTIVE (PDO) 36: Spatial Planning							
Exemption of certain appropriate areas from Act 70 of 1970	Engage with National Department of Agriculture	x	x	x			All wards
New Municipal Spatial Development Framework	Compilation of the new 5 year Municipal Spatial Development Framework			x	x	x	All wards
Municipal land for investment	Identification for land for investment purposes	x	x	x	x	x	All wards
Guidelines for the development of multi-storey social housing buildings	Develop guidelines for developers who intends on developing multi-storey social housing buildings		x				All wards
Lack of Cemetery Space	Negotiate with private property owners to acquire land for cemetery purposes	x	x	x			All wards
PRE-DETERMINED OBJECTIVE (PDO) 37: Tourism							
Lack of focused Events and MICE Strategy	Development of a comprehensive Events and MICE (Meetings, Incentives, Conference & Events Strategy				x		All wards
Lack of Film Locations Policy	Development of a Film Locations Policy	x	x				All wards

PROGRAMMES AND INITIATIVES (KPA 5)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 38: Land Valuations and Property Management</b>							
2020 General Valuation Roll	Compile the 2020 General Valuation Roll	x					All wards

### KEY PERFORMANCE AREA (KPA) 6: SAFETY AND ENVIRONMENTAL MANAGEMENT

**PDO 39:**  
Safety and  
Security

**PDO 40:**  
Disaster &  
Emergency  
Management

**PDO 41:**  
Traffic, Vehicle  
Licensing and  
Parking Control

**PDO 42:**  
Municipal Law  
Enforcement  
(includes the  
Municipal Court)

**PDO 43:**  
Environmental  
Management and  
Climate Change

**PDO 44:**  
Natural  
Resources

**PDO 45:**  
Parks and  
Open Spaces

**PDO 46:**  
Animal  
Control

No.	Policies linked to KPA 6
1.	Traffic Calming Policy
2.	Alcohol Policy and Procedure Agreement
3.	Tree Management Policy
4.	Environmental Policy
5.	Food and Nutrition Security Policy

No.	Key By-laws linked to KPA 6
1.	By-law No 1/2007: The Advisory Board for Nature Reserves
2.	By-law No 7/2007: Paarl Mountain Nature Reserve
3.	By-law No 11/2007: The prevention of atmospheric pollution
4.	Fire Safety By-law
5.	By-law No 9/2007: Parking Metres

PROGRAMMES AND INITIATIVES (KPA 6)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 39: Safety and Security</b>							
Safety of communities in all wards	<ul style="list-style-type: none"> <li>Installation and commissioning of CCTV cameras in all wards</li> <li>Installation of number plate recognition cameras</li> </ul>	x	x	x	x	x	All Wards
Operating a 24-hr Control room	<ul style="list-style-type: none"> <li>Centralise control rooms of Fire, Law Enforcement and Traffic at Breda 60</li> <li>Connect radio frequency of the Drakenstein Smart and Safety Networks (DSSN) to Breda 60</li> <li>Link WhatsApp groups of Neighbourhood Watches to control centre</li> </ul>	x	x	x	x		All Wards
Strengthening DSSN Partnership	To establish and strengthen the relationship between the farm and neighbourhood watches	x	x	x	x	x	All Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 40: Disaster and Emergency Management</b>							
Disaster Management Plan	To update the Disaster Management Plan for Drakenstein by:						All Wards
COVID-19 Operational plan	<ul style="list-style-type: none"> <li>Engaging with relevant stakeholders (internal and external);</li> <li>Developing operational plans for identified risks; and</li> <li>Annually review the plan and submit to Province</li> <li>Application: Provincial grant funding</li> </ul>	x	x	x	x		
Turn-around strategic plan SANS	To develop a Turn-Around Strategic Plan in accordance to the SANS code to: <ul style="list-style-type: none"> <li>Address staff shortage;</li> <li>Address the replacement of firefighting vehicles etc;</li> <li>Maintain a 24-hour control centre;</li> <li>Community awareness programmes;</li> </ul>	x	x	x	x		All Wards



PROGRAMMES AND INITIATIVES (KPA 6)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
	<ul style="list-style-type: none"> <li>Establish and coordinate a Volunteer programme;</li> <li>Annually review plan; and</li> <li>Establish a Disaster Management Forum</li> </ul>						
<b>PRE-DETERMINED OBJECTIVE (PDO) 41: Traffic control and Licensing</b>							
Upgrade Dal Josaphat Traffic Centre	To upgrade and renovate the Dal Josaphat Traffic Centre	x	x			x	All wards
Lack of traffic safety awareness	Programme: Traffic Safety Awareness Programme	x	x	x	x	x	All wards
Turn-around strategic plan	To develop a turn-around strategy for traffic and licensing services	x					All wards
Electronic MVR licensing renewal	To innovate an E-licensing renewal system	x					All
Provision of smart tools of the trade for traffic officers	Procurement of vehicles, body cameras, electronic handheld devices, etc		x	x	x	x	N/A
<b>PRE-DETERMINED OBJECTIVE (PDO) 42: Municipal Law Enforcement</b>							
Appointment of additional staff	To expand the current staff of Municipal Law Enforcement	x	x	x			All wards
Farm & neighbourhood watches relationships	To establish and strengthen the relationship between the farm and neighbourhood watches	x	x	x			All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 43: Environmental Management and Climate Change</b>							
Lack of resilience conditions	Liaise with Civil Engineering Services for the finalisation of Resilience Conditions	N/A	x				All wards
Lack of environmental education and awareness	Develop an environmental awareness strategy and implementation plan considering municipal staff, civil society, business and schools	x	x	x	x	x	All wards
Lack of policy to promote green building	Update environmental policy	x	x				All wards

PROGRAMMES AND INITIATIVES (KPA 6)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Lack of mainstreaming of climate change within the organisation	Include the implementation of 1 climate change initiative from the CCAP in the SDBIP of each Department and develop a green audit tool for monitoring Department's' carbon footprint	x	x				All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 44: Natural Resources</b>							
Bio-diversity: Protect environmental resources and balance service delivery and environmental protection	Align the SDF with EMF	x	x	x			All wards
Bio-diversity: Protect environmental resources and balance service delivery and environmental protection	Declaration of municipal conservation areas as stewardship sites/formal conservation areas		x	x	x	x	All wards
Air quality	Update Air Quality Management Plan		x				All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 45: Parks &amp; Open Spaces</b>							
Upgrade parks	Upgrading of parks in Drakenstein	x	x	x	x		All
EPWP Programmes	Job creation for 200 beneficiaries (50 per quarter)	x	x	x	x		All Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 46: Animal Control</b>							
Purchase trailer	To purchase a trailer for livestock				x		All wards
Appoint Pound-Master	The appointment of a pound master	x					All wards
Respond to Live-Stock complaints	Effective response to livestock complaints	x	x	x			All wards

CAPITAL PROJECTS							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PREDETERMINED OBJECTIVE (PDO) 39: Safety &amp; Security</b>							
<b>SAFETY &amp; SECURITY</b>							
CCTV Coverage	To install and commission CCTV cameras for Drakenstein	R1,000,000	R1,000,000	R500,000	R500,000		All Wards
Operating a 24-hr Control room	<ul style="list-style-type: none"> <li>Centralise control rooms of Fire, Law Enforcement and Traffic at Breda 60</li> <li>Connect radio frequency of the Drakenstein Smart and Safety Networks (DSSN) to Breda 60</li> <li>Link WhatsApp groups of Neighbourhood Watches to control centre</li> </ul>						4
Farm & neighbourhood watches relationships	To establish and strengthen the relationship between the farm and neighbourhood watches	R750,000	R2,000,000	R920,000			All Wards
<b>PREDETERMINED OBJECTIVE (PDO) 40: Disaster and Emergency Management</b>							
<b>DISASTER MANAGEMENT</b>							
Provision of smart tools of the trade for traffic officers	Procurement of fire and rescue equipment.		R1,500 000	R1,500 000	R1,500 000	R1,500 000	All wards
Ageing and outdated fleet	Replacement of fire and rescue fleet		R2, 500 000	R2, 500 000	R2, 500 000	R2, 500 000	All wards
<b>PREDETERMINED OBJECTIVE (PDO) 41: Traffic Control &amp; Licensing</b>							
<b>TRAFFIC CONTROL &amp; LICENSING</b>							
Insufficient traffic licensing facilities and central traffic head quarters	Upgrade of Dal Josaphat traffic offices	R500,000	R500,000			x	All wards

CAPITAL PROJECTS							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Modernisation of learner and driver licensing process	Purchase of an electronic learner and driver licensing program	R800,000					All wards
Insufficient Furniture	Replacement of office furniture and equipment	R50,000	R50,000	R50,000	R50,000		N/A
Provision of smart tools of the trade for traffic officers	Procurement of vehicles, body cameras, electronic handheld devices, etc.		R1,500 000	R1,500 000	R1,500 000	R1,500 000	N/A
PREDETERMINED OBJECTIVE (PDO) 42: Municipal Law Enforcement							
MUNICIPAL LAW ENFORCEMENT							
Insufficient equipment	Equipment for law enforcement	R50,000	R50,000	R50,000	R50,000		All wards
Vehicle Impound	Replacement of vehicles and workshop equipment	R50,000	R50,000	R50,000	R50,000		N/A
KEY FOCUS AREA (KFA) 44: Natural Resources							
NATURAL RESOURCES							
Upgrade of access to Paarl Mountain Reserve	Upgrade of Jan Philips Drive	R0	R100,000	R100,000	R100,000	R100,000	All wards
Upgrade of Paarl Mountain Reserve	Upgrade of Paarl Mountain reserve equipment and infrastructure	R30,163	R500,000	R500,000			N/A
KEY FOCUS AREA (KFA) 45: Parks & Open Spaces							
PARKS & OPEN SPACES							
Upgrade parks	Upgrading of parks in Drakenstein			R500,000	R500,000		All wards
Upgrade Arboretum	Construction of the Arboretum Climate Park						

## KEY PERFORMANCE AREA (KPA) 7: SOCIAL AND COMMUNITY DEVELOPMENT

**PDO 47:**  
Health

**PDO 48:**  
Early and  
Childhood  
Development

**PDO 49:**  
Gender, Elderly,  
Youth and  
Disabled

**PDO 50:**  
Sustainable  
Human  
Settlements  
(Housing)

**PDO 51:**  
Sport, Recreation  
and Facilities

**PDO 52:**  
Arts and  
Culture

**PDO 53:**  
Libraries

**PDO 54:**  
Cemeteries and  
Crematoria

No.	Key Policies linked to KPA 7
1.	Grants in Aid Policy
2.	Transfer Policy for Human Settlement Projects
3.	Sport and Recreation Policy
4.	Events Support Framework
5.	Early Childhood Development Policy
6.	Housing Selection Policy
7.	Emergency Housing Policy
8.	Food and Nutrition Security Policy
9.	Street People Policy
10.	Grant in Aid Policy: Community

No.	Key By-laws linked to KPA 7
1.	By-law No 2/2007: Cemeteries and Crematoriums
2.	By-law No 5/2007: Camping Areas
3.	By-law No 6/2007: Child Care Facilities
4.	By-law No 8/2007: Public Amenities
5.	By-law No 12/2007: The impoundment of animals
6.	By-law No 16/2007: Public Swimming Pools

PROGRAMMES AND INITIATIVES (KPA 7)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 47: Health</b>							
Lack of Participation in Health Forum meetings	Engagement Meetings with Stakeholders and the Department of Health	x	x	x			N/A
Awareness and education on the COVID 19 pandemic. Distribution of educational material to all sectors.	Integrated educational and awareness communication to all marginalised sectors	x	x	x			All wards
<b>PDO 48: Early and Childhood Development</b>							
Participation in Skills Development Workshops	Establishment of Centre of Excellence (Skills centre)		x	x			N/A
Apathy toward Municipal Projects and Programmes	Gender Empowerment	x	x	x			N/A
Apathy toward Municipal Projects and Programmes	Youth Development	x	x	x			N/A
Apathy toward Municipal Projects and Programmes	Elderly Support	x	x	x			N/A
Apathy toward Municipal Projects and Programmes	Support to the Disabled		x	x			N/A
Awareness and education on the COVID 19 pandemic. Distribution of educational material to all sectors.	Integrated educational and awareness communication to all marginalised sectors	x	x	x			All
<b>PRE-DETERMINED OBJECTIVE (PDO) 49: Gender, Elderly, Youth and Disabled</b>							
Apathy toward Municipal Projects and Programmes	Support to the disabled	x	x	x	x		N/A
Awareness and education on the COVID 19 pandemic. Distribution of educational material to all sectors.	Integrated educational and awareness communication to all marginalised sectors	x	x	x			All wards

PROGRAMMES AND INITIATIVES (KPA 7)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Provision of space for activation of Arts and Culture forum Mbekweni	Evaluation of municipal or unused spaces in Mbekweni to be used by Arts and Culture sector						All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 50: Sustainable Human Settlements (Housing)</b>							
Repair and Upgrade of Rental Stock	Routine Maintenance of Rental Stock	x	x	x	x		19,20,21,22, 24,25,26,27
Repair and Upgrade of Rental Stock	Repair/Upgrade of Rental Stock	x	x	x	x		19,20,21,22, 24,25,26,27
Repair and Upgrade of Rental Stock	Paint My Story Project	x	x	x	x		19,20,21,22,
Lack of Transfer/Alienation of Rental Stock to qualifying occupants	Transfer/Alienation of Rental Stock	x	x	x	x		6,12,19,20,21 22,24,25,26, 27, 30
Lack of Eviction Management Planning	Implementation of Eviction Management and Emergency housing plan (re-settlement land)	x	x	x	x		All wards
Lack of Emergency Housing Planning	Implementation of Emergency housing plan	x	x	x	x		All wards
Lack of Updated Housing Demand Database	Management of Housing Demand Database	x	x	x	x		All wards
Lack of services in informal settlements	Maintenance of services in Informal Settlements	x	x	x	x		1,5,6,8,12,14, 21,24,25,31, 32

PROGRAMMES AND INITIATIVES (KPA 7)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Plan and Implement the roll out of UISP (Upgrade of Informal Settlements) projects and emergency housing site	<ul style="list-style-type: none"> <li>- Finalise the appointment of NGO to assist with Social facilitation;</li> <li>- Finalise feasibility reports for 12 identified informal settlements for upgrade;</li> <li>- Implement upgrade of 12 identified settlements;</li> <li>- Complete blocked UISP projects; and</li> <li>- Identify further settlements for upgrade</li> <li>- Implementation and development of affordable housing opportunities</li> </ul>	x	x	x	x		6,20,21,24,27 20,25,32 1,14,21,32,16 ,5,8,31,18
Implementation of Social Housing Projects	<ul style="list-style-type: none"> <li>- Finalise Partnership agreements with SHI's;</li> <li>- Roll out of identified social housing projects within approved restructuring zones</li> </ul>		x	x	x		All wards 9,14,29
Provision of serviced sites	<ul style="list-style-type: none"> <li>- Identify appropriate land for the implementation of serviced site concept; and</li> <li>- Develop a policy on serviced sites</li> </ul>	x	x	x	x		1,13,31,32,20 1,13,31,32,20
Housing Consumer Education (lack of education and awareness on roles and responsibilities as recipients of houses)	<ul style="list-style-type: none"> <li>- Implementation of housing consumer education and awareness campaigns</li> </ul>	x	x	x	x		All wards
Rural Housing	<ul style="list-style-type: none"> <li>- Finalize the Rural Housing Policy;</li> <li>- Identify sites for possible partnerships within rural areas; and</li> <li>- Finalize the future use of the Nieuwedrift (Helpmekaar) site</li> </ul>	x	x	x	x		1,3,17,25,28, 29,30,31 1,3,17,25,28, 29,30,21 17
Addressing matters in relation to Employer assisted housing	<ul style="list-style-type: none"> <li>- Finalise a Policy for employer assisted housing</li> </ul>	x	x	x	x		All wards



PROGRAMMES AND INITIATIVES (KPA 7)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Conclusion of old incomplete projects	<ul style="list-style-type: none"> <li>- Implementation of actions to address defective roof in identified projects;</li> <li>- Submission of applications to apply for funding to complete incomplete projects</li> </ul>	x	x	x	x		6,9,12,16
Human Settlement Planning	<ul style="list-style-type: none"> <li>- Complete Human Settlement Plan and Strategy;</li> <li>- Roll Out recommendations from plan</li> </ul>	x	x	x	x		6,7,8,9,12,16, All wards
Informal Settlements management	<ul style="list-style-type: none"> <li>- Appointment of two additional Informal Settlement Officers;</li> <li>- Implementation of standard operating procedures to manage and monitor all informal settlements; and</li> <li>- Establishment of Informal Settlement committees to improve communication and operations</li> </ul>	x	x	x	x		1,5,6,8,12,14, 16,20,21,27,2 4,25,31,32  1,5,6,8,12,14, 16,20,21,27,2 4,25,31,32  1,5,6,8,12,14, 16,20,21,27,2 4,25,31,32
Maintenance of services in informal settlements	<ul style="list-style-type: none"> <li>- Appointment of maintenance contractor by Engineering Services department; and</li> <li>- Implementation of monitoring processes and procedures to assess standard of services delivered by Contractor</li> </ul>	x	x	x	x		1,5,6,8,12,14, 21,24,25,31,  32
Maintaining/Update of demand database	<ul style="list-style-type: none"> <li>- Arrange housing demand update events for all rural areas</li> </ul>	x	x	x	x		All wards
Eviction Management Planning	<ul style="list-style-type: none"> <li>- Identification of land for eviction settlement</li> <li>- Development of land for eviction settlement</li> </ul>	x	x	x	x		All wards
Emergency housing planning and implementation	<ul style="list-style-type: none"> <li>- Procurement of service provider for emergency housing units</li> <li>- Approval of Temporary Housing policy</li> </ul>	x	x	x	x		All wards

PROGRAMMES AND INITIATIVES (KPA 7)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
Repair and Upgrade of Rental Stock	- Identify rental units for major upgrade and implement via contractor (including paint my story project)	x	x	x	x		19,20,21,22, 24,25,26,27
Alienation/transfer of rental stock to qualifying occupants	- Identifying alienable rental units for transfer and submit report to Council to start transfer processes	x	x	x	x		6,12,19,20,21 22,24,25,26, 27, 30
<b>PRE-DETERMINED OBJECTIVE (PDO) 51: Sport, Recreation and Facilities</b>							
Gouda	Ongoing maintenance	x	x	x	x		31
Saron	Ongoing maintenance	x	x	x	x		30
Hermon	Ongoing maintenance	x	x	x	x		31
Antoniesvlei Swimming Pool- baboons, shebeen, staff housing, alien vegetation and swimming pool	Draw up baboon management plan, approach legal wrt shebeen and staff housing, major alien clearing program, upgrade of pool	x	x	x	x		2
Saron Swimming Pool - chalets and swimming pool	Legal to deal with evictees in chalets, upgrade pool	x	x	x	x		30
Orleans Spray Park - maintenance	Draw up sustainable maintenance plan	x					22
Sport Forum/Council	Finalization of MOU	x					All wards
Faure Street Stadium	Ongoing maintenance	x	x	x	x		4
<b>PRE-DETERMINED OBJECTIVE (PDO) 52: Arts and Culture</b>							
Support from Council for funding of Arts and Culture forum.	Support from Provincial Government and social investment partners	x	x	x	x		All wards
The provision of a space for the activation of Arts and Culture forum Mbekweni.	An evaluation of municipal or unused spaces in Mbekweni that can be used by the Arts and Culture sector						All wards

PROGRAMMES AND INITIATIVES (KPA 7)							
Core Components	Action	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 53: Libraries</b>							
Need to develop reading, increase information literacy and focus on social awareness	Municipal-wide Program to develop reading, increase information literacy and focus on social awareness	x	x	x	x		All wards
Insufficient space for Rural libraries	Set up containerised library in Wagenmakers Valley	x					7
Insufficient space for Rural Libraries	Set up containerised library Nieuwedrift Valley		x				17
Insufficient space for Rural Libraries	Set up containerised library Groenberg			x			31
<b>PRE-DETERMINED OBJECTIVE (PDO) 54: Cemeteries and Crematoria</b>							
Bosman Street Cemetery - Alien Clearing	Major alien clearing operation	x					4
Hermon Cemetery - Drainage	Appoint consultant to draw up professional plans and implement	x					31
Gouda Cemetery - Maintenance	Appoint Maintenance Contractor	x					31
Saron Cemetery - Maintenance	Appoint Maintenance Contractor	x					30

CAPITAL PROJECTS (KPA 7)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 50: Sustainable Human Settlements (Housing)</b>							
Planning and Implementation of New Housing Opportunities (BNG Housing)	Key Pipeline Projects: <ul style="list-style-type: none"> <li>- Continue Implementation of Vlakkeland Catalytic Project;</li> <li>- Complete Planning of Simondium, Paarl East, Erf 557 and Saron IRDP projects;</li> <li>- Finalize project pipeline with Provincial Human Settlements.</li> <li>- Schoongesight Emergency housing</li> </ul>						9  1, 27, 9,30  1, 6, 7, 9, 12, 20, 21, 24, 27  32
Aged rental stock	Upgrade of rental stock	R2,000,000	R2,000,000	R1,000,000	R1,000,000		4, 19, 20, 21, 24, 25, 26, 27
Need for Emergency housing	New emergency housing units (NUTEC)	R500,000	R450,000	R450,000	R450,000		All wards
<b>PRE-DETERMINED OBJECTIVE (PDO) 51: Sport, Recreation and Facilities</b>							
<b>SPORT, RECREATION &amp; FACILITIES</b>							
Need for new facilities	De Kraal: Construction of rugby fields, netball courts, cricket fields, clubhouse, parameter fencing.	R5,606,292	R2,519,646	R5,079,831			19

CAPITAL PROJECTS (KPA 7)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 51: Sport, Recreation and Facilities							
SPORT, RECREATION & FACILITIES							
Ageing Infrastructure	Parys Sport Fields: Upgrade to change rooms and player seating area			R500,000			
Ageing Infrastructure and need for new infrastructure	Orleans Sport Field: Construction of turf wicket, Re-turf of field, installation of underground cabling, upgrade of parameter fencing, upgrade to clubhouse		R500,000	R500,000			24
Ageing Infrastructure	Pentz Street Swimming Pool: Upgrading of aged infrastructure (Pipes, filters) Tender COMP9/2018		R 500,000	R500,000			18
Ageing Infrastructure	Drakenstein Swimming Pool: Upgrading of aged infrastructure (Pipes, filters) Tender COMP9/2018	R2,000,000		R2,000,000			22
Ageing Infrastructure	Mbekweni Swimming Pool: Upgrade of motors and structural repairs Tender COMP9/2018	R1,220,000					9
Ageing Infrastructure	Faure Street Swimming Pool: Upgrade of swimming pool aged filters and pipes Tender COMP9/2018	R2,000,000		R2,000,000			4
Ageing Infrastructure	Weltevrede Swimming Pool: Total overhaul of the pool pipes Tender COMP9/2018	R1,000,000		R1,500,000			7

CAPITAL PROJECTS (KPA 7)							
Core Components	Project Description	2021/22	2022/23	2023/24	2024/25	2025/26	Wards
PRE-DETERMINED OBJECTIVE (PDO) 51: Sport, Recreation and Facilities							
SPORT, RECREATION & FACILITIES							
Ageing Infrastructure	Dal Josaphat Stadium: Upgrade of netball courts Installation of fencing Installation of high mast lighting	R500,000		R1,500,000			22
Ageing Infrastructure	Gouda Sports Field: Upgrade			R3,000,000			31
Ageing Infrastructure	Fairyland Sport Facility	R235,000	R1,500,000	R2,500,000			32
Ageing Infrastructure	Upgrade of Parks			R1,500,000			All wards
Ageing Infrastructure	Upgrade of Antoniesvlei		R500,000	R500,000	R500,000	R500,000	
Ageing Infrastructure	Upgrade of Saron Holiday Resort		R250,000	R250,000	R250,000	R250,000	30
PRE-DETERMINED OBJECTIVE (PDO) 53: Libraries							
Libraries							
Providing a library service in the rural area	Completion of Bergendal Containerised Library	800000					2
Upgrading of library facility	Upgrading of Wellington library for patron open space, restrooms and staff work areas		4075800	4000000	4000000		18
Insufficient space for Rural libraries	Set up containerised library in Wagenmakers Valley			950000	55 000		7
Insufficient space for Rural Libraries	Set up containerised library Nieuwedrift Valley				950000	55 000	17
Insufficient space for Rural Libraries	Set up containerised library Groenberg		950000	55 000			31
PRE-DETERMINED OBJECTIVE (PDO) 54: Cemeteries and Crematoria							
CEMETERIES							
Lack of Burial space	Development of new Cemetery at Nieuwedrift	R4,900,000	R1,000,000	R1,000,000			17

The following table depicts the list of Provincial Infrastructure Investment Projects in the Drakenstein Municipality for the MTEF period 2021/22 – 2023/24 per Department - \*All amounts rounded to R'000

Table 93: Provincial Infrastructure Investment Projects in the Drakenstein Municipality

Department	Nature of Investment	Funding Source	Project Name	Delivery Mechanism	2021-22	2022-23	2023-24	MTEF	Municipal PDO
Education	New or Replaced Infrastructure	Education Infrastructure Grant	Dal Josaphat PS (CWXXS1)	Individual Project	20000	35000	25000	80000	Provincial Competency
Education	New or Replaced Infrastructure	Education Infrastructure Grant	Ebenezer PS	Individual Project	0	0	2000	2000	Provincial Competency
Education	New or Replaced Infrastructure	Education Infrastructure Grant	Paarlzicht PS	Individual Project	0	0	2000	2000	Provincial Competency
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Gouda - Gouda Clinic - HT - Replacement	Individual Project	0	1000	400	1400	47
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Gouda - Gouda Clinic - OD QA - Replacement	Individual Project	9	0	0	9	47
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	Gouda - Gouda Clinic - Replacement	Individual Project	4200	14137	10	18347	47
Health	Upgrading and Additions	Health Facility Revitalisation Grant	Paarl - Paarl Ambulance Station - Upgrade and additions incl wash bay	Individual Project	0	0	81	81	47
Health	Upgrading and Additions	Health Facility Revitalisation Grant	Paarl - Paarl CDC - Enabling work incl fencing to secure new site	Individual Project	9625	1238	577	11440	47

**DRAKENSTEIN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN (IDP) | 2021/2022**

Department	Nature of Investment	Funding Source	Project Name	Delivery Mechanism	2021-22	2022-23	2023-24	MTEF	Municipal PDO
Health	New or Replaced Infrastructure	Health Facility Revitalisation Grant	Paarl - Paarl CDC - New	Individual Project	2195	16500	34583	53278	47
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Paarl - Paarl Hospital - HT - New Obstetric Theatre in Maternity Unit	Individual Project	200	2000	800	3000	47
Health	Upgrading and Additions	Health Facility Revitalisation Grant	Paarl - Paarl Hospital - New Obstetric Theatre in Maternity Unit	Individual Project	2082	739	97	2918	47
Health	Non-Infrastructure	Equitable Share	Paarl - Paarl HT Hub - Infrastructure Support	Individual Project	2375	2530	2700	7605	47
Health	Non-Infrastructure	Equitable Share	Paarl - West Coast Maintenance Hub - Infrastructure Support	Individual Project	5636	5452	5452	16540	47
Health	Upgrading and Additions	Health Facility Revitalisation Grant	Wellington - Wellington CDC - Pharmacy Additions and Alterations	Individual Project	1	0	0	1	47
Health	Non-Infrastructure	Health Facility Revitalisation Grant	Wellington - Windmeul Clinic - HT - Upgrade and Additions (Alpha)	Individual Project	0	543	957	1500	47
Health	Upgrading and Additions	Health Facility Revitalisation Grant	Wellington - Windmeul Clinic - Upgrade and Additions (Alpha)	Individual Project	153	1563	82	1798	47

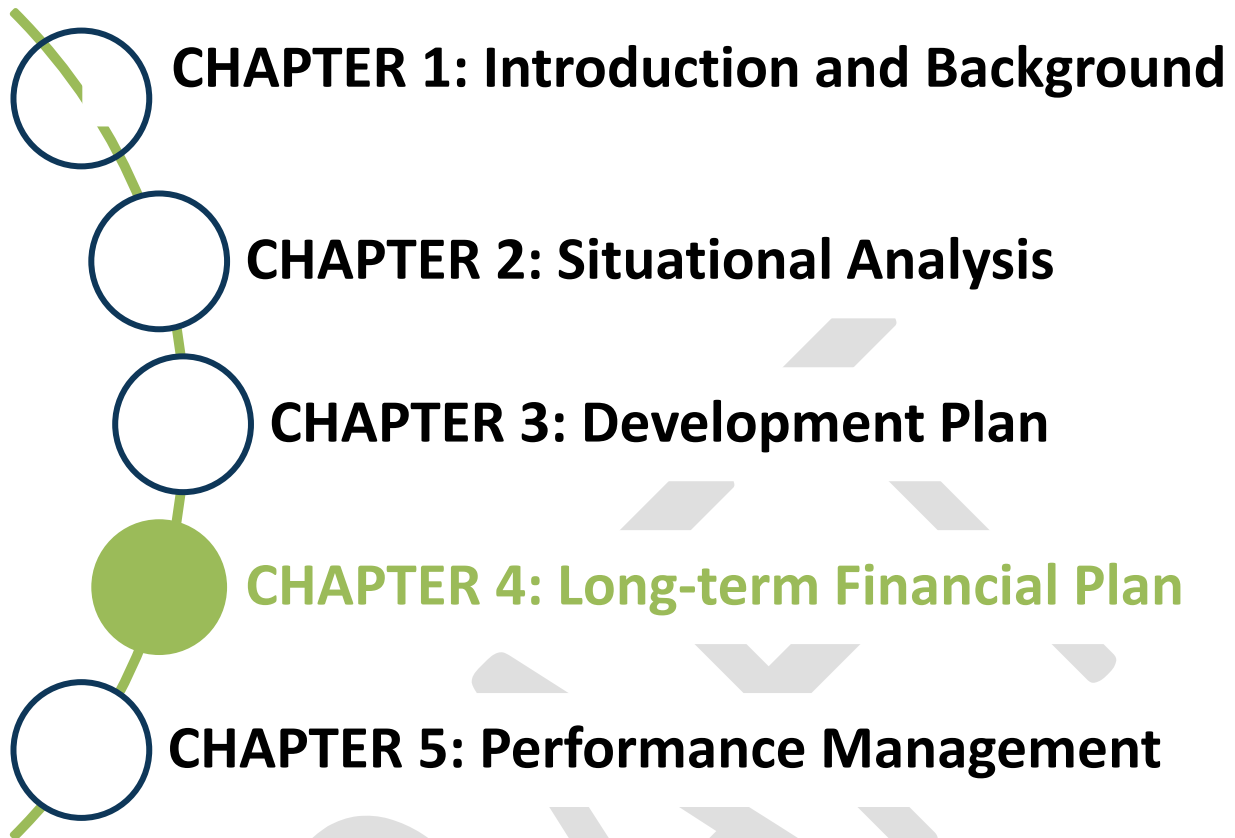


**DRAKENSTEIN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN (IDP) | 2021/2022**

Department	Nature of Investment	Funding Source	Project Name	Delivery Mechanism	2021-22	2022-23	2023-24	MTEF	Municipal PDO
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Drakenstein: Paarl Dignified Informal Settlements - 298 - UISP	Individual project	10800	6000	0	16800	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Drakenstein: Paarl, Chester Williams: Planning 139 Sites - UISP	Individual project	1476	5340	0	6816	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Drakenstein: Paarl, Lovers Lane: Planning: 168 Sites - UISP	Individual project	768	10080	0	10848	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Fairylands	Individual project	0	5200	0	5200	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	DHS: Drakenstein: Paarl: Vlakkeland: Planning - 3935 IRDP - Phase 1	Packaged program	6893	0	0	6893	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Paarl Vlakkeland (Ph1.1 188 sites/188 units)	Packaged program	58110	0	0	58110	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Saron (350)	Individual project	0	6000	0	6000	50
Human Settlements	Infrastructure Transfers - Capital	Human Settlements Development Grant	Siyahlala	Individual project	0	1950	0	1950	50

**DRAKENSTEIN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN (IDP) | 2021/2022**

Department	Nature of Investment	Funding Source	Project Name	Delivery Mechanism	2021-22	2022-23	2023-24	MTEF	Municipal PDO
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1102 PRMG Reseal Windmeul	Individual Project	227000	0	0	227000	25
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	Provincial Roads Maintenance Grant	C1105 PRMG Du Toit's kloof Pass	Individual Project	0	85000	0	85000	25
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C1105 Reseal Du Toits Kloof	Individual Project	30000	0	0	30000	25
Transport and Public Works	Upgrading and Additions	Equitable Share	C1120 Pearl Valley	Individual Project	25000	120000	45000	190000	25
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C1142 Rehab Simondium Reseal	Individual Project	0	0	87224	87224	25
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	Equitable Share	C749.2 Paarl - Franschoek	Individual Project	35000	0	0	35000	25
Transport and Public Works	Upgrading and Additions	Equitable Share	Haasekraal DM	Individual Project	1000	0	0	1000	25
<b>TOTAL</b>					<b>442523</b>	<b>320272</b>	<b>206963</b>	<b>969758</b>	



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**This Chapter will be included in the Final IDP Review 2021/2026 to be tabled in Council in May 2021 after due public consultation.**

## 4. CHAPTER 4: LONG-TERM FINANCIAL PLAN

### 4.1 INTRODUCTION

The purpose of this chapter is to outline a comprehensive multi-year financial plan that will ensure long-term financial sustainability for Drakenstein Municipality. The Financial Plan is essential to ensure that the Municipality continues to implement its mandate effectively without eroding its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

This plan will also focus on the expansion of Drakenstein's revenue sources in relation to its costs to ensure that the Municipality stays a financially viable and sustainable going concern. Drakenstein must utilise available financial resources in an effective, efficient and economical way to ensure that outputs have the desired outcomes as set out in Chapter 5 of the IDP. The financial strategies detailed in this plan must contribute to the achievement of these objectives.

Budgets in terms of National Treasury's Municipal Budget and Reporting Regulations only need to cover a planning period of the next financial year and the two outer financial years thereafter. However, the MTREF and the multi-year sustainable financial plan will cover key budget focus areas over the next five years and the LTREF (Long term revenue and expenditure framework) even longer. It will also cover the current financial year's information as well as the previous three financial years' audited information.

A discussion will now follow on Pre-Determined Objectives consisting of a financial framework, financial strategies, financial policies, budget assumptions, operating revenue, operating expenditure, capital expenditure, capital expenditure funding, the Prioritisation Model for Capital Asset Investment, long-term financial sustainability ratios and a concluding statement.

### 4.2 KEY INFLUENCES AND RISKS

This Long-Term Financial Plan (LTFP) generates information which is used to guide decisions about Council operations into the future. However, as with any long-term plan, the accuracy of this LTFP is subject to many inherent influences. These variables and risks can be divided into two main categories:

#### 4.2.1 External Influences – items outside of the Municipality's control:

Unforeseen political and economic changes or circumstances such as:

- Interest rates fluctuations;
- Localised economic growth through residential development and new business;
- Consumer Price Index;
- Changes in levels of grant funding;
- Changes to tariffs and levies and their conditions (e.g. Eskom bulk tariff increases);
- Availability of essential resources such as fuel, electricity and water;
- Community needs and expectations;
- A change in the level of legislative compliance; and
- Economic changes due to health disasters.

**Variable climatic conditions such as:**

- Flooding;
- Fires; and
- Drought.

**4.2.2 Internal Influences – items that the Municipality can control:**

- Agreed service level review outcomes;
- Infrastructure asset management;
- Rates and other tariff increases;
- Performance management;
- Efficiencies in service delivery and administrative support; and
- Salaries and wages (vacancy rate).

**4.3 MACRO ECONOMIC SITUATIONAL ANALYSIS**

2020 will be the year that will be remembered for the outbreak of COVID-19 (the Corona virus), an event that caused more than half of the world's population to go into lockdown and which has now fundamentally changed the world. The magnitude and speed of collapse in activity that has followed is unlike anything experienced in our lifetimes. This is a crisis like no other, and there is substantial uncertainty about its impact on people's lives and livelihoods. A lot depends on the epidemiology of the virus, the effectiveness of containment measures, and the development of therapeutics and vaccines, all of which are hard to predict. In addition, many countries now face multiple crises—a health crisis, a financial crisis, and a collapse in commodity prices, which interact in complex ways. Policymakers are providing unprecedented support to households, firms, and financial markets, and, while this is crucial for a strong recovery, there is considerable uncertainty about what the economic landscape will look like when we emerge from this lockdown.

The International Monetary Fund projects global growth in 2020 to fall to -3% (minus three percent). This is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period. This makes the Great Lockdown the worst recession since the Great Depression, and far worse than the Global Financial Crisis.

Countries, such as South Africa, reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions. Emerging market and developing economies face additional challenges with unprecedented reversals in capital flows as global risk appetite wanes, and currency pressures, while coping with weaker health systems, and more limited fiscal space to provide support. Moreover, several economies entered this crisis in a vulnerable state with sluggish growth and high debt levels.

For the first time since the Great Depression both advanced economies and emerging market and developing economies are in recession. For this year, growth in advanced economies is projected at -6.1 percent. Emerging market and developing economies with normal growth levels well above advanced economies are also projected to have negative growth rates of -1.0 percent in 2020, and -2.2 percent if China is excluded. Income per capita is projected to shrink for over 170 countries. Both advanced economies and emerging market and developing economies are expected to partially recover in 2021.

**Graph 19: Latest World Economic Outlook Growth Projections – April 2020**

Region/country Percentage	Actual	Forecast		
	2010-2018	2019	2020 <sup>1</sup>	2021 <sup>1</sup>
<b>World</b>	<b>3.8</b>	<b>2.9</b>	<b>-3.0</b>	<b>5.8</b>
<b>Advanced Economies</b>	<b>2.0</b>	<b>1.7</b>	<b>-6.1</b>	<b>4.5</b>
United States	2.3	2.3	5.9	4.7
Euro area	1.4	1.2	7.5	4.7
United Kingdom	1.9	1.4	6.5	4.0
Japan	1.4	0.7	5.2	3.0
<b>Developing Countries</b>	<b>5.2</b>	<b>3.7</b>	<b>-1.0</b>	<b>6.6</b>
Brazil	1.4	1.1	5.3	2.9
Russia	1.4	1.3	5.5	3.5
India	1.4	4.2	1.9	7.4
China	7.8	6.1	1.2	9.2
<b>Sub-Saharan Africa</b>	<b>4.2</b>	<b>3.1</b>	<b>-1.6</b>	<b>4.1</b>
South Africa (SARB)	1.8	0.2	-6.1	2.2
South Africa (IMF)	1.8	0.2	-5.8	4.0
Nigeria	3.9	2.2	-3.4	2.4
Kenya	5.9	5.6	1.0	6.1

1. Forecast

Source: IMF World Economic Outlook, April 2020, South African Reserve Bank

For sub-Saharan Africa, the World Bank projects that economic growth in Sub-Saharan Africa will decline from 2.4 percent in 2019 to -2.1 to -5.1 percent in 2020, the first recession in the region in 25 years. It will cost the region between US\$37 billion and US\$79 billion in terms of output losses for 2020. The downward growth revision in 2020 reflects macroeconomic risks arising from the sharp decline in output growth among the region's key trading partners, including China and the euro area, the fall in commodity prices, reduced tourism activity in several countries, as well as the effects of measures to contain the COVID-19 global pandemic's. The COVID-19 shock is hitting the region's three largest economies—Nigeria, South Africa, and Angola—in a context of persistently weak growth and investment, and declining commodity prices. The prices of crude oil and industrial metals have fallen sharply (by 50 and 11 percent, respectively, between December 2019 and March 2020). Model simulations suggest that, compared with a no-COVID base case, average real gross domestic product (GDP) growth in these countries could be reduced by up to 6.9 percentage points in 2020 in the baseline scenario, and by up to 8 percentage points in the downside scenario. South Africa has the largest number of confirmed cases in the region, and strict measures to contain and mitigate the spread of the virus are weighing on the economy's more generally, countries that depend on oil exports and mining would be hit the hardest.

**Graph 20: Economic Exposure to COVID-19 of Sub-Saharan African Countries**

		China Exposure	
		Low	High
Commodity Exposure	Low	Benin Botswana Burkina Faso Burundi Cabo Verde Cameroon Central African Rep. Chad Eswatini Gambia, The Kenya Malawi Mali	Congo, Dem. Rep. Ethiopia Guinea Liberia Lesotho Madagascar
	High	Côte d'Ivoire Ghana Guinea-Bissau Mozambique	Angola Congo, Rep. Gabon Equatorial Guinea Mauritania Zambia

Sources: World Development Indicators, World Bank; Direction of Trade Statistics, International Monetary Fund.

Locally South Africa's economy was already fragile as it entered the COVID-19 shock, as the Rating agency Moody's downgraded the country's credit rating to sub investment status, also Fitch and S&P Global Ratings also ranked South Africa at "junk" status.

During April 2020, the South African Reserve Bank predicted a scenario for a deep recession in 2020, followed by a rapid upswing in economic growth. The Bank expects GDP in 2020 to contract by 6.1%. GDP is expected to grow by 2.2% in 2021 and by 2.7% in 2022. The Bank's headline consumer price inflation forecast averages 3.6% for 2020, 4.5% for 2021, and 4.4% in 2022. The forecast for core inflation is lower at 3.8% in 2020, 4.0% in 2021, and 4.2% in 2022. In line with the experience of other emerging markets – and similar to other shocks we have experienced in the past – the exchange rate has depreciated significantly and bond yields have risen.

Other national projections of the economic impact vary and include the following key considerations:

- Unemployment in RSA may increase by up to 50%;
- A loss of income of vulnerable households, affecting up to 75% of informal traders;
- A decline in SARS revenue collection anywhere between 10%-30%, together with losses in municipal revenue, and intergovernmental transfers; and
- A rising debt-to-GDP ratio of up to 100%.

It is thus clear from a global perspective right down to a local perspective, that it is not business as usual and that the Long-Term Financial Plan of Drakenstein Municipality will need to take this approach.

#### 4.4 FINANCIAL FRAMEWORK

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health and financial sustainability benchmarks for a municipality. A municipality can be categorised into a developed or a developing municipality. Drakenstein can be categorised as a developing or growing municipality simply because Drakenstein is the economic hub of the Cape Winelands District.

Developing municipalities will require significant additional resources and funding to conduct the growth that is expected of them. With the demands for growth come risks that need to be managed. The priority from a financial risk perspective is the viability and sustainability of the Municipality. This financial plan and related strategies will need to address a number of Pre-Determined Objectives in order to achieve this goal. The areas which have been identified are discussed below.

##### 4.4.1 Revenue adequacy and certainty

It is essential that Drakenstein has access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to the source, amount and timing of revenue. The latest DoRA has laid out the level of funding from National Government that will be received for the 2020/2021 to 2022/2023 financial years.

It is important to track the respective sources of revenue received by the Municipality as they can be quite different and can vary substantially depending upon the development phase that the Municipality is in. Knowledge of the sources of funding will illustrate the Municipality's position more accurately, its ability to secure loans relative to its income and its borrowing capacity.

From an independent study conducted in 2015/2016 (and the subsequent review thereof in March 2017) on the long-term financial planning of Drakenstein, the risk to generate own municipal revenues (excluding grants), within the socio-economic environment in which Drakenstein operates, was identified as "high" per the study undertaker's own municipal revenue risk indicator, largely due to the relatively high unemployment rate within the region. The recommendation of this study to lower this risk includes the safeguarding of existing revenue sources and the increase in future revenues by more than the CPI growth rate. It was recommended that the increase in future revenues be achieved by a combination of increased sales, increase in tariffs and new revenue sources through the increase of its tax base.

It is for this reason that the Municipality embarked on the high capital investment approach between 2016/2017 and 2018/2019.

##### 4.4.2 Cash/liquidity position

Cash and cash management is vital for the short-, medium- and long-term survival and good management of an organisation. This is also the case with Drakenstein Municipality. The appropriate benchmarks which can assist in assessing the financial health of the Municipality are:

- The **current ratio**, which expresses the current assets as a proportion to current liabilities. A current ratio between one point five and two to one (1.5-2:1) is acceptable and considered to be very healthy



in terms of the National Treasury Guidelines. Drakenstein's current ratio as at 30 June 2017 was 1.24:1; as at 30 June 2018 decreased to 0.95:1; and, as at 30 June 2019 decreased to 0.61:1. The restructuring of loans and the accompanied payment holidays, resulted in an increase of the current ratio to 0.74:1 as at 31 December 2019. The restructuring of loans will enable the Municipality to produce yearly operating cash surpluses to improve our cash back reserves position by the end of 2024/2025.

- The **debtors' turnover ratio**, which have a great impact on the liquidity of the Municipality, decreased to 60.2 days at 30 June 2019 compared to the 77.1 days as at 30 June 2018 and 65.2 days as at 30 June 2017. The **debtors' turnover ratio** (before considering the provision for impairment) at 30 April 2020 stood at 71.2 days, regressing from the previous month due to the impact of the COVID-19 lock down on the economy. Over the medium- and long-term the Municipality will attempt to decrease the debtors' turnover ratio to 65 days at the end of the 2020/2021 financial year, and to 64 days, 63 days, 62 days and 61 days at the end of the 2021/2022, 2022/2023, 2023/2024 and 2024/2025 financial years respectively, however the impact of the COVID-19 lockdown on the medium to long-term cannot be accurately predicted at this time.

The **debtor's turnover ratio** (after provisions for bad debt impairment) decreased to 44.3 days as at 30 June 2019 compared to the 47.8 days as at 30 June 2018 and 38.5 days as at 30 June 2017. At 30 April 2020 this ratio stood at 56.3 days, as mentioned above, due to the impact of the COVID-19 lockdown on the economy. Over the medium- and long-term the Municipality will attempt to decrease the debtors' turnover ratio (after provisions for bad debt impairment) to about 42 days over the MTREF period ending on 30 June 2025.

The "acceptable" norm is 30 days as per MFMA Circular 71. This norm cannot be met and should be at least 45 days due to current credit control legislation requiring certain notification actions from a municipality before the electricity supply to a consumer may be disconnected to enforce reaction from a consumer in arrears. Going the legal route to recover outstanding arrears cannot be done within 30 days. It is an unreasonable norm.

- The **revenue collection rate** which largely determines if the Municipality remains a going concern. Drakenstein will endeavour over the short-, medium- and long-term to collect at least 90% of its billed revenue. Due to the impact of the COVID-19 lockdown, the collection rate and the accompanying provision for doubtful debt has been reviewed and a provision for doubtful debt impairment of 4.3% of expected billed revenue (services and property rates) had been made. For each of the four outgoing years of the MTREF a provision of 4.6% (2021/2022), 4.6% (2022/2023), 4.2% (2023/2024) and 2.4% (2024/2025) has been made. The majority of debt older than 90 days has been provided for and the writing-off of irrecoverable debt of all indigent households and the incentives in the Writing-Off of Irrecoverable Debt Policy will reduce the debtor's turnover ratio over the short- and medium-term.

#### 4.4.3 Sustainability

Drakenstein needs to ensure that its operating budget is balanced and cash-funded through realistically anticipated revenue to be received/collected to cover operating expenditure. As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable; and, that the full costs of service delivery are recovered. However, to ensure that households, which are too poor to pay for even a

portion of their basic services, at least have access to these basic services; there is a need for the subsidisation of these households through an indigent support subsidy.

The operating budget should also generate reasonable and sustainable cash surpluses to assist with the financing of capital budget expenditure since Drakenstein infinitely cannot continue to finance capital projects with external borrowings. Net financial liabilities (total liabilities less current assets) as a percentage of total operating revenue (capital items excluded) should be below acceptable target levels to ensure long-term financial sustainability. Current assets should be maintained and renewed or replaced in time to ensure that services are rendered at the desired quality levels over the long-term. For this purpose, a Long-Term Financial Sustainability Policy with three critical financial sustainability ratios was developed.

#### **4.4.4 Effective and efficient use of resources**

In an environment of limited resources, it is essential that the Municipality make maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment will increase poor people's access to basic services. It is therefore imperative for the operating budget to be compiled on the zero-base budget approach to eliminate any "fat" usually built in a budget with an incremental approach.

#### **4.4.5 Accountability, transparency and good governance**

The Municipality is accountable to the people who provide the resources, for what they do with these resources. The budgeting process and other financial decisions should be open to public scrutiny and public participation. In addition, the accounting and financial reporting procedures must minimise opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

#### **4.4.6 Equity and redistribution**

The Municipality must treat people fairly and justly when it comes to the provision of services. In the same way the Municipality should be treated equitably by national and provincial government when it comes to inter-governmental transfers. The "equitable share" from national government will be used primarily for targeted subsidies to poorer households. In addition, the Municipality will continue to cross-subsidise between high- and low-income consumers within a specific service or between services. Unfunded and underfunded mandates remain a financial burden to Drakenstein's customer base due to national and provincial transfers not following the functions that Drakenstein perform on behalf of national and provincial government.

#### **4.4.7 Development and investment**

In order to deal effectively with backlogs in services, there is a need for the Municipality to maximise its investment in municipal infrastructure. Due to our financial constraints the underlying policies should encourage the maximum degree of private sector investment.

#### **4.4.8 Macro-economic investment**

As the Municipality plays a significant role in the Cape Winelands District Area, it is essential that it operates efficiently within the national and provincial macro-economic framework. Drakenstein's financial and developmental activities should therefore support national and provincial fiscal policy.

#### **4.4.9 External borrowing**

The strong capital market in South Africa (commercial banks and other borrowing institutions like the DBSA, etcetera) provides an additional instrument to access financial resources. However, the Municipality may not borrow to balance its operating budget and to finance any operating expenditure.

The Municipality has, due to residential and business growth pressures, invested significantly in bulk and other infrastructure over the last decade, mainly funding these investments from external loans. This was done based on residential and business growth expectations and the envisaged growth in the tax base to assist with the repayment of these external loans. Due to the slowdown of the economy, residential developments are taking place at a slower rate than assumed five years ago and the interest and redemption repayments was starting to strangle the current tax base. For this reason, the Municipality decided to restructure its existing loans and extend existing repayment terms of the ten-year external loans with new refinancing loan agreements for up to 17.5 years.

Safeguards needs to be put in place to ensure that the Municipality borrows in a responsible way going forward. In order to have access to this market, the Municipality will need to have more accurate and appropriate financial accounting and reporting systems. We will have to ensure that we generate enough cash reserves to honour repayment commitments.

The manner in which the Municipality manages debt or takes on new debt to finance investment activities will have a significant impact on the solvency and long-term viability of the Municipality. Drakenstein aims at a maximum borrowing level of external loans that will not exceed 50% of the total operating revenue (capital grants excluded) over the medium-term. The Municipality is thus cautious not to over borrow in the medium to long term.

#### **4.5 FINANCIAL STRATEGIES**

With the above framework as a background, strategies and programmes have been identified and form part of this Long-Term Financial Plan to achieve the desired objective and that is the financial viability and sustainability of the Municipality.

The Municipality has introduced a revenue management, expenditure management and cost containment programme under the leadership of the City Manager to raise and collect all revenue due to the municipality. Included in this programme is a focus on expenditure management and cost containment to ensure that available resources are optimised for quality service delivery.

#### 4.5.1 Revenue raising strategies

The following are some of the more significant programmes that have been identified:

- The implementation of the new Credit Control and Debt Collection Policy and Indigent Support Policy. These policies and the relevant procedures detail all areas of customer care, credit control, indigent support and debt collection of the amounts billed to customers, including procedures for non-payment, etcetera. These policies also define the qualification criteria for an indigent household and the level of free basic services enjoyed by indigent households.
- The implementation of the reviewed Tariff Policy. This policy will ensure that fair tariffs are charged in a uniform manner throughout the municipal area.
- The implementation of the reviewed Property Rates Policy. This policy ensures that fair deferential rates and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the Municipality's records. Furthermore, the policy will ensure that valuations are systematically carried out on a regular basis for all properties.
- The implementation of the reviewed Writing-Off of Irrecoverable Debt Policy with special incentives to encourage outstanding debtors to pay a certain percentage of their outstanding debt and the Municipality to write-off a certain percentage of outstanding debt in terms of the approved policy.
- The review and implementation of an improved Payment Strategy. This strategy aims at implementing innovative cost-effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems. It includes a revenue protection unit that implement and see to it that credit control actions in terms of Council's policies are enforced vigorously to improve payment percentage levels.
- The implementation of revenue enhancement strategies to ensure that all the properties in Drakenstein Municipality are levied all the required services. These strategies will ensure that revenue gaps are closed and that the municipality bills consumers for all services rendered.

In addition to the above, the revenue management programme under the leadership of the City Manager aims to raise and collect all revenue due to the municipality and has the following as focus areas:

- **Property rates:** Monitoring the compilation of the 2021/2022 - 2024/2025 general and supplementary valuation rolls, by the appointed independent valuer.
- **Electricity revenue:** Investigate the impact of consumers going "off-grid" on the electricity revenue and mitigating actions to reduce the effect on the revenue stream.
- **Water revenue:** Investigate what measures can be implemented to curb water wastage in informal settlements as well as to reduce the high kiloliters consumed by indigent households.

- **Sanitation revenue:** Investigate the tariff structure, as the base on which the tariff is calculated (i.e. number of toilets/urinals) are open to error due to a lack of credible information (i.e. human error, building plans outdated/non-existent, illegal toilets installed).
- **Refuse removal revenue:** Investigate the tariff structure of multiple removals per week – revenue versus cost of providing service.
- **Housing rental:** Review of the base on which rentals are calculated, as unequal rent is currently levied.
- **Integration of GIS and Solar (financial system):** Report on the integration of GIS, spatial planning and SOLAR (financial system)
- **Traffic fines:** Two officials appointed by the service provider. Roadblocks are held on a regular basis. Sixteen moveable cameras are operational and installed. Monthly report on the monetary value of budgeted traffic fines revenue, actual traffic fines issued and actual cash received. Report of municipal officials and councillors with outstanding traffic fines. Report on officials driving municipal vehicles with outstanding traffic fines.
- **Funding options (Grants):** Investigate the possibility to obtain grants/funds from Provincial Government and other sources.
- **Optic fibre project:** Consider the implementation of a 5<sup>th</sup> utility in the form of an optic fibre service.
- **Saron debtors – Project plan:** Investigate alternative credit control measures in areas such as Saron, where traditional credit control measures, such as the blocking of pre-paid electricity, is not available.
- **Transfer of rental stock:** Investigate and obtain public participation into the transfer of rental stock to lessees.
- **Utilisation/alienation of land and buildings:** Identify sites not required for basic services to be sold.
- **Financial recovery plan:** Focus on revenue and debtors management to ensure that the municipality remains sustainable.

#### 4.5.2 Expenditure management and cost containment

The expenditure management and cost containment programme under the leadership of the City Manager focuses on the following expenditure and cost containment aspects to ensure that available resources are optimised for quality service delivery:

(a) **Fleet management/vehicle hire/mechanical workshop:** Actions include:

- Monthly monitoring and reporting on the vehicles in the workshop for repair per department/ division;
- Monthly monitoring and reporting on the Top 10 drivers with driver behaviour offences (CTrack) and discussion of driver behaviour with applicable drivers where required. Disciplinary action will be taken against drivers not using their municipal vehicle tags;
- Monthly reporting on driver accidents per department for the last twelve months;

- The investigation of rental of vehicles through the WC Department of Transport and Public Works: Government Motor Transport (GMT);
- Discussions with Northlink College to implement an apprenticeship programme for mechanics; and
- Identification of vehicles that are uneconomical to repair to be auctioned.

(b) **Fuel and tyre management:** Actions include:

- Monitoring of the monthly expenditure report on petrol/diesel/tyres; and
- Considering the moving of the fuel tanks (new fuel tanks to be installed at the new municipal stores site opposite the mechanical workshop) versus the procurement of fuel from private entrepreneurs or e-fuel system.

(c) **Stores issues:** This includes an investigation by the Stores Task Team (STT) on how the stores system will be decentralised and if organisational structure changes are needed.

(d) **Office furniture and equipment:** This includes monitoring that no additional furniture will be purchased, but rather that broken furniture should be repaired and re-used.

(e) **Telephone expenditure:** This includes reporting on a detailed level on telephone expenditure per department and per employee.

(f) **Photocopy expenditure:** Actions include:

- Monthly monitoring and reporting of budgeted and actual photocopy expenditure; and
- Placing of a moratorium on the leasing of photocopier machines.

(g) **Security services:** Actions include:

- Monthly monitoring and reporting on budgeted and actual security services expenditure;
- Implementation of alarm systems versus the reduction of warm bodies (security guards); and
- Extra security measures includes beams, panic buttons etcetera.

(h) **Overtime:** This includes monthly monitoring and reporting on overtime.

(i) **Standby allowances:** This includes monthly monitoring and reporting on standby allowances.

(j) **Catering/refreshments:** This includes the review of budgeted funds for catering and refreshments.

(k) **Events:** This includes reducing event expenditure and rather providing in-kind support to events.

(l) **Consultants:** This includes monthly monitoring and reporting on budgeted and actual consultants' expenditure.

(m) **Rehabilitation/development of landfill sites:** This includes an investigation into the rehabilitation of landfill sites through development initiatives.

(n) **External leasing of properties:** This includes an investigation into the renewal of properties to lease to reduce property lease expenditure.

- (o) **Financial recovery plan:** Identify areas of expenditure (operational and capital), where further budget cuts and reduction of losses can be made.

#### **4.5.3 Asset management strategies and programmes**

The municipality's Asset Management Committee (AMC) has selected certain initial priority Pre-Determined Objectives, based on self-assessment of Drakenstein Municipality's current asset management "maturity". These focus areas are:

- (a) **Strategy management:** The AMC will oversee the implementation of an Asset Management Strategy, the Asset Management Policy, Asset Maintenance Policy and master plans.
- (b) **Information management:** This includes investigations and procedures towards implementation of an appropriate Integrated Asset Management System software to maintain a register of physical assets, to interface with the financial management system for all financial and organisational data processing, as well as to store spatial data of all assets or interface with the Geographic Information System.
- (c) **Technical information:** A detailed, hierarchically structured register will be compiled and maintained for all physical assets, with their important attributes listed. This register will be synchronised with the financial assets data to ensure alignment and be kept up to date with any movement, addition or removal of physical assets.
- (d) **Organisation and development:** It is envisaged that Drakenstein Municipality's management shall develop and/or participate in the development and implementation of systems and processes to ensure that their staff have the necessary skills and competencies for the healthy, safe, environmentally-friendly and cost-effective management of physical assets.
- (e) **Work planning and control:** The Municipality aim to utilise the Integrated Asset Management System software for all maintenance work planning and control activities. This will be done according to the formal business processes to be developed.
- (f) **Life cycle management:** It is envisaged that Drakenstein Municipality, through the AMC (including sub-committees), the relevant Departments/Divisions and the Financial Services Department will apply life-cycle management of municipal assets by establishing procedures and processes such as:
  - Making recommendations in conjunction with the line managers at the various areas regarding the long-term replacement plan and the verification of replacement decisions;
  - Preparing detailed specifications and cost justifications for the acquisition of new equipment;
  - Managing the decommissioning of old equipment in a manner to ensure maximum financial benefit, minimal operational disruption and minimal environmental damage; and
  - Including life-cycle cost estimates in the design process for all new projects.

Drakenstein Municipality also considers risk management to be a key component for its business continuity and will devote the required effort and resources to ensure that the risks faced by the organisation in the course of its business activities, are appropriately identified, measured, evaluated and managed. The



Municipality applies control and safeguards to ensure that assets are protected against improper use, loss, theft, malicious damage or accidental damage. The existence of assets is physically verified from time-to-time, and measures adopted to control their use. Significant assets are insured in accordance with the municipality's approved Insurance Management Policy. All insured assets are handled in terms of the Insurance Management Policy as agreed with the appointed Insurance Brokers.

#### **4.5.4 Other financial management strategies and programmes**

The following are some of the more significant programmes that have been identified:

- (a) The on-going review of the computerised financial accounting system (SOLAR) and the post-implementation review of the municipal Standard Chart of Accounts (mSCOA).
- (b) Integration of all computerised systems and acquisition of hardware and software required. The integration of computerised systems and acquisition of the required hardware and software within the Municipality to ensure that information is accurate, relevant and prompt, which in turn will facilitate the smooth running and effective management of the Municipality.
- (c) Development of an mSCOA compliant Medium-Term Revenue and Expenditure Framework (MTREF) Budget.
- (d) Develop and implement a uniform budget reporting framework compliant with National Treasury's Municipal Budget and Reporting Regulations. Implementation of a budget module on the financial system.
- (e) Review and update asset, budget and accounting policies and procedures.
- (f) Training and development of financial and other staff. The aim of this project will be to ensure that the financial and other staff members receive the training they require to ensure a cost-effective and efficient service to the Municipality and its customers.
- (g) Enhance budgetary controls and timeliness of financial data. Building the capacity of the Budget and Treasury Office to ensure that financial information for reporting purposes is generated timeously. It will also include the monitoring and reporting on budget variances.

#### **4.5.5 Capital financing strategies and programmes**

The following are some of the more significant programmes that have been identified:

- (a) The monitoring of the Borrowing Policy. This policy ensures that any external borrowings taken up by the Municipality will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.
- (b) The development and implementation of a policy for accessing alternate finance (including donor finance), specifically seen in the current situation where a moratorium has been placed on the



municipality to enter into any long-term debt until 2024/2025. Also refer to the discussion on grant funding in section 4.11.2.

- (c) The monitoring of the reviewed Prioritisation Model for Capital Assets Investment Policy for the prioritisation of capital projects to be implemented with scarce available financial resources that will have the biggest impact in improving the quality of life of Drakenstein's customer base. Implementation and monitoring of the capital prioritisation & monitoring software programme and database with all identified needs costed and linked to a ward or an area of the Municipality. It needs to be noted at this stage that national and provincial government programmes and grant funding often influences the capital investment programme of Drakenstein. This is something that the Municipality has little control over.

## **4.6 FINANCIAL POLICIES**

### **4.6.1 General financial philosophy**

The financial philosophy of Drakenstein is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services for the citizens of Drakenstein.

It is the goal of the Municipality to achieve a strong financial position with the ability to withstand local and regional economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain, improve and expand the Municipality's infrastructure; to manage the Municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, coordinate and implement responsible and sustainable community development and growth; and, to provide a high level of fire and other protective services to assure public health and safety.

Based on the financial framework, financial strategies and the general financial philosophy statement, the Municipality have to develop financial policies that support the above. Drakenstein's financial policies shall also address the following fiscal goals:

- (a) To keep the Municipality in a fiscally sound position in both the long- and short-term;
- (b) To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- (c) To apply credit control policies which maximise collection while providing relief to the indigent;
- (d) To implement credit control policies that recognise the basic policy of customer care and convenience;
- (e) To operate utilities in a responsive and fiscally sound manner;
- (f) To maintain and protect existing infrastructure and capital assets;
- (g) To provide a framework for the prudent use of debt financing; and
- (h) To direct the Municipality's financial resources toward meeting the goals of the Municipality's Integrated Development Plan (IDP).

#### 4.6.2 Budget-related policies

The annual budget is the central financial planning document, directed by the IDP that embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly control and be reported to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a mid-term review, which will result, if needed, in a Revised Budget. These principles are embedded in the **Budget and Management Oversight Policy**.

The **Virement Policy** allows the City Manager and his administration to transfer funds from one vote to another vote within policy directives to improve effective and efficient service delivery.

Adequate maintenance and replacement of the Municipality's assets (property, plant and equipment) will be provided for in the annual budget as far as funding is available. It will be informed by Council's **Asset Management Policies**.

The budget shall balance recurring operating expenses to recurring operating revenues. The budget will have revenue plans based on realistically anticipated revenue to be collected and expenditure figures. Plans will be included to achieve maximum revenue collection percentages. More about this when the revenue raising policies are discussed below.

#### 4.6.3 Capital infrastructure investment policies

The Municipality has established and implemented a comprehensive ten-year Capital Expenditure Framework (CEF). The CEF will be updated annually and could be extended to even twenty years to ensure that bulk infrastructure services and internal infrastructure services together with the foreseen funding sources are planned in an integrated and coordinated manner. This will include bulk and internal services for human settlement programmes. A comprehensive ten-year CEF will be compiled for the 2020/2021 financial year to be approved by Council.

An annual capital investment budget will be developed and adopted by the Drakenstein Municipality as part of the annual budget. The Municipality make all capital improvements in accordance with the CEF and IDP. This is done based on the developed Prioritisation Model for Capital Assets Investment Policy. Drakenstein also has a **Developer Contribution Policy** aimed to generate additional funding from developers to assist in the upgrading of bulk infrastructure services.

Un-expensed capital project budgets shall not be carried forward to future fiscal years unless the project expenditure is committed or funded from grant funding and approved external loans. Routine capital needs will be financed from current revenues (Capital Replacement Reserve) as opposed to the issuance of long-term debt. The Municipality will maintain all assets at a level adequate to protect the Municipality's capital investment and to minimise future maintenance and replacement costs.

#### 4.6.4 Revenue policies

The Municipality will estimate annual revenues through a conservative, objective and analytical process based on realistically anticipated revenue to be collected. The Municipality will consider market rates and charges levied by other public and private organisations for similar services in establishing rates, fees and charges.

Drakenstein will set fees and user charges at a level that fully supports the total direct (primary) and indirect (secondary) costs of operations. Tariffs will be set to reflect the developmental and social policies of Council. These principles are embedded in the reviewed **Tariff Policy**.

Drakenstein will implement and maintain a property valuation system based on market values of all properties within its boundaries as well as periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. Fees will be adjusted where appropriate to reflect these increases. These principles and the raising of property rates are contained in the **Property Rates Policy**.

The Municipality will continue to identify and pursue grants and appropriations from province, central government and other agencies that are consistent with the Municipality's goals and strategic plan and to eradicate unfunded and underfunded mandates.

#### **4.6.5 Credit control policies and procedures**

Drakenstein will follow an aggressive policy of collecting revenues from those who can afford to pay for their services. For this purpose, the **Credit Control and Debt Collection Policy** and the **Indigent Support Policy** was developed and reviewed. Currently as at 30 April 2020, households owe 61.4% of outstanding service charges and property rates (VAT included) compared with the 72.3% as at 30 June 2019 (of which 77.4% was considered recoverable). Therefore, the **Writing-off of Irrecoverable Debt Policy** with incentives was developed to reduce the outstanding debt with the aim to get households and other consumers out of their spiral of debt over the next three financial years. It seems that this approach is working slowly but surely as more and more household customers' starts using these incentives.

#### **4.6.6 Supply chain management**

The **Supply Chain Management Policy** will ensure that goods and services are procured compliant with legislative requirements in a fair, equitable, transparent, competitive and cost-effective way. It includes the disposal of goods or assets not needed anymore for basic service delivery and it must be read in conjunction with Council's **Assets Transfer Policy**.

Contract management was a focus area in the past financial years and will receive even more attention during 2020/2021 after the establishment of a Contract Management Unit during 2018/2019. This unit will ensure that contracts awarded to service providers to render services are managed and monitored appropriately.

#### **4.6.7 Investment policies**

In terms of Section 13(2) of the Municipal Finance Management Act each Municipality must establish an appropriate and effective **Cash Management and Investment Policy**. Investments of the Municipality shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the Municipality to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds.

The preservation of principal is the foremost objective of the investment program. Drakenstein will continue the current cash management and investment practices, which are designed to emphasise safety of capital

first, sufficient liquidity to meet obligations second, and the highest possible yield third. These principles are embedded in the **Cash Management and Investment Policy** of Council.

#### 4.6.8 Debt management policies

Drakenstein shall issue debt only when necessary to meet a public need and when funding for such projects is not available from current revenues or other sources. Long-term borrowing will be used to finance capital improvements as approved in the Municipality's CEF. Capital projects financed through the issuance of debt shall be financed for a period not to exceed the expected useful life of the project. The Municipality will not incur debt to finance current operations. Lease-purchase obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialised types of equipment, or other capital improvements. All these principles are embedded in the **Borrowing Policy** of Council.

#### 4.6.9 Asset management policies

The objective of the Asset Management Policies is to define the asset management intent of Drakenstein, including the life-cycle management, accounting and administrative policies and procedures relating to physical assets (immoveable and movable assets) and computer software (intangible assets) of Drakenstein Municipality. The principles and policy statements are embedded in the **Asset Management Policy (AMP)** and **Financial Asset Management Policy (FAMP)** of Council.

#### 4.6.10 Long-term financial sustainability policy

Financial sustainability over the long-term has to do with the maintenance of high priority expenditure programs, both operating and capital, to ensure program sustainability and desired quality of services to be rendered. There must also be rates and service charges stability and predictability in the overall rate burden by ensuring reasonable rates and service charges to fund programs. Fair sharing in the distribution of council resources and the attendant taxation between current and future ratepayers (intergenerational equity) must also be promoted to ensure that the current generation are not over-burdened for the use of infrastructure by future generations – in other words sound long-term financial management. Based on the above three elements financial sustainability by Drakenstein is defined as follows:

*“Drakenstein’s **long-term financial performance** and **financial position** is **sustainable** where **long-term planning** and **budgeting** as well as **infrastructure levels** and **standards** are met **without any substantial unplanned increases** in **property rates** and **service charges** or **inconvenient disruptive cuts** to **services**”*

Three key financial indicators or ratios were developed to influence long-term financial sustainability planning and budgeting. They are:

- An **operating surplus ratio** to influence financial performance planning and budgeting;
- A **net financial liabilities ratio** to influence financial position planning and budgeting; and
- An **asset sustainability ratio** to influence asset management performance planning and budgeting.

The entire above-mentioned are embedded in the developed **Long-Term Financial Sustainability Policy** approved by Council.

#### **4.6.11 Cost Containment Policy**

The object of the Cost Containment Policy, in line with the MFMA and the Cost Containment Regulations, is to ensure that resources of Drakenstein Municipality are used effectively, efficiently and economically by implementing cost containment measures.

The Policy provides for the application of principles, as defined in the Cost Containment Regulations, to Drakenstein Municipality and is applicable to all officials and political office bearers. Included in the **Cost Containment Policy** are guidelines with regards to:

- Use of consultants;
- Vehicles used for political office bearers;
- Travel and subsistence;
- Domestic accommodation;
- Use of credit cards;
- Sponsorships, events and catering;
- Communication;
- Conferences, meetings and study tours; and
- Other related expenditure items.

#### **4.6.12 Accounting policies**

The principles on which Drakenstein operate with regard to the presentation, treatment and disclosure of financial information forms part of the **Accounting Policy** adopted in the compiled yearly annual financial statements.

### **4.7 BUDGET ASSUMPTIONS**

Drakenstein Municipality has prepared its financial plans and forecast on the basis of sound historical income and expenditure trends, and based upon latest forecasts and knowledge to date. Future years forecasts are neither worst case scenario, or overly optimistic, and as such it is seen as little value to artificially revise these estimates to create a significant negative or positive variance that is not anticipated, as this could simply be misleading to the reader of this LTFFP.

In the table below the LTREF budget projection issues are depicted with the current financial year actual percentage increases and the assumed next ten financial year's increases.

**Key assumptions relating to the LTREF Budget includes the following:**

- Provincial government grants for the years 2020/2021 to 2022/2023 are as promulgated in the Provincial Gazette. For years four to ten estimated increases in terms of the year-on-year increase patterns were used where appropriate. National government grants for the years 2020/2021 to 2022/2023 are as per the Division of Revenue Bill (DoRB). For years four to ten estimated increases in terms of the year-on-year increase patterns were used where appropriate.

- The headline inflation rate (consumer price index or CPI) was 4.7% for the 2018/2019 financial year and is estimated at 4.1% for the 2019/2020 financial year. The estimated CPI for the 2020/2021 financial year is 4.5% and for the next two indicative financial years at 4.6% (2021/2022) and 4.6% (2022/2023) respectively (National Treasury MFMA Circular No 99 dated 9 March 2020). For years four to ten the CPI has been estimated at 4.6% for each year.
- Although the South African Local Government Bargaining Council (SALGBC) determines the cost-of-living increases by mutual agreement between the employer and the unions and a three (3) year wage agreement was concluded on 15 August 2018 providing guidance for the period 1 July 2018 to 30 June 2021, Drakenstein is considering to apply to the SALGBC for exemption for the increase in salaries, due to the unsustainability, especially seen in the light of dwindling debtors payment rates and revenue due to the impact of the COVID-19 pandemic and the accompanied lockdown of the economy.
- Bulk electricity purchases increased with 9.41% for the 2019/2020 financial year compared with the budgeted and estimated 6.9% for the 2020/2021 financial year.
- Bulk water purchases increased with 17.90% for the 2019/2020 financial year. The impact on Drakenstein Municipality was not that big due to the amount of discounted litres of water that we are contractually entitled to before we start to pay based on the increased tariff. An increase of 5% is included for the 2020/2021 financial year with an estimated 5.00% for the four outer years. It should be noted that due to water restrictions, the percentage tariff increase on bulk purchases for water is dependent on the relevant restriction level as well.
- Property rates revenue increased with 8.2% for the 2019/2020 financial year. Provision has been made for a property rates revenue increase of 7.5% for the 2020/2021 financial year and 7.5% for the next nine outgoing years.
- Electricity revenue for life line consumers (poor households) increased with 13.93% for the 2019/2020 financial year. Budgeted electricity revenue for life line consumers' increase with 6.22% (first 400 kWh) and with 2.41% (consumption above 400 kWh) for the 2020/2021 financial year. Due to a lack of direction from National Treasury and NERSA a forecasted amount was used to budget for the next nine outgoing years.
- Electricity revenue for other domestic consumers increased with 13.93% for the 2019/2020 financial year. Budgeted electricity revenue for other domestic consumers' increase with 4.90% for the 2020/2021 financial year. The lower than 6.43% increase is due to a request from NERSA to increase other domestic consumers' tariffs at a lower percentage. Due to a lack of direction from National Treasury and NERSA a forecasted amount was used to budget for the next nine outgoing years.
- Electricity revenue for all other consumers increased with 13.93% for the 2019/2020 financial year. Budgeted electricity revenue for all other consumers' increase with 6.43% for the 2020/2021 financial year. Due to a lack of direction from National Treasury and NERSA a forecasted amount was used to budget for the next nine outgoing years.
- Water revenue increased with 6.0% for the 2019/2020 financial year. Budgeted water revenue increase with 6.9%, for the 2020/2021 financial year and with 6.9% respectively over the nine outgoing years. This

approach needs to be taken to prevent water consumption to reduce to a level that will lead to a reduction in water revenue. Although lower consumption will lead to lower costs, this approach will lead to a smaller operating surplus. Water is a trading service and is supposed to generate an operating surplus and a smaller turnover will reduce the much needed profit to subsidise community services that cannot be covered through the property rates revenue raised.

- Refuse removal revenue increased with 10.80% for the 2019/2020 financial year. Budgeted refuse removal revenue increase with 7.8% for the 2020/2021 financial year as well as for the next nine outgoing years. Due to the stopping of the envisaged waste to energy project to ensure the extension of the useful life of the Wellington waste disposal site, other measures need to be put in place to reach the same objective.
- Sanitation revenue increased with 11% for the 2019/2020 financial year. Budgeted sanitation revenue increase with 8.3% for the 2020/2021 financial year as well as for the nine outer years. The higher than inflation increase are needed to ensure that sanitation revenue and expenditure break even in all financial years. Sanitation is an economic service and needs to break even as determined by Council's Tariff Policy.



Table 94: 2020/2030 LREF Key Budget Projection

2020/2030 LTREF KEY BUDGET PROJECTIONS													
SERIAL NUMBER	DESCRIPTION	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
COLUMN REFERENCE	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>GROWTH PARAMETERS</b>												
2	Growth (GDP)	0.70%	0.30%	0.90%	1.30%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
3	Headline inflation rates	4.70%	4.10%	4.50%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
4	<b>REVENUE INCREASES</b>												
5	Property rates revenue increase	8.20%	8.20%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
6	Property rates (Residential: Urban vs Rural)	100:100	100:100	100:100	100:100	100:100	100:100	100:100	100:100	100:100	100:100	100:100	100:100
7	Property rates (Residential: Rural: Rebate: W/R/S)	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3	7.5% x 3
8	Property rates (Privately Owned Towns: Rebate: PR/R/S)	7.5% x 3	5.0% x 3	2.5% x 3	0% x 3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Property rates (Residential vs Agriculture Property)	100:25	100:25	100:25	100:25	100:25	100:25	100:25	100:25	100:25	100:25	100:25	100:25
10	Property Rates (Business: Urban vs Rural)	100:60	100:60	100:60	100:60	100:60	100:60	100:60	100:60	100:60	100:60	100:60	100:60
11	Refuse removal services revenue increase	9.70%	10.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
12	Sanitation services revenue increase	15.00%	11.00%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%
13	Water services revenue increase	7.00%	6.00%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
14	Electricity life line consumers	6.84%	13.93%	6.22%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%
15	Electricity domestic consumers	6.84%	13.93%	4.90%	4.90%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%	6.43%
17	<b>GEARING</b>												
18	Gearing Ratio (NT formula)	78.92%	73.10%	64.56%	62.00%	54.94%	48.73%	42.87%	43.61%	43.90%	43.95%	44.10%	44.29%
19	Interest and Redemption as a % of total operating revenue (conditional grants excluded)	15.72%	6.85%	7.94%	7.61%	9.09%	8.41%	7.83%	7.19%	7.40%	7.50%	7.43%	7.09%



**DRAKENSTEIN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN (IDP) | 2021/2022**

SERIAL NUMBER	DESCRIPTION	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
COLUMN REFERENCE	A	B	C	D	E	F	G	H	I	J	K	L	M
20	<b>EMPLOYEE RELATED COSTS</b>												
21	Wage bill cost-of-living increases	7.00%	6.70%	0.00%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%
22	Estimated notch increase	2.40%	2.40%	0.00%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
23	Salary Bill as a percentage of total operating budget expenditure	26.87%	27.41%	27.28%	27.57%	28.22%	29.03%	29.03%	32.36%	32.86%	33.42%	34.00%	34.56%
24	Councilors remuneration	6.71%	5.89%	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
25	<b>BULK PURCHASES</b>												
26	Bulk Purchases - Electricity	7.32%	9.41%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
27	Bulk Purchases - Water	79.68%	17.90%	5.00%	5.00%	5.00%	5.00%	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%
28	<b>OTHER EXPENDITURE</b>												
29	Contracted Services	-18.98%	61.60%	-18.73%	2.06%	1.12%	-6.74%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
30	Depreciation and Amortisation	12.92%	1.54%	11.45%	1.82%	1.39%	1.48%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
31	Impairment Loss	-30.96%	19.62%	25.22%	8.03%	4.12%	-0.59%	-23.52%	2.99%	4.04%	4.17%	4.30%	4.43%
32	Inventory Consumed	55.89%	-38.50%	-0.84%	-9.32%	0.00%	-4.84%	0.00%	34.16%	5.00%	5.00%	5.00%	5.00%
33	Operating Leases	84.93%	-36.95%	6.27%	-7.10%	0.00%	-1.54%	0.00%	26.56%	5.00%	5.00%	5.00%	5.00%
34	Operational Cost	10.06%	-0.21%	8.81%	-5.50%	1.24%	1.27%	1.39%	8.53%	5.00%	5.00%	5.00%	5.00%
35	<b>GRANTS: NATIONAL &amp; PROVINCIAL DEPARTMENTS</b>												
36	Equitable share (R'000)	137,518	150,601	164,466	179,913	195,507	195,507	195,507	250,877	272,622	296,252	321,930	349,833
37	Equitable share % growth	13.82%	9.51%	9.21%	9.39%	8.67%	0.00%	0.00%	28.32%	8.67%	8.67%	8.67%	8.67%
38	Integrated Urban Development Grant (R'000)	0	49,050	58,649	37,729	39,782	39,782	39,782	46,636	49,174	51,849	54,671	57,646
39	Other grants (National and Provincial)(R'000)	230,905	171,081	205,062	144,559	128,274	120,844	120,844	61,173	40,526	41,802	43,142	44,549

#### **4.8 SITUATIONAL ANALYSIS: FINANCIAL HEALTH OVERVIEW**

The municipality has made substantial investments in revenue generating infrastructure over the past five years that created capacity for development and growth. The municipality predicted certain growth patterns - linked to the investment in bulk infrastructure - which did not materialise as planned due to a slowdown in the economy of South Africa. These growth patterns were revised taking into account the impact of the COVID-19 lockdown.

All sectors of the economy have been adversely affected by the COVID-19 lockdown, but sectors such as tourism have been particularly hit hard after the closure of borders and the cancellation of events. According to impact modelling undertaken by economists in the Western Cape Department of Economic Development and Tourism (DEDAT), Drakenstein's tourism sector would have lost approximately R65 million in income and 700 jobs after two months of the lockdown. This is also the sector that will in all likelihood take the longest to recover.

In total the Drakenstein economy will lose over R800 million in income and approximately 2 200 jobs after two months of lockdown, according to estimates from DEDAT. Manufacturing, retail trade and transport will account for over 50 percent of the loss in income after two months of lockdown while tourism, construction and the informal sector will account for over 80 per cent of the job losses during the same period.

DEDAT has estimates for the municipality's anticipated economic impact after 1 and 2 years after the beginning of the lockdown towards the end of March 2020, but such forecasts cannot be released given the high volatility of the world economy.

The liquidity levels of the organisation are under strain and will remain strained (due to the impact of the COVID-19 lockdown), as a decline in the current assets to current liabilities ratio materialised due to the aggressive investment in bulk infrastructure that led to the short-term portion of external borrowings increasing significantly. The current ratio (current assets ÷ current liabilities) of the organisation as at 30 June 2019, was 0.61 to 1 as opposed to the ratios of 0.95 to 1 (2017/18), 1.17 to 1 (2016/17), 1.30 to 1 (2015/16) and 1.09 to 1 (2014/15) for the previous four financial years. After the restructuring of external loans to be discussed below, the current ratio improved to 0.77 to 1.

The municipality has introduced a revenue management, expenditure management and cost containment programme under the leadership of the City Manager to raise and collect all revenue due to the municipality. Included in the programme is a focus on expenditure management and cost containment to ensure that available resources are optimised for quality service delivery. Current ten year external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank were restructured in December 2019 to be repaid over a period of up to 17.5 years, including redemption "holidays" for the next six instalment periods. This was done in an attempt to improve the liquidity position. In the current situation the municipality is finding itself, due to the economic impact of the COVID-19 lockdown, these steps that were introduced months ago, has geared the municipality to be in a better position to handle the impact, than what other municipalities are at present.

The municipality has a significant revenue base that continues to grow compared with previous years. The full impact of the COVID-19 lockdown cannot be determined at present, due to a lack of comparable data, but

municipality is still confident that the growth in medium to high income developments will be increasing, albeit much slower than expected, due to the economic impact of the lockdown.

Due to the restructuring of the external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank, no further external loans will be taken up over the next five financial years. The increase of the municipality's revenue base is expected to reduce the current gearing ratio from 78.3% to an estimated 42.9% in the 2024/25 financial year.

#### **4.9 OPERATING REVENUE**

In order to serve the community and to render the services needed, revenue generation is fundamental for financial sustainability. The reality is that we are faced with developmental backlogs and poverty challenging our revenue generation capacity. The needs (being capital or operational of nature) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and marrying it with the community's needs as recorded in the IDP. This is a worldwide problem and therefore available financial resources should be utilised where it delivers the biggest impact on outputs and outcomes that will improve the quality of life of our local communities.

Operating revenue will now be discussed and analysed.

##### **4.9.1 Operating revenue by source**

In Table below the **operating revenue per revenue source** are indicated as follows:

- (a) The last three audited financial years (green colour);
- (b) The current financial year (yellow colour);
- (c) The 2020/2021 financial year (pink colour);
- (d) The last four outgoing financial years of the MTREF (no colour) (2021/2022 to 2024/2025); and
- (e) The last five outgoing years of the LTREF (blue colour) (2025/2026 to 2029/2030)

##### **4.9.2 Analysis Of Projected Operating Revenue**

In the table "Operating Revenue per Category" below, on the anticipated operating revenue for 2020/2021 is estimated at R2.693 billion or R146.0 million (5.2%) more than the 2019/2020 approved adjustments budget revenue of R2.547 billion.

The graph 4 below depicts that Drakenstein's main operating revenue source is their service charges (electricity, water, refuse removal and sanitation charges) of R1.770 billion that represents 65.7% of operating revenue for the 2020/2021 financial year. This source of revenue is projecting revenue of R2.364 billion by year five and R3.383 billion by year ten. Trading services produces the much-needed profits to subsidise community services that cannot fully be funded through property rates.

Electricity revenue is the bulk of this revenue representing 49.0% or R1.319 billion of operating revenue. Electricity tariffs over the MTREF period increase at a slower rate than the bulk purchases from Eskom increase. The Municipality must be weary as this revenue source is under threat, due to the ongoing problem of load shedding, resulting in no usage when load shedding occurs and the movement of consumers to alternative off-

grid energy sources - such as photovoltaic systems (solar panels) - as to secure their own supply of electricity. To counter the revenue loss associated with consumers moving off-grid, the municipality has already in prior years introduced higher basic fees for these systems connected to the municipal grid and a lower reselling rate for generated excess electricity back to the municipality. The co-generated units will be credited against the units consumed, but not against the basic charges. Furthermore, the total co-generated units will expire on 30 June each year.

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Table 95: Operating Revenue per Category

2020/2021 LONG TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) PER REVENUE CATEGORIES																
Serial Number	Description	Audited Expenditure 2016/2017 R'000	Audited Expenditure 2017/2018 R'000	Audited Expenditure 2018/2019 R'000	Original Budget 2019/2020 R'000	2019/2020 Revised Operating Budget R'000	2020/2021 Approved Operating Budget R'000	2021/2022 Indicative Operating Budget R'000	2022/2023 Indicative Operating Budget R'000	2023/2024 Indicative Operating Budget R'000	2024/2025 Indicative Operating Budget R'000	2025/2026 Indicative Operating Budget R'000	2026/2027 Indicative Operating Budget R'000	2027/2028 Indicative Operating Budget R'000	2028/2029 Indicative Operating Budget R'000	2029/2030 Indicative Operating Budget R'000
Column Reference	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Disposal of Fixed and Intangible Assets	(6,785)	(4,600)	(7,009)	(8,500)	(8,500)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
2	Fines, Penalties and Forfeits	(66,815)	(92,938)	(75,253)	(89,068)	(79,286)	(79,896)	(79,896)	(79,896)	(79,896)	(79,896)	(79,896)	(79,896)	(79,896)	(79,896)	(79,896)
3	Interest, Dividends and Rent on Land	(38,074)	(40,173)	(25,138)	(24,556)	(15,609)	(16,339)	(17,056)	(17,798)	(18,567)	(19,365)	(33,687)	(35,371)	(37,140)	(38,997)	(40,947)
4	Licences or Permits	(4,194)	(3,326)	(3,463)	(4,289)	(3,192)	(3,351)	(3,519)	(3,695)	(3,880)	(4,074)	(4,277)	(4,491)	(4,716)	(4,952)	(5,199)
5	Operational Revenue	(35,515)	(17,924)	(23,141)	(17,046)	(17,144)	(29,170)	(27,080)	(27,640)	(28,632)	(29,673)	(30,752)	(31,871)	(33,030)	(34,231)	(35,476)
6	Property rates	(237,762)	(245,517)	(271,147)	(305,350)	(308,406)	(331,537)	(356,402)	(383,132)	(411,867)	(442,757)	(475,964)	(511,661)	(550,036)	(591,288)	(635,635)
7	Rental from Fixed Assets	(8,933)	(8,541)	(9,509)	(15,852)	(14,472)	(15,557)	(16,724)	(17,978)	(19,326)	(20,776)	(22,334)	(24,009)	(25,810)	(27,745)	(29,826)
8	Sales of Goods and Rendering of Services	(11,925)	(10,923)	(16,390)	(11,424)	(11,435)	(11,892)	(12,272)	(12,671)	(13,089)	(13,529)	(13,983)	(14,453)	(14,938)	(15,440)	(15,959)
9	Service Charges	(1,356,427)	(1,390,389)	(1,438,582)	(1,684,706)	(1,661,634)	(1,770,259)	(1,903,251)	(2,046,513)	(2,200,993)	(2,364,443)	(2,540,054)	(2,728,731)	(2,931,447)	(3,149,251)	(3,383,266)
10	Transfers and Subsidies	(149,517)	(142,918)	(209,394)	(250,728)	(281,754)	(265,053)	(282,250)	(301,389)	(297,051)	(297,051)	(297,051)	(298,148)	(323,054)	(350,072)	(379,382)
11	Transfers and Subsidies: Capital	(74,602)	(155,685)	(150,160)	(120,908)	(145,780)	(168,149)	(64,979)	(62,702)	(59,782)	(59,782)	(61,636)	(64,174)	(66,849)	(69,671)	(72,646)
12	Total Operating Revenue	(1,990,551)	(2,112,934)	(2,229,187)	(2,532,427)	(2,547,212)	(2,693,203)	(2,765,428)	(2,955,413)	(3,135,083)	(3,333,346)	(3,561,634)	(3,794,804)	(4,068,915)	(4,363,542)	(4,680,231)

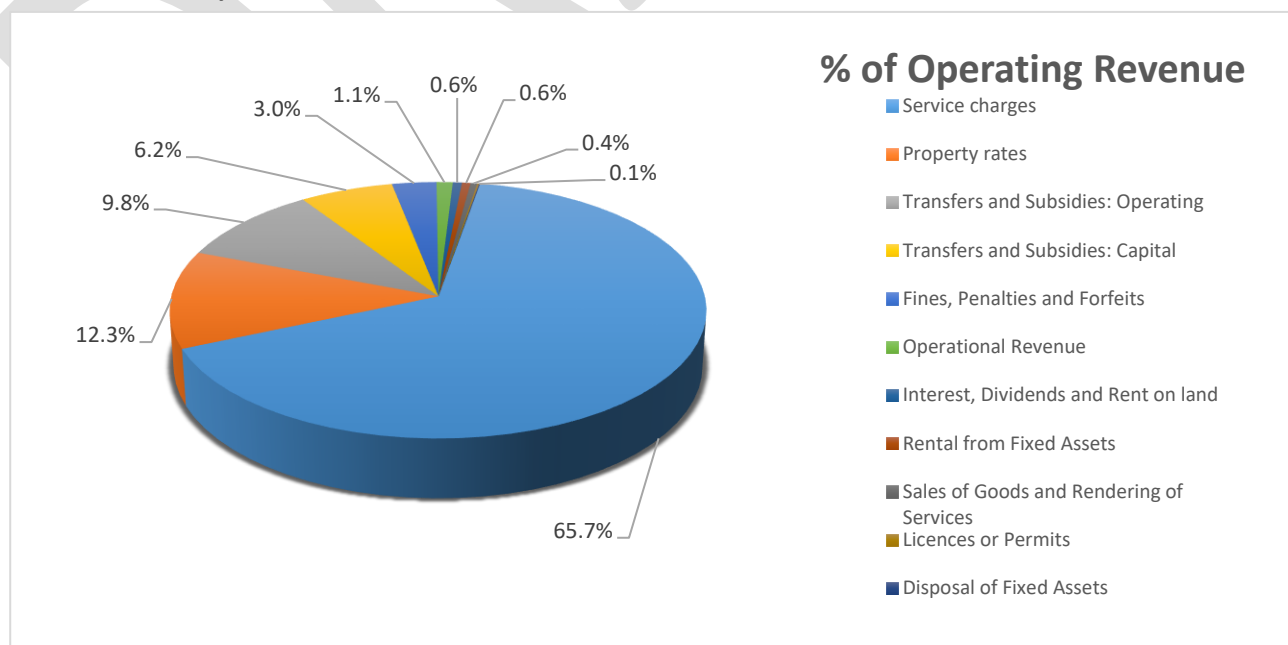
Water represents 6.8% or R181.8 million of operating revenue followed by refuse removal revenue (5.2%) and sanitation revenue (4.8%).

Due to the drought experienced by the Western Cape the past four years and with it the introduction of high punitive tariffs, many consumers moved partially or fully off-grid by using alternative sources of water from boreholes, wells and stored rainwater. Due to the water restrictions, the yearly water demand decreased significantly and with that the revenue from water sales. Although good rains were received during 2019, the water demand has not yet recovered to that in 2015/2016 before the onset of the drought. To counter the revenue loss associated with consumers moving off-grid, the municipality has already in prior years introduced higher basic fees for consumers with registered boreholes. A cost benefit analysis is also performed for each application from consumers, (mainly gated estates) who wish to enter into a Water Services Intermediary agreement with the municipality, as to produce and supply their own potable water.

The second highest operating revenue source is property rates with an amount of R331.5 million that represents 12.3% of operating revenue. This revenue source increases to R442.8 million by year five and R635.6 million by year ten. Care should be taken to not over burden rate payers with this unpopular source of revenue. It is difficult to get rid of a label that a municipality is an over-taxed enterprise and there are lots of examples in history where investors moved to other areas where property tax levies are seen to be more reasonable.

Operating government grants of R265.0 million are the third highest operating revenue source and represents 9.8% of operating revenue. The bulk of this grant is the municipality's equitable share from the national fiscus and for the building of houses for the poorest of the poor. The housing grant will fluctuate from year to year depending on the housing programme funds made available through the National and Provincial Housing Programme.

**Graph 21: Operating Revenue Distribution for the 2020/2021 Financial Year**



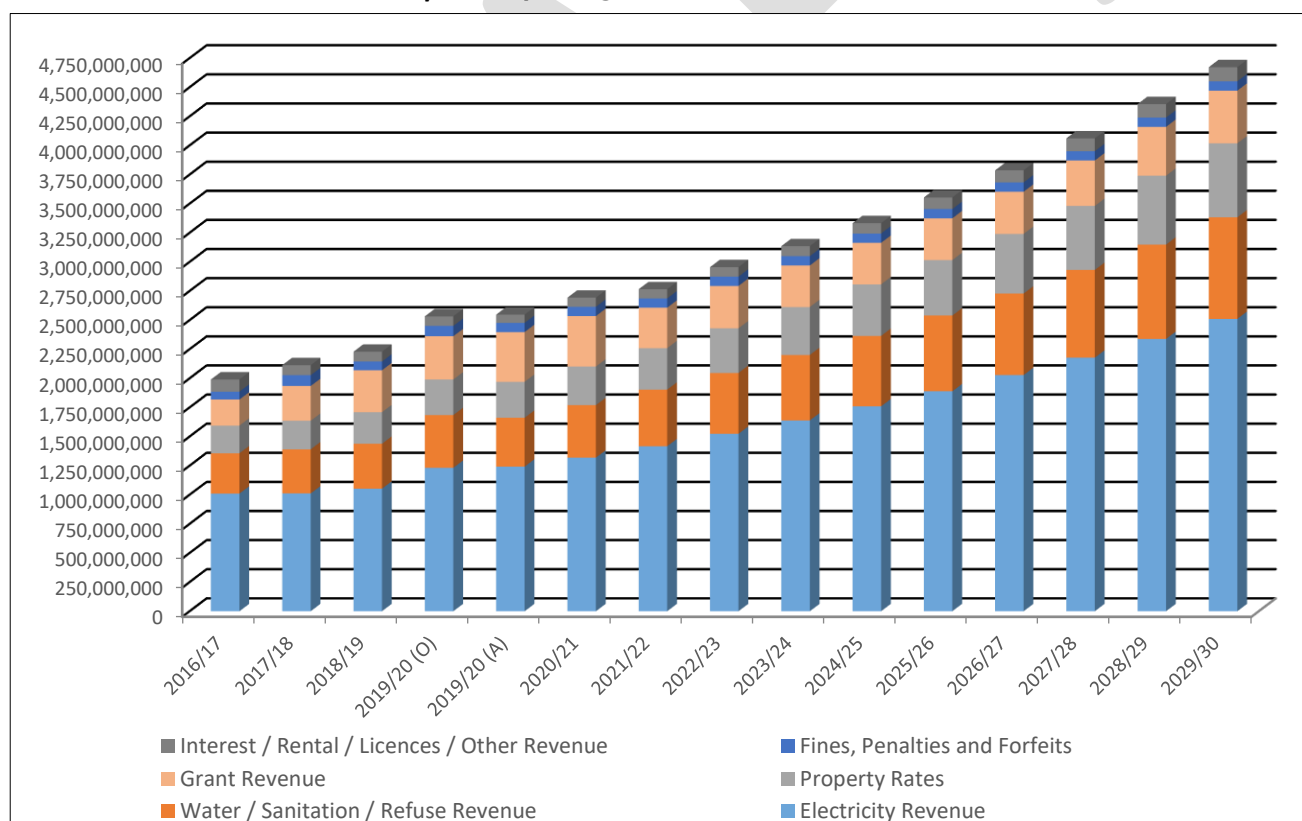
**Operating revenue** shown in the Graph above is further broken down and depicted in the Graph below for the MTREF and LTREF. The revenue sources are clustered into five main revenue sources. Electricity revenue (dark blue colour) is clearly the main source of revenue. Water/sanitation/refuse revenue (green colour) is the second highest cluster of revenue followed by grant revenue (light green colour), property rates (blue colour), and other revenue (light blue colour).

Trends over the years suggest that electricity revenue represented 50.7% of operating revenue in 2016/2017 compared with the 48.8% of the 2019/2020 adjustments budget, the 49.0% for 2020/2021 and the estimated 52.8% in 2024/2025 and 53.7% in 2029/2030. Electricity revenue remains the main revenue source for the Municipality.

Water, sanitation and refuse removal revenue represented 17.4% of operating revenue in 2016/2017 compared with the 16.8% of the 2019/2020 adjustments budget, the 17.6% for 2020/2021 and the estimated 18.1% in 2024/2025 and 18.7% in 2029/2030.

Property rates revenue represented 11.9% of operating revenue in 2016/2017 compared with the 12.1% of the 2019/2020 adjustments budget, the 12.3% for 2020/2021 and the estimated 13.3% in 2024/2025 and 13.6% in 2029/2030.

**Graph 22: Operating Revenue in Main Revenue Clusters**



Grant revenue represented 11.3% of operating revenue in 2016/2017 compared with the 16.8% of the 2019/2020 adjustments budget, the 16.1% in 2020/2021 and the estimated 10.7% in 2024/2025 and 9.7% in 2029/2030. Drakenstein seems not to be depended on government grants for operational purposes, but, it should be noted that maybe the Municipality are not receiving sufficient funds from the national fiscus to eradicate the backlog in housing for the poorest of the poor and to render free basic services to indigent



households through the equitable share. Due to the COVID-19 epidemic and the resulting economic impact, it is expected that grants revenue will reduce significantly over the MTREF, however the impact cannot be judged at this stage.

Other revenue, i.e. interest earned, rental revenue, licenses, gains on the disposal of property, plant and equipment and other sundry revenue income (grey colour) and fines, penalties and forfeits (light blue colour) represents the remaining revenue resources. Even combined in a cluster they contribute the least to Drakenstein's operating revenue base.

With the business unusual situation, the Municipality currently finds itself globally, due to the COVID-19 pandemic, it is extremely difficult to predict what the impact of the lockdown on revenue sources might be. For revenue that is based on consumptive use, such as water and electricity, there might well be a decline in the consumption of electricity and water, as a means of saving on expenses. It should however be noted that the water consumption has not fully recovered since the drought and there might not be any more leeway for consumers to reduce water usage.

Other major sources of revenue, that are charged on a fixed tariff, such as refuse and sewerage as well as property rates, will remain stable, but on the expenditure side there will most likely be a significant increase in the provision for doubtful debt, due to the economic conditions forecasted impacting the consumers' ability to pay for the services received.

#### 4.10 OPERATING EXPENDITURE

Operating expenditure budgeting is done on a zero-base budget approach where possible. This was done since the adjustments budget was approved by Council in February 2014 and the 2014/2015 operating budget approved by Council in May 2014. For the 2020/2021 further emphasis was placed on preparing a zero-based budget. Other best practice methodologies relating to operating expenditure include infrastructure repairs and maintenance as a priority; budgeted expenditure to be funded by realistically anticipated cash backed revenues; and, operational gains and efficiencies to result in operating surpluses to fund capital expenditure from own cash backed funds. The latter is a great challenge.

##### 4.10.1 Operating expenditure by category

The Table below depicts the main category of **operating expenditure** as follows:

- (a) The last three audited financial years (green colour);
- (b) The current financial year (yellow colour);
- (c) The 2020/2021 financial year (pink colour);
- (d) The last four outgoing financial years of the MTREF (no colour) (2021/2022 to 2024/2025); and
- (e) The last five outgoing years of the LTREF (blue colour) (2025/2026 to 2029/2030)

##### 4.10.2 Analysis of Operating Expenditure

The Table below, the total **operating expenditure** forecasted for the 2020/2021 financial year reflects an increase of 4.9% to an amount of R2.609 billion compared with the projected operating expenditure of R2.488 billion for the 2019/2020 financial year. Operating expenditure forecasts an increase of 5.4%, 4.9%, 4.3% and 2.3% to R3.078 billion in year five and to R4.220 billion in year ten.



Drakenstein's main operating expenditure category is their bulk electricity purchases of R835.9 million that represents 32.0% (Graph 6 below) of total operating expenditure for the 2020/2021 financial year. This expenditure category is projecting an expenditure of R1.092 billion by year five and R1.524 billion by year ten. As mentioned before bulk electricity purchases grow at a higher percentage than the percentage in electricity tariff increases.

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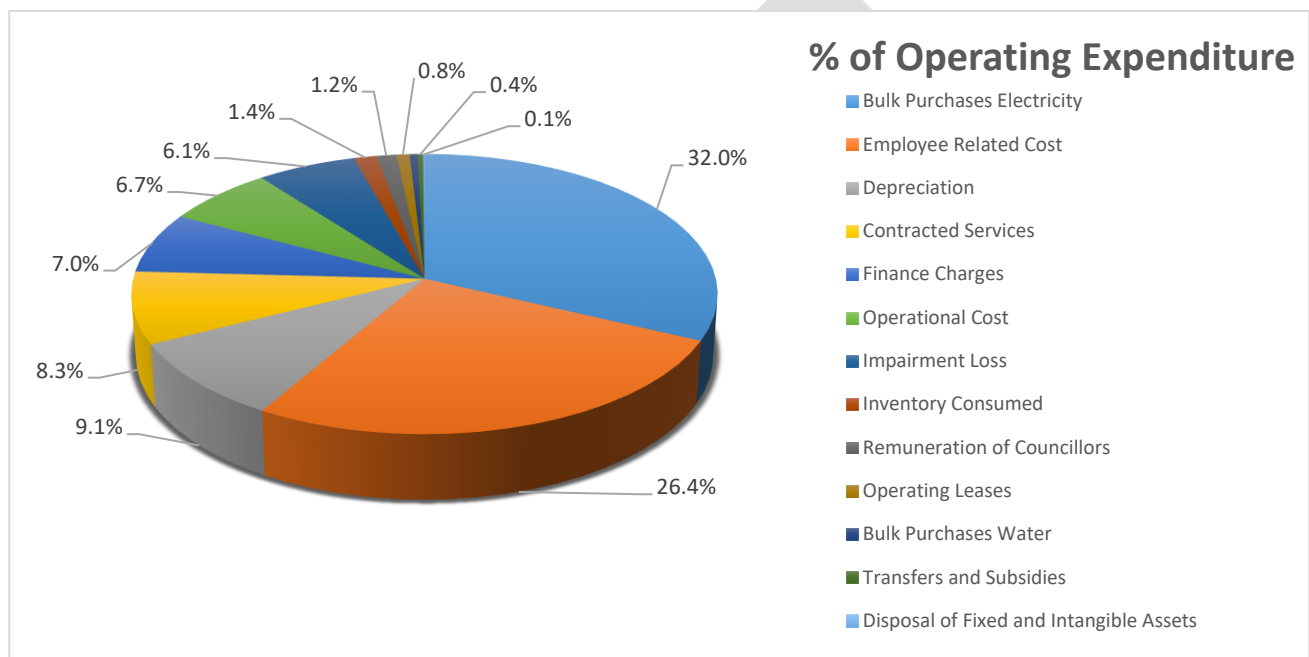
Table 96: Operating Expenditure by Category

2020/2021 LONG TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) PER EXPENDITURE CATEGORIES																
Serial Number	Description	Audited Expenditure 2016/2017 R'000	Audited Expenditure 2017/2018 R'000	Audited Expenditure 2018/2019 R'000	Original Budget 2019/2020 R'000	2019/2020 Revised Operating Budget R'000	2020/2021 Approved Operating Budget R'000	2021/2022 Indicative Operating Budget R'000	2022/2023 Indicative Operating Budget R'000	2023/2024 Indicative Operating Budget R'000	2024/2025 Indicative Operating Budget R'000	2025/2026 Indicative Operating Budget R'000	2026/2027 Indicative Operating Budget R'000	2027/2028 Indicative Operating Budget R'000	2028/2029 Indicative Operating Budget R'000	2029/2030 Indicative Operating Budget R'000
Column Reference	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Bulk Purchases Electricity	635,416	632,001	673,708	781,938	781,938	835,891	893,568	955,224	1,021,134	1,091,593	1,166,912	1,247,429	1,333,502	1,425,514	1,523,874
2	Bulk Purchases Water	23,623	2,739	4,306	12,000	12,000	12,000	12,000	12,000	12,000	12,000	13,200	14,520	15,972	17,569	19,326
3	Contracted Services	166,098	177,546	143,857	232,467	266,302	216,425	220,892	223,356	208,307	208,307	218,722	229,658	241,141	253,198	265,858
4	Depreciation and Amortisation	176,926	186,527	210,624	213,870	213,870	238,352	242,691	246,074	249,727	253,472	257,275	261,134	265,051	269,026	273,062
5	Disposal of Fixed and Intangible Assets	4,856	3,632	930	-	-	-	-	-	-	-	-	-	-	-	-
6	Employee Related Cost	415,612	564,864	669,025	678,529	679,467	688,196	741,125	802,998	870,136	942,326	1,020,505	1,105,169	1,196,858	1,296,154	1,403,687
7	Fair Value Adjustments	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Gains and Losses	658	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Impairment Loss	102,833	153,829	106,199	127,035	129,641	159,075	171,855	178,942	177,885	136,052	140,117	145,776	151,855	158,386	165,401
10	Interest, Dividends and Rent on Land	93,990	132,450	158,386	162,759	108,323	182,312	180,728	176,828	167,578	159,537	147,210	166,005	177,202	187,371	199,644
11	Inventory Consumed	38,285	38,322	59,741	36,739	42,027	36,431	33,036	33,036	31,435	31,435	69,158	72,616	76,247	80,059	84,062
12	losses	1,000	11,311	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
13	Operating Leases	15,775	17,135	31,688	19,981	23,158	21,233	19,725	19,725	19,421	19,421	36,683	38,517	40,443	42,465	44,588
14	Operational Cost	198,435	147,215	162,029	161,692	178,765	175,934	166,258	168,318	170,463	172,825	187,569	196,948	206,795	217,135	227,992
15	Remuneration of Councillors	26,313	28,062	29,945	31,709	31,709	31,709	32,978	34,297	35,669	37,095	38,579	40,122	41,727	43,396	45,132
16	Transfers and Subsidies	10,379	10,532	22,541	18,650	18,795	9,460	32,620	32,620	42,620	12,620	12,620	12,620	12,620	12,620	12,620
17	<b>Total Operating Expenditure</b>	<b>1,910,203</b>	<b>2,106,165</b>	<b>2,272,980</b>	<b>2,479,369</b>	<b>2,487,994</b>	<b>2,609,019</b>	<b>2,749,475</b>	<b>2,885,418</b>	<b>3,008,375</b>	<b>3,078,684</b>	<b>3,310,550</b>	<b>3,532,515</b>	<b>3,761,414</b>	<b>4,004,894</b>	<b>4,267,247</b>

The second highest operating expenditure category is employee related costs with an amount of R688.2 million that represents 26.4% of total operating expenditure. This expenditure category increases to R942.3 million by year five and R1.404 billion by year ten. Care should be taken not to over burden ratepayers with this expenditure category. MFMA Circular No 71 of 17 January 2015 determines that the ratio of employee cost as a percentage (%) of operating expenditure of between 25% and 40% are deemed acceptable – depending on the kind and size of municipality.

Depreciation on capital assets is the third highest operating expenditure category with an amount R238.3 million that represents 9.1% of total operating expenditure. This expenditure category increase to R253.5 million by year five and R273.1 million by year ten.

**Graph 23: Operating Expenditure Distribution for the 2020/2021 Financial Year**



Contracted services are the fourth highest operating expenditure category with an amount of R216.4 million that represents 8.3% of total operating expenditure. This expenditure category decreases to R208.3 million by year five and increases to R265.9 million by year ten.

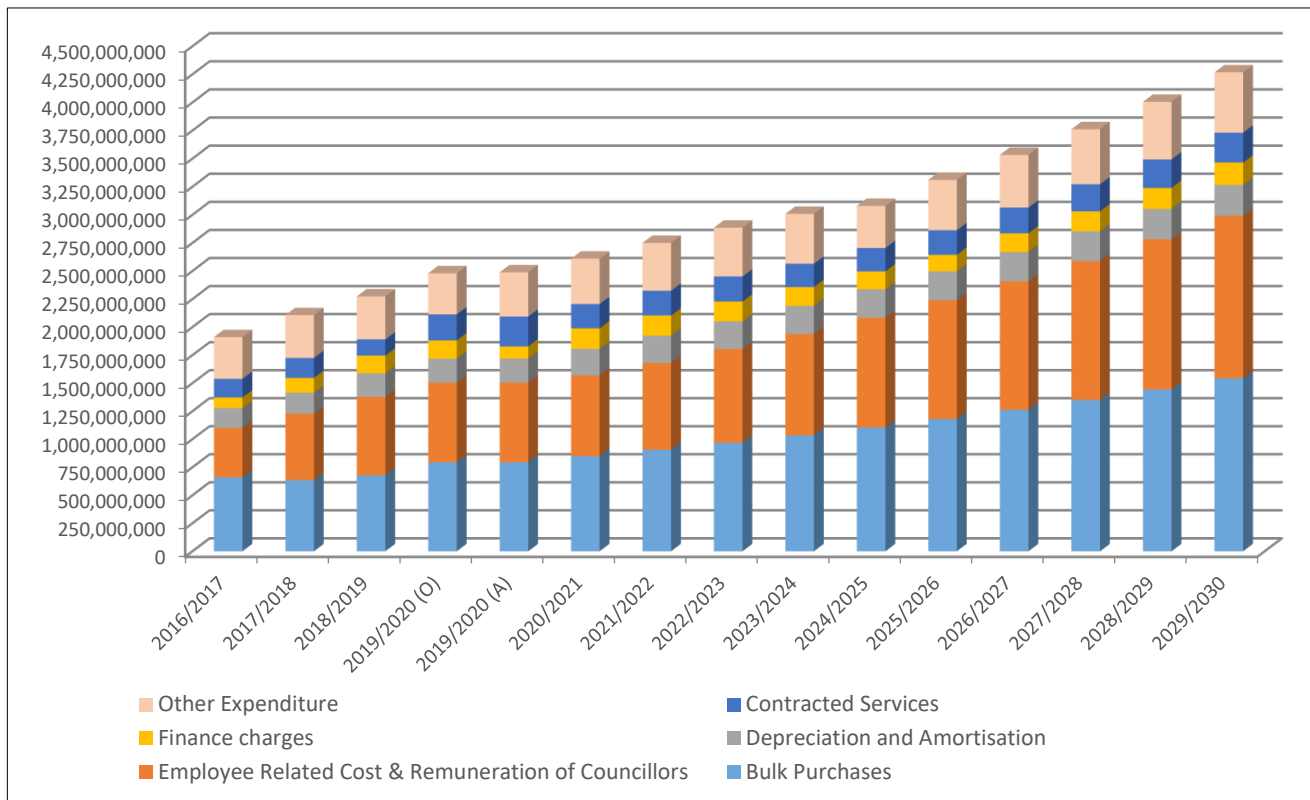
**Operating expenditure** trends over the years shown in the Table above and are depicted in the Graph below.

The operating expenditure is clustered into six main expenditure types. Bulk purchases of water and electricity (dark blue colour) is clearly the main expenditure type. Employee related costs (green colour) are the second highest cluster of expenditure type followed by other expenditure (light green colour), depreciation on capital assets (blue colour), contracted services (light blue colour) and finance charges (grey colour).

It is clear from the Graph above that bulk purchases and employee related costs are significantly higher than the other expenditure categories and it is also clear that the significant gap between bulk purchases and employee related costs over the nine years under review are closing. The high increases well above the inflation rate over these years with regard to bulk electricity purchases from Eskom and the salary bill is skewing the picture and is certainly hurting our economy and that of the region, province and country.

Contracted services (blue colour) portrays a steady increase in operating expenditure over the past four years under review, it is endeavoured to reduce this number over the MTREF.

**Graph 24: Operating Expenditure per Category**



Included in other expenditure is grant expenditure (transfers and subsidies) which fluctuates from year to year and is dependent on the grant allocations made, Drakenstein has endeavoured to reduce the provision of grants in cash and focus on the provision of grants in kind over the MTREF – in line with the Council’s Cost Containment Policy as well as due to the economic impact of COVID-19 and the cancellation of all events.

It should be understood that due to the economic impact of COVID-19 on the ability of consumers to pay for services received, a significant increase in the provision for doubtful debt is inevitable and would require a reduction in other expenditure, as cash that will be available would be significantly decreased.

#### 4.11 OPERATING BUDGET RESULTS

In the Table “Operating Surplus” below the operating budget (capital grants revenue and expenditure excluded) forecasted for the 2020/2021 financial year reflects an operating surplus of R84.2 million, and after taking non-cash items and cash items such as the redemption of loans and provisions into consideration a cash funded operating surplus of R59.7 million is projected for the 2020/2021 financial year. This position should change into a more balanced budget and a cash funded operating surplus in 2024/2025 to the amount of R190.4 million – after taking non-cash items and cash items such as the redemption of loans and provisions into consideration.

The long-term aim is to generate operating surpluses and even higher cash surpluses through economic growth and development. These cash surpluses will be used to build the Capital Replacement Reserve (CRR) for the

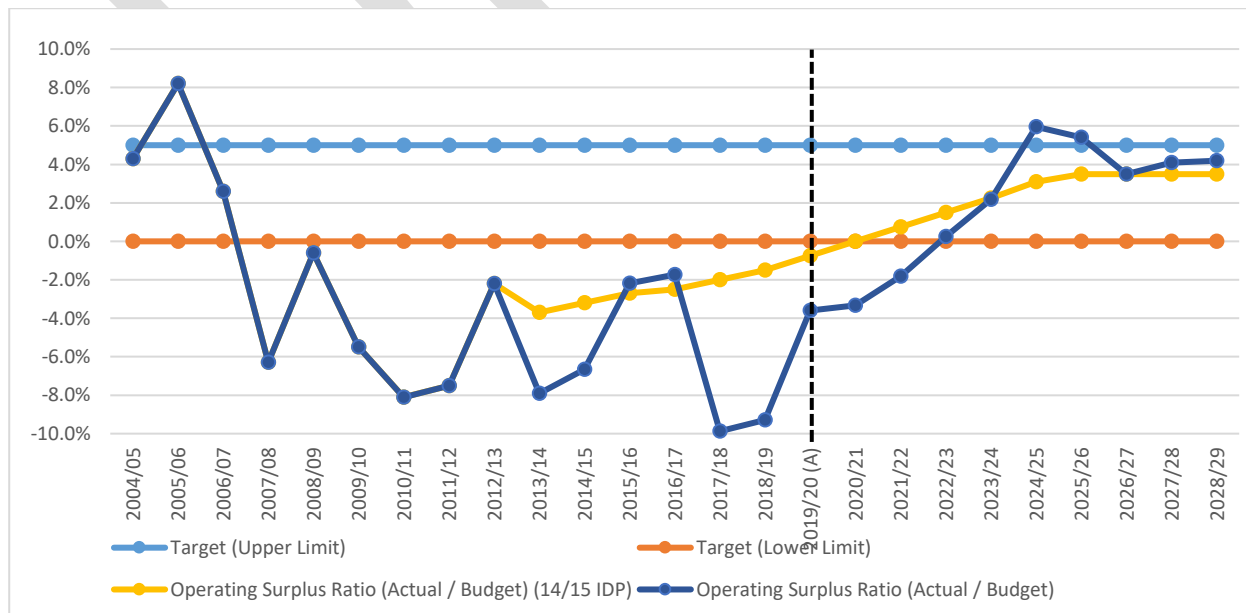
funding of future capital expenditure. The more Drakenstein fund from own funds the less Drakenstein has to borrow from the open market to finance capital expenditure.

The information below has been populated in the Graph below to present a picture of Drakenstein's **Operating Surplus Ratio** developed in terms of the **Long-Term Financial Sustainability Policy**. It is clear from the blue line that Drakenstein Municipality's operating results until the 2010/2011 financial year was moving downwards towards a financial unsustainable position. The blue line represents the current expected trend, whereas the grey line indicates the Operating Surplus Ratio as reported in the 2014/2015 reviewed IDP.

Table 97: Operating Surplus

2020/2021 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK						
Serial Number	Description	2020/2021 Approved Operating Budget R'000	2021/2022 Indicative Operating Budget R'000	2022/2023 Indicative Operating Budget R'000	2023/2024 Indicative Operating Budget R'000	2024/2025 Indicative Operating Budget R'000
Column Reference	A	B	C	D	E	F
1	Total Operating Expenditure	2,609,019	2,749,475	2,885,418	3,008,375	3,078,684
2	Total Operating Revenue	(2,693,203)	(2,765,428)	(2,955,413)	(3,135,083)	(3,333,346)
3	Operating Budget Deficit / (Surplus) =	(84,185)	(15,953)	(69,995)	(126,708)	(254,662)
4	Plus: Capital Grants =	168,149	63,479	62,702	59,782	59,782
5	Deficit / (Surplus) Capital Grants Excluded =	83,964	47,526	(7,293)	(117,869)	(198,765)
6	Less: Depreciation Counted Back =	(238,352)	(242,691)	(246,074)	(249,765)	(253,512)
7	Plus: Redemption Payable on External Loans =	19,682	18,556	78,688	84,460	90,825
8	Plus: Working capital for CAPEX =	50,000	50,000	50,000	50,000	50,000
9	Plus: TASK Backpay =	25,000	-	-	-	-
10	Plus: Rehabilitation of landfill sites =	-	-	-	-	121,058
11	(Cash Funded) / Non-Cash Funded Operating Budget =	(59,706)	(126,609)	(124,679)	(233,174)	(190,394)

Graph 25: Operating Surplus Ratio



The actual audited results of 2012/2013 produced an operating surplus ratio moving upwards towards a more financial sustainable position. The 2013/2014 audited results then suddenly moved downwards mainly due to a non-cash transactions (provision for the rehabilitation of landfill sites) due to environmental legislation municipalities operating budgets had to accommodate. The same environmental legislation affected Drakenstein Municipality in 2017/2018 due to a recalculation of the landfill sites rehabilitation costs.

The 2020/2025 MTREF clearly shows that Drakenstein has absorbed these temporary setbacks of the past few years and the operating surplus ratio projects further positive movements towards long-term financial sustainability. Graph “Operating Surplus Ratio” shows a significant improvement in the operating budgeted deficit for the 2020/2021 financial year compared with the 2019/2020 adjustments budgeted deficit.

This position can significantly also change if Drakenstein’s tax base increases with new middle and high-income housing developments, business and industrial developments. Due to the economic impact of COVID-19, there is expected to be a considerable reduction in the economy in the MTREF, but forecasts is that it would recover in the long term, when the developments as mentioned above, should realise. In the long term planning, the timing of the implementation of the developments have been pushed out to the LTREF. A conservative provision for the increase of operating revenue through additional developments has been made in the MTREF budget, as to ensure that budgeted anticipated revenue is realistic and secure.

The focus will now shift to the discussion of capital expenditure trends.

#### **4.12 CAPITAL EXPENDITURE**

Capital expenditure budgeting is done through the Prioritisation Model for Capital Assets Investment Policy. This model as mentioned in paragraph 4.4.4(c) above was developed to ensure that scarce available financial sources are allocated to capital projects that will have the biggest impact on the outputs and outcomes that will improve the quality of life of Drakenstein’s customer base. This model will also ensure that sufficient funds are made available for the renewal of dilapidated infrastructure to ensure on-going quality service delivery.

Since the 2010/2011 financial year (last 10 years), R4.263 billion was invested in capital infrastructure of which R2.380 billion during the last five financial years. This includes the amount forecasted for the current 2019/2020 Adjustments Budget.

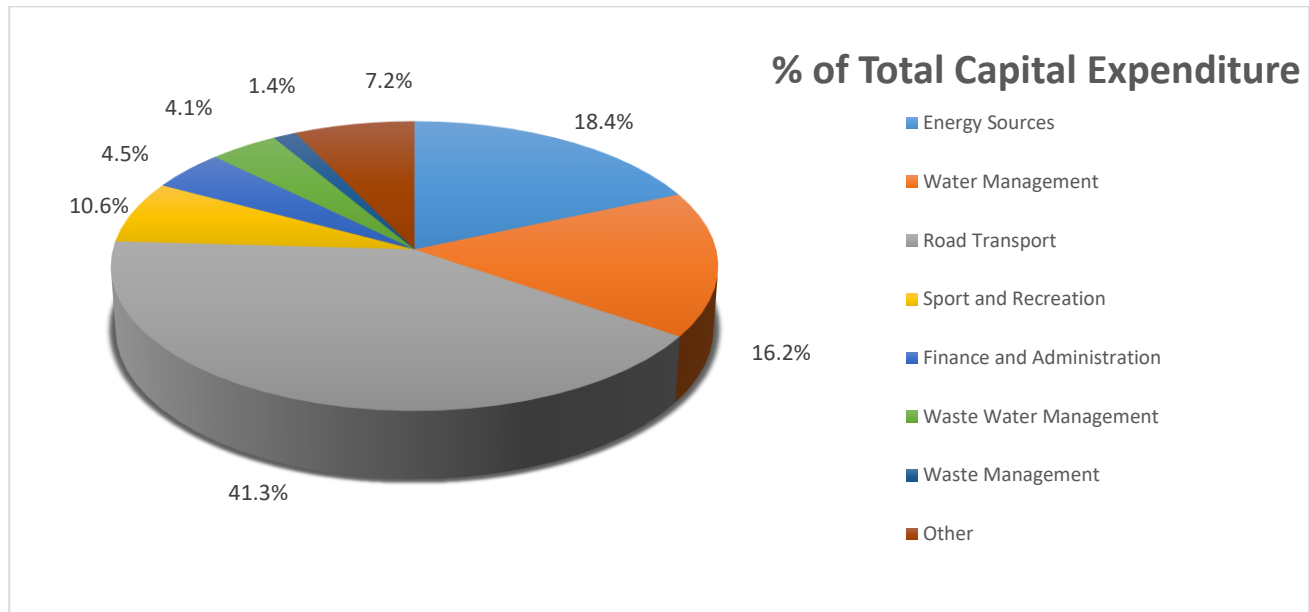
##### **4.12.1 Capital expenditure by standard classification**

The table below depicts the main types of capital expenditure as per the Government Financial Statistics (GFS) standard classification. The four standard classifications are:

- (a) Governance and administration comprising of the sub-categories of executive and council; budget and treasury office; and, corporate services (including vehicles, equipment and IT related products);
- (b) Community and public safety comprising of the sub-categories of community and social services; sport and recreation; public safety; housing; and, health;
- (c) Economic and environmental services comprising of the sub-categories of planning and development; road transport; and, environmental protection; and
- (d) Trading services comprising of the sub-categories of electricity; water; waste water management; and, waste management.

The amounts in the Table below and the percentages in the Graph above reflect the standard classification and its sub-category allocations as a percentage of the total capital budget. Due to the developmental nature of a capital budget it only makes sense to look at what percentage of the available scarce financial resources are spent in what standard classification of capital expenditure. The focus must be on the investment in infrastructure that will improve the quality of life of Drakenstein's customer base and that will raise future economic benefits for the Municipality.

**Graph 26: Capital Expenditure Distribution per Standard Classification for the 2020/2021 Financial Year**



#### 4.12.2 Analysis of the MTREF Capital Expenditure

Total capital expenditure forecasted for the 2020/2021 financial year amounts to R217.0 million compared with the projected capital expenditure of R293.4 million for the 2019/2020 financial year (revised budget). Capital expenditure forecasts for the outer financial years amounts to R115.0 million (2021/2022), R112.7 million (2022/2023), R109.8 million (2023/2024) and R109.8 million in year five (2024/2025). The capital programme also shows capital projects to the amount of R5.525 billion which cannot be accommodated in the next five financial years.

For the 2020/2021 financial year the split between the main standard classifications (GFS) as set out in Table "MTREF Capital Expenditure by Standard Classification (GFS)" below and Graph "Capital Expenditure Distribution" above, are as follows: Water receives 16.2% of the capital budget, electricity 18.4%, roads 41.3%, sport and recreation 10.6%, finance and administration 4.5%, waste water 4.1%, waste 1.4% and other 7.2% (housing, community and social services, public safety and etcetera).

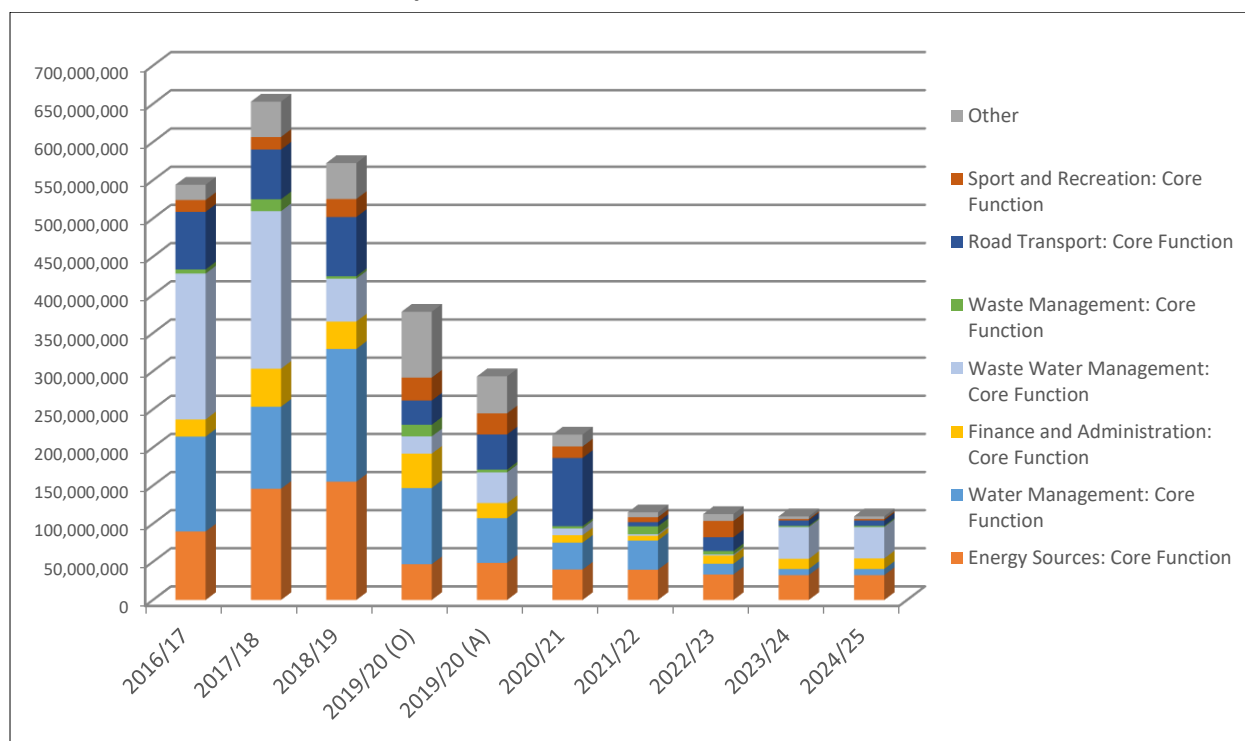
Table 98: MTREF Capital Expenditure by Standard Classification (GFS)

2020/2021 MTREF HIGH LEVEL CAPITAL BUDGET EXPENDITURE PER GOVERNMENT FINANCIAL STATISTICS											
Serial Number	Description	Audited Expenditure 2016/2017	Audited Expenditure 2017/2018	Audited Expenditure 2018/2019	Original Budget 2019/2020	Revised Capital Budget 2019/2020	2020/2021 Approved Capital Budget	2021/2022 Indicative Capital Budget	2022/2023 Indicative Capital Budget	2023/2024 Indicative Capital Budget	2024/2025 Indicative Capital Budget
Column Reference	A	B	C	D	E	F	G	I	J	K	L
1	Community and Social Services: Core Function - Cemeteries, Funeral Parlours and Crematoriums	-	388,286	1,609,565	12,125,000	1,619,348	4,900,000	1,000,000	1,000,000	-	-
2	Community and Social Services: Core Function - Community Halls and Facilities	5,953,519	9,874,046	2,545,661	1,190,000	700,000	100,000	100,000	500,000	-	-
3	Community and Social Services: Non-core Function - Agricultural	5,210,177	158,625	219,682	-	-	-	-	-	-	-
4	Community and Social Services: Non-core Function - Cultural Matters	753,947	1,145,741	347,302	1,590,000	553,133	-	-	-	-	-
5	Community and Social Services: Non-core Function - Libraries and Archives	-	-	61,540	150,000	146,721	-	-	-	-	-
6	Energy Sources: Core Function - Electricity	89,870,819	145,925,422	155,203,667	46,930,000	48,745,587	39,950,000	39,783,814	33,500,000	32,700,000	32,700,000
7	Executive and Council: Core Function - Mayor and Council	2,647,408	3,241,573	73,122	-	2,607	-	-	-	-	-
8	Executive and Council: Core Function - Municipal Manager, Town Secretary and Chief Executive	2,588,046	596,864	142,860	1,850,000	475,164	120,000	800,000	2,050,000	50,000	50,000
9	Finance and Administration: Core Function - Administrative and Corporate Support	1,175,211	5,365,493	7,313,136	6,811,764	5,128,583	3,208,900	-	-	-	-
10	Finance and Administration: Core Function - Budget and Treasury Office	-	5,014	1,020	-	-	-	-	-	-	-
11	Finance and Administration: Core Function - Finance	-	599,229	402,452	400,000	892,074	-	-	-	-	-
12	Finance and Administration: Core Function - Fleet Management	9,627,567	30,939,233	13,215,034	12,324,717	531,269	1,083,543	4,156,186	8,550,000	11,100,000	11,600,000
13	Finance and Administration: Core Function - Human Resources	635,165	90,260	1,961,956	60,000	-	-	-	-	-	-
14	Finance and Administration: Core Function - Information Technology	4,867,648	4,310,221	5,691,407	11,788,000	9,494,993	2,367,294	1,400,000	1,400,000	1,400,000	1,400,000
15	Finance and Administration: Core Function - Marketing, Customer Relations, Publicity and Media Co-ordination	-	18,019	24,773	100,000	223,345	-	-	-	-	-
16	Finance and Administration: Core Function - Property Services	5,982,550	5,871,914	6,471,754	1,500,000	1,486,610	1,010,399	750,000	750,000	750,000	750,000
17	Finance and Administration: Core Function - Supply Chain Management	223,549	2,618,531	871,820	12,000,000	1,969,975	2,082,860	-	-	-	-
18	Finance and Administration: Non-core Function - Risk Management	-	30,194	-	50,712	12,000	-	-	-	-	-
19	Housing: Non-core Function - Housing	1,952,633	30,707,680	38,737,059	65,020,000	40,343,604	8,687,291	4,000,000	3,950,000	2,950,000	2,950,000
20	Internal Audit: Core Function - Governance Function	-	10,068	59,506	650,000	-	-	-	-	-	-
21	Other: Core Function - Tourism	-	-	-	650,000	410,000	-	-	-	-	-
22	Planning and Development: Core Function - Economic Development/Planning	-	16,689	165,848	8,000	49,128	-	-	-	-	-
23	Planning and Development: Core Function - Project Management Unit	-	-	-	-	130,995	150,000	-	-	-	-
24	Planning and Development: Core Function - Town Planning, Building Regulations and Enforcement, and City Engineer	804,061	115,845	-	7,000	-	-	-	-	-	-
25	Public Safety: Core Function - Fire Fighting and Protection	-	5,543	2,988,448	3,090,500	4,144,124	1,637,600	500,000	1,420,000	500,000	500,000
26	Road Transport: Core Function - Police Forces, Traffic and Street Parking Control	7,470,284	621,839	441,491	4,240,000	540,622	2,110,000	2,500,000	1,700,000	700,000	700,000
27	Road Transport: Core Function - Roads	67,895,159	64,400,084	77,076,695	27,550,000	45,600,718	87,394,552	3,000,000	16,452,169	6,500,000	6,500,000
28	Sport and Recreation: Core Function - Community Parks (including Nurseries)	991,737	329,703	753,904	800,000	1,206,058	775,000	-	500,000	500,000	500,000
29	Sport and Recreation: Core Function - Recreational Facilities	1,823,091	2,884,230	2,195,451	6,450,000	6,620,937	6,900,163	1,850,000	8,350,000	1,350,000	1,350,000
30	Sport and Recreation: Core Function - Sports Grounds and Stadiums	12,745,722	13,231,584	20,667,858	22,798,204	19,801,628	7,341,292	4,519,646	12,579,831	-	-
31	Waste Management: Core Function - Solid Waste Removal	5,353,592	15,592,655	2,896,791	15,285,000	3,685,000	3,000,000	10,500,000	4,500,000	1,500,000	1,500,000
32	Waste Management: Core Function - Street Cleaning	-	-	190,000	-	-	-	-	-	-	-
33	Waste Water Management: Core Function - Public Toilets	-	-	-	1,000,000	-	-	-	-	-	-
34	Waste Water Management: Core Function - Sewerage	-	123,920	-	-	-	-	-	-	-	-
35	Waste Water Management: Core Function - Waste Water Treatment	191,144,431	206,196,348	56,164,519	21,656,438	40,286,024	8,915,000	1,910,000	1,500,000	41,782,000	41,282,000
36	Water Management: Core Function - Water Distribution	124,472,320	107,563,292	174,039,211	99,954,615	58,613,492	35,238,539	38,209,354	14,000,000	8,000,000	8,000,000
37	<b>Grand Total</b>	<b>544,188,637</b>	<b>652,978,143</b>	<b>572,533,531</b>	<b>378,029,950</b>	<b>293,413,739</b>	<b>216,972,433</b>	<b>114,979,000</b>	<b>112,702,000</b>	<b>109,782,000</b>	<b>109,782,000</b>



Capital expenditure trends over the years shown in Table “MTREF Capital Expenditure by Standard Classification (GFS)” above are depicted in the Graph below. It is clear from this Graph that the majority of capital expenditure is invested in those categories previously known as trading services (water, electricity, waste water and refuse removal infrastructure) and roads infrastructure. The investment in these infrastructure services stimulates economic growth and especially the trading services generate revenue that increases our tax base.

**Graph 27: Capital Expenditure per Standard Classification**



#### 4.12.3 Linking of the Capital Budget to the IDP

The table below depicts the main types of capital expenditure projects linked to the Pre-Determined Objectives, as set out in Chapter 3 of the IDP.

As can be seen from Table “Capital Expenditure per PDO” below, the majority of capital expenditure for the MTREF relates to PDO 26: Water & sanitation services and infrastructure (31.1%); PDO 24: Energy supply and infrastructure (26.9%); and, PDO 25: Transport, roads and storm water infrastructure (18.1%).

The Table below depicts the main types of capital expenditure projects linked to the Pre-Determined Objectives and the funding source for the 2020/2021 year, as set out in Chapter 3 of the IDP.

As can be seen from Table “Capital Expenditure per PDO” below, the majority of capital expenditure for the 2020/2021 year relates to PDO 25: Transport, roads and storm water infrastructure, specifically for the widening of Oosbosch Street to a dual carriageway, inclusive of an additional two lane bridge over the Bergriver. Of the total budget for this project, 80% will be funded from a Provincial transport grant, as

Oosbosch Street connects two jointly significant roads, namely Bergriver Boulevard and Jan van Riebeeck in Paarl.

Table 99: Capital Expenditure per PDO

CAPITAL EXPENDITURE PER PRE-DETERMINED OBJECTIVE OVER THE MTREF							
Serial Number	PDO	PDO Description	2020/2021 Indicative Budget	2021/2022 Indicative Budget	2022/2023 Indicative Budget	2023/2024 Indicative Budget	2024/2025 Indicative Budget
Column Reference	A	B	C	D	E	F	G
1	PDO 4	Policies & Bylaws	100,000	-	-	-	-
2	PDO 8	Customer Relations Management	248,900	-	-	-	-
3	PDO 15	Supply Chain Management	2,082,860	-	-	-	-
4	PDO 21	Systems & Technology	2,367,294	1,400,000	1,400,000	1,400,000	1,400,000
5	PDO 23	Equipment & Fleet Management	1,233,543	4,156,186	8,550,000	11,100,000	11,600,000
6	PDO 24	Energy Supply & Infrastructure	39,950,000	39,783,814	33,500,000	32,700,000	32,700,000
7	PDO 25	Transport, Roads & Stormwater Infrastructure	87,394,552	3,000,000	16,452,169	6,500,000	6,500,000
8	PDO 26	Water & Sanitation Services & Infrastructure	45,253,539	41,619,354	17,000,000	51,282,000	50,782,000
9	PDO 27	Solid Waste Management & Infrastructure	3,000,000	10,500,000	4,500,000	1,500,000	1,500,000
10	PDO 28	Municipal & Public Facilities	1,110,399	950,000	1,350,000	850,000	850,000
11	PDO 39	Safety & Security	2,447,600	2,250,000	3,500,000	1,000,000	1,000,000
12	PDO 40	Disaster and Emergency Management	-	-	920,000	-	-
13	PDO 41	Traffic Control & Licensing	1,420,000	1,350,000	550,000	50,000	50,000
14	PDO 42	Municipal Law Enforcement	-	100,000	100,000	100,000	100,000
15	PDO 44	Natural Resources	30,163	600,000	600,000	100,000	100,000
16	PDO 45	Parks & Open Spaces	3,635,000	-	-	500,000	500,000
17	PDO 50	Sustainable Human Settlements (Housing)	7,587,291	2,500,000	2,450,000	1,450,000	1,450,000
18	PDO 51	Sport, Recreation and Facilities	13,211,292	5,769,646	20,829,831	1,250,000	1,250,000
19	PDO 54	Cemeteries and Crematoria	4,900,000	1,000,000	1,000,000	-	-
20	Grand Total		215,972,433	114,979,000	112,702,000	109,782,000	109,782,000

Table 100: Capital Expenditure per PDO and source of funding

CAPITAL EXPENDITURE PER PRE-DETERMINED OBJECTIVE AND SOURCE OF FUNDING					
Serial Number	PDO	PDO Description	2020/2021 Capital Budget Funding Source: CRR	2020/2021 Capital Budget Funding Source: Grants	Total 2020/2021 Capital Budget
Column Reference	A	B	C	D	E
1	PDO 4	Policies & Bylaws	100,000	-	100,000
2	PDO 8	Customer Relations Management	248,900	-	248,900
3	PDO 15	Supply Chain Management	2,082,860	-	2,082,860
4	PDO 21	Systems & Technology	2,367,294	-	2,367,294
5	PDO 23	Equipment & Fleet Management	1,233,543	-	1,233,543
6	PDO 24	Energy Supply & Infrastructure	10,050,000	29,900,000	39,950,000
7	PDO 25	Transport, Roads & Stormwater Infrastructure	24,254,000	63,140,552	87,394,552
8	PDO 26	Water & Sanitation Services & Infrastructure	10,378,426	34,875,113	45,253,539
9	PDO 27	Solid Waste Management & Infrastructure	3,000,000	-	3,000,000
10	PDO 28	Municipal & Public Facilities	1,110,399	-	1,110,399
11	PDO 39	Safety & Security	2,447,600	-	2,447,600
12	PDO 40	Disaster and Emergency Management	-	-	-
13	PDO 41	Traffic Control & Licensing	1,420,000	-	1,420,000
14	PDO 42	Municipal Law Enforcement	-	-	-
15	PDO 44	Natural Resources	30,163	-	30,163
16	PDO 45	Parks & Open Spaces	1,035,000	2,600,000	3,635,000
17	PDO 50	Sustainable Human Settlements (Housing)	687,291	6,900,000	7,587,291
18	PDO 51	Sport, Recreation and Facilities	2,855,000	10,356,292	13,211,292
19	PDO 54	Cemeteries and Crematoria	-	4,900,000	4,900,000
20	Grand Total		63,300,476	152,671,957	215,972,433

#### 4.13 LONG TERM CAPITAL EXPENDITURE FUNDING

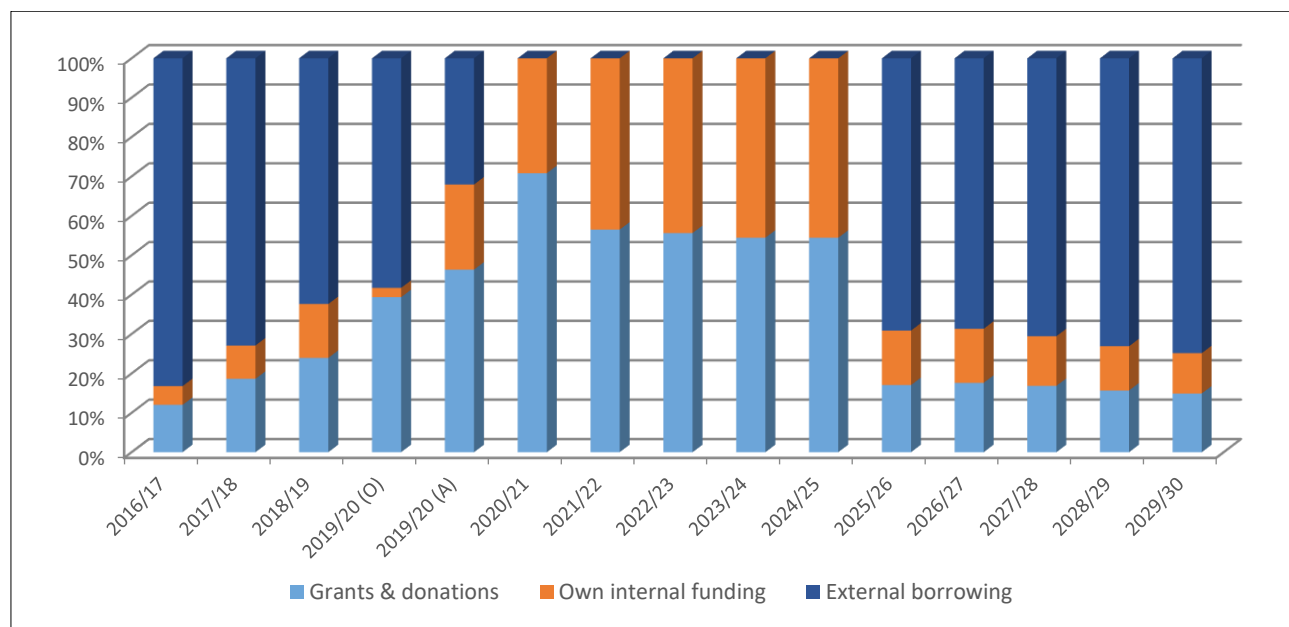
Capital expenditure is funded through own revenue, grants and donations from outside stakeholders and external borrowings. Own revenue can only be generated through operating budget surpluses, but, this means that Drakenstein's customer base must pay for it through property rates and service charges levied. Grants and donations through government programmes and private investors are another important funding source. Government programmes will usually give grants for bulk infrastructure services and internal infrastructure services where the investment in infrastructure is needed to provide basic services to the poor. Private investors will contribute levies to improve bulk services provision and to invest in basic infrastructure services for township development.

The capital expenditure funding trends over the past four years and forecasted ten years (LTREF) under review are set out in Table "Capital Expenditure per Funding Source" and Graph below. The available funding from all sources over the LTREF is referred to as the affordability envelope. In Graph "Capital Expenditure" below it is clear that external borrowings (light blue colour) was the main source of funding of capital expenditure for the period 2016/2017 till 2018/2019. Due to restructuring of loans no debt will be taken up during the period 2020/2021 until 2024/2025, but will once again be from 2025/2026 to 2029/2030. It also clearly shows that own funding (green colour) is becoming the only other funding source for the MTREF. These reserves need to be rebuilt as from the 2020/2021 financial year as indicated in the Table and Graph above. Therefore the decision to limit capital funding from own funds to R50 million per year until 2029/2030. Grant funding (dark blue colour) fluctuates depending on the success of business plan applications for grant funding from government and funding agency programmes.

Table 101: Capital Expenditure per Funding Source (LTREF Affordability Envelope)

2020/2021 LTREF HIGH LEVEL CAPITAL BUDGET EXPENDITURE PER FUNDING SOURCE							
Serial Number	Financial Year	Capital Replacement reserve	External Loans	Grants	Insurance	Interest Earned	Capital Budget Totals
Column Reference	A	B	C	D	E	F	G
1	Audited Expenditure 2016/2017	25,900,359	452,848,117	65,440,162	-	-	544,188,637
2	Audited Expenditure 2017/2018	55,131,986	476,159,908	121,686,249	-	-	652,978,143
3	Audited Expenditure 2018/2019	77,581,371	357,114,628	137,033,834	763,613	40,085	572,533,531
4	Original Budget 2019/2020	8,881,650	220,340,332	148,807,968	-	-	378,029,950
5	Revised Capital Budget 2019/2020	63,412,842	94,003,218	135,997,679	-	-	293,413,739
6	2020/2021 Capital Budget	50,000,000	-	167,149,000	-	-	217,149,000
7	2021/2022 Indicative Capital Budget	50,000,000	-	63,479,000	-	-	113,479,000
8	2022/2023 Indicative Capital Budget	50,000,000	-	62,702,000	-	-	112,702,000
9	2023/2024 Indicative Capital Budget	50,000,000	-	59,782,000	-	-	109,782,000
10	2024/2025 Indicative Capital Budget	50,000,000	-	59,782,000	-	-	109,782,000
11	2025/2026 Indicative Capital Budget	50,000,000	250,000,000	61,635,922	-	-	361,635,922
12	2026/2027 Indicative Capital Budget	50,000,000	250,000,000	64,173,587	-	-	364,173,587
13	2027/2028 Indicative Capital Budget	50,000,000	280,000,000	66,849,337	-	-	396,849,337
14	2028/2029 Indicative Capital Budget	50,000,000	325,000,000	69,670,686	-	-	444,670,686
15	2029/2030 Indicative Capital Budget	50,000,000	365,000,000	72,645,557	-	-	487,645,557

**Graph 28: Capital Expenditure per Funding Source (LTREF Affordability Envelope)**



#### 4.13.1 External Borrowings

External borrowing as a funding source is capped at 50% of total operating revenue (excluding conditional grants) as per Council's External Borrowing Policy. Due to development opportunities and pressures, Council allowed investment in infrastructure through external borrowings that has led the capped percentage to be exceeded.

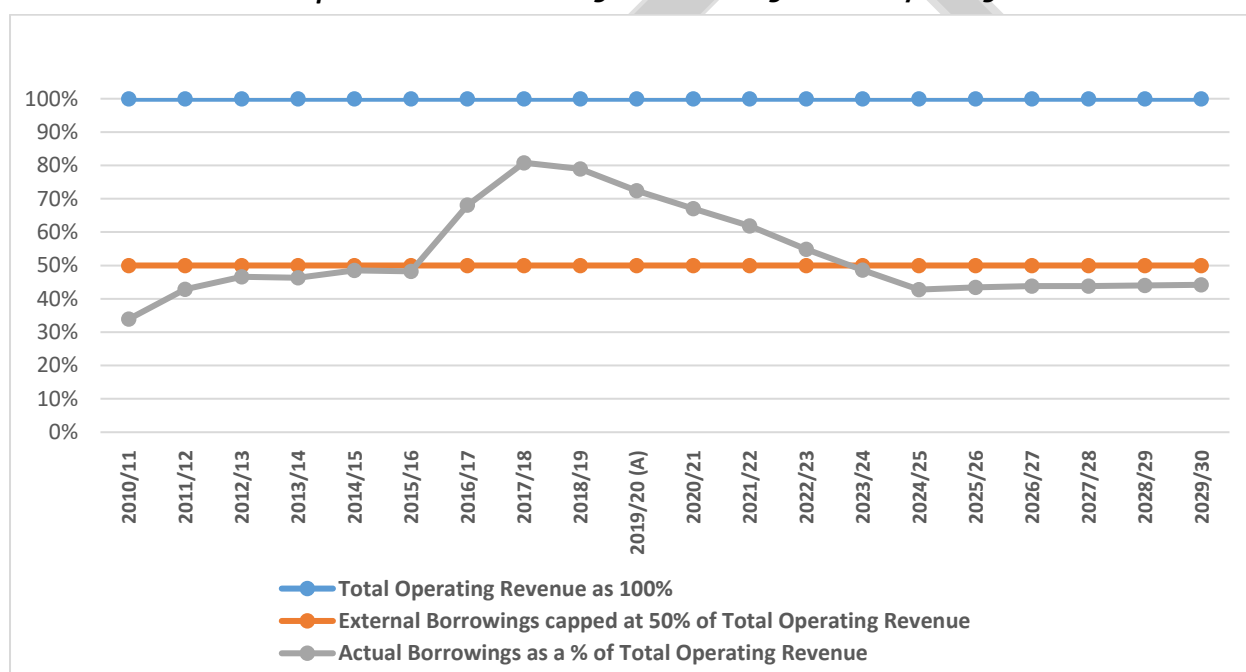
As mentioned before, due to residential and business growth pressures, investment in bulk and other infrastructure to the amount of R4.263 billion was made over the last ten financial years with significant amounts over the last four financial years. This was done based on residential and business growth expectations and the envisaged growth in the tax base to assist with the repayment of the external loans. The capital expenditure was financed through government grants of R846.7 million (23.9%); own Capital Replacement Reserve of R 371.0 million (10.5%); and, external loans of R2.329 billion (65.7%) taken-up with the DBSA, Standard Bank and Nedbank. The external loans were taken-up after the applicable legislative requirements in Section 46 of the Municipal Finance Management Act (MFMA) was adhered to and Council approving the taking-up of the external loans.

Due to the slowdown of the South African economy and in Drakenstein Municipality as well, residential developments are taking place at a slower rate than assumed five years ago. The interest and redemption repayments were strangling the current tax base. For this reason, Council on 6 September 2019 unanimously resolved to authorise the City Manager to negotiate with the Development Bank of Southern Africa (DBSA), Standard Bank and Nedbank to extend existing repayment terms of the ten-year external loans with new refinancing loan agreements for up to 17.5 years - provided that the applicable legislative processes be followed as required by section 46 of the Municipal Finance Management Act. The purpose was to spread the repayment burden over a longer term while the tax base grow.

Due to the restructuring of the external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank, no further external loans will be taken up over the next four financial years. This will assist in decreasing the gearing ratio to 72.4% at the end of the 2019/2020 financial year, before decreasing to 67.0% (2020/2021), 61.8% (2021/2022), 54.8% (2022/2023), 48.6% (2023/2024) and 42.7% (2024/2025) as depicted Graph 12 below. This will result that the gearing ratio decrease to below the National Treasury norm of 45% and within the 50% norm of Council's External Borrowing Policy.

The constraints placed on the available funding available for capital project implementation, the moratorium on the taking up of external loans during the loan restructuring period as well as the limited grants received by the Municipality, has necessitated a significant decrease in the capital expenditure over the next 5 years. A limit of R50 million will be available per year from own funds plus the available grants from government programmes.

**Graph 29: External Borrowings as a Percentage of Total Operating Revenue**



#### 4.13.2 Grant funding

Drakenstein Municipality's capital grants allocation (IUDG, INEP, WC Transport and etcetera), due to the formulae applied, are substantially lower when compared to secondary cities of the same size. As this formula is not within the control of the Municipality, it has resolved to source vigorously for government grant funding through government grant and foreign grant programmes. The Municipality has thus set up a Grant Task Team (GTT), a sub-committee of the Revenue Management, Expenditure Management and Cost Containment Committee that is under the leadership of the Accounting Officer, to ensure the sourcing of additional grant funding is dealt with in a much more focused and strategic manner. The role of the GTT is to unlock any possible grant funding, in addition to the current conventional government grant funding streams available via the Division of Revenue Act (DoRA). The sub-committee reports in monthly intervals to the Revenue Management, Expenditure Management and Cost Containment Committee.

The GTT has updated business plans for 12 projects, with a total value of approximately R700 million, that is ready to be submitted to a suitable grant funding source/agent – see Table 109 below. Of these 12 projects, the top 5 infrastructure projects were identified and ranked as indicated on the list of business plans to ensure that these projects are prioritised to be the first to receive grant funding should funding become available in the immediate future.

Table 102: Grant funding business plans in hand

Drakenstein Municipality						
Grant Funding Business plans (In-hand)						
No.	Project Name	Estimated Project Cost	Estimated Grant allocation	Estimated Counter funding	Focus Area	%
Column ref	A	B	C	D	E	F
1	Upgrading of Paarl WWTW	R 668,212,478	R 348,673,271	R 319,539,207	Sanitation	58.2
2	Simondium Bulk Sewer	R 40,621,000	R 23,966,390	R 16,654,610	Sanitation	
3	Vlakkeland: Sewer	R 31,387,228	R 28,593,765	R 2,793,463	Sanitation	
4	Simondium Bulk Water	R 28,230,000	R 15,526,000	R 12,704,000	Water	6.6
5	Vlakkeland: Water	R 33,196,939	R 30,209,214	R 2,987,725	Water	
6	Vlakkeland: Stormwater	R 84,685,194	R 71,558,990	R 13,126,204	Stormwater	10.4
7	Vlakkeland Streetlighting	R 2,728,241	R 2,728,241	R -	Electricity	0.4
8	Upgrading of New Orleans Sports Field	R 26,841,230	R 26,841,230	R -	Sport	24.4
9	Ambachtsvallei Indoor Centre	R 34,328,099	R 34,328,099	R -	Sport	
10	Upgrading of Hermon Sports Field	R 25,248,273	R 25,248,273	R -	Sport	
11	Dal Jasaphat Sport Stadium	R 70,264,425	R 70,264,425	R -	Sport	
12	Fairylands Sports Facility (Groenheuwel)	R 11,155,024	R 11,155,024	R -	Sport	
13						
14	TOTAL		R 689,092,922	R 367,805,209		100.0

Furthermore, a list of projects currently on the 2019/20 budget were identified as projects that are either implementation ready or able to immediately spend additional funding through existing rates tenders, with a special focus on poor beneficiaries, basic services and informal settlements to ensure alignment with the typical conditions of DoRA infrastructure grants. (i.e. MIG, IUDG, EPWP, RBIG, WSIG, etc.)

The total value of additional grant funding able to be spent by 30 June 2020 is estimated as R75 million. These projects are listed in Table below.

Table 103: Projects ready to spend additional grants on

PROJECTS READY TO IMMEDIATELY SPEND ADDITIONAL GRANT FUNDS IN CURRENT 2019/20 FINANCIAL YEAR						
No.	Priority Ranking	Project Name	Amount	Max Monthly expenditure rate	Business plan/Master plan in place (Yes/No)	Tender in place (Yes/No)
Column ref	A	B	C	D	E	F
1	1	REPLACE / UPGRADE WATER RETICULATION SYSTEMS (HOOFWEG WATER PIPE LINE - WELLINGTON)	R 16,100,000	R 2,012,500	Yes	Yes
2	2	ERADICATION OF SEWER NETWORK BACKLOG	R 8,500,000	R 1,062,500	Yes	Yes
3	3	EXTENSION OF BASIC SERVICES: INFORMAL SETTLEMENTS	R 4,300,000	R 537,500	Yes	Yes
4	4	YSTERBRUG TO VICTORIA PUMPSTATION	R 15,800,000	R 1,975,000	Yes	Yes
5	5	RESEAL OF STREETS IN TERMS OF THE RAMS	R 12,200,000	R 1,525,000	Yes	Yes
6	6	UPGRADING OF OOSBOSCH STREET	R 3,500,000	R 437,500	Yes	Yes
7	7	ELECTRIFICATION OF INFORMAL AREAS AND BACKYARDERS	R 10,000,000	R 1,250,000	Yes	Yes
8	8	BOREHOLES INFRASTRUCTURE	R 5,200,000	R 650,000	Yes	Yes
9		<b>TOTAL</b>	<b>R 75,600,000</b>			

The following grant applications are in process and current grant programmes are pending:

- DBSA IIPSA funding:** R27.9 million grants received for planning activities. Successful implementation may result in Drakenstein Municipality being eligible for possible additional grant funding from DBSA.
- DBSA grant funding:** for Capital Expenditure Framework (CEF) and Infrastructure Master Plans: Funding of R4 million has been approved.
- Department of Environmental Affairs – Operation Phakisa:** Operation Phakisa is a Presidential programme established to support the implementation of the National Development Plan to promote the SA economy through various waste management initiatives which contributes to the GDP of the country through job creation; reducing negative environmental impact; formalization & protection of informal workers; and economic transformation. The following 5 proposals were submitted as listed in the table below:

Table 104: Projects - Operation Phakisa

PROJECT NAME	AMOUNT
Wellington Landfill Site: Material Recovery Facility (MRF)/Transfer Station	R 43,700,000
Wellington Landfill Site: Provision of Sustainable alternative disposal methods for organic food waste (Biogas Plant)	R 18,300,000
Wellington WWTW: Re-Use of Effluent	R 167,000,000
Drakenstein Lightweight Bricks Manufacturing using Recycled Polystyrene	R 52,900,000
Recycling Awareness campaign	R 1,200,000
<b>TOTAL VALUE OF APPLICATIONS</b>	<b>R 283,100,000</b>

- Department of Local Government:** R2 million received through the Area Lighting Programme.
- Department of Human Settlements:** Funding for Simondium - Innovative Technology “Bubbler Sewer System”.



- (f) **Department of Energy (DoE)/DBSA Support Programme:** Drakenstein identified as a pilot for the roll-out of a DBSA grant for electricity backlog eradication, for operational and capital projects.
- (g) **Department of Water & Sanitation (DWS) Water Services Infrastructure Grant (WSIG):** Funding application for Water Demand Management approved in principle for approximately R5 million.
- (h) **Neighbourhood Development Partnership Programme (NDPG):** Funding support and approval to proceed with planning processes, received from National Treasury.

#### 4.13.3 Addressing the funding GAP

The table below sets out the available funding sources (also referred to as the affordability envelope). The difference between the affordability envelope and the total capital need is referred to as the funding gap.

In the table below, it is clear that operating surpluses to the amount of R250.0 million will contribute 39.6% of the total capital budget of R664.2 million over the 2020/2025 MTREF. Grants will contribute R401.0 million or 60.4% of the total capital budget. No external borrowings will be entered into.

Table 105: Available Funding Sources (LTREF Affordability Envelope)

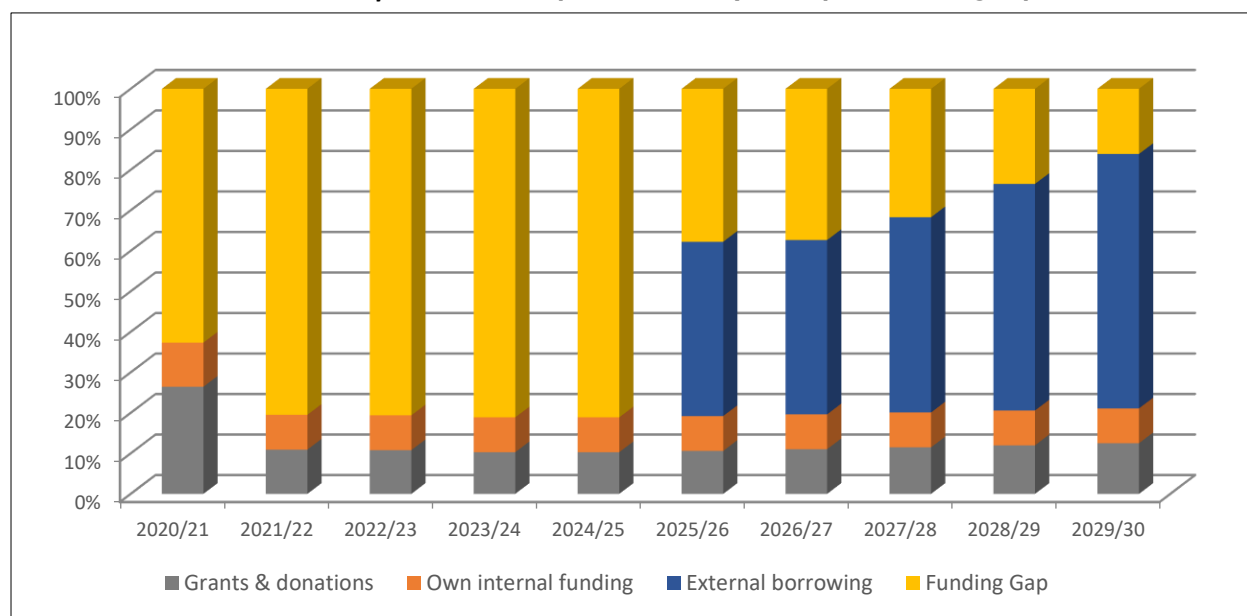
AVAILABLE FUNDING SOURCES TO BE USED FOR THE PRIORITISATION MODEL FOR CAPITAL ASSET INVESTMENT													
Serial Number	Financial Year	Capital Replacement reserve	% of Total Capex	External Loans	% of Total Capex	Prioritised Capex (Prioritisation Model)	% of Total Capex	Total Own Funding	% of Total Capex	Grants	% of Total Capex	Capital Budget Totals	% of Total Capex
Column Reference	A	B	C	D	E	F	G	H	I	J	K	L	M
1	2020/2021	63,300,476	29.2%	-	0.0%	63,300,476	29.2%	63,300,476	29.2%	153,671,957	70.8%	216,972,433	100.0%
2	2021/2022	50,000,000	43.5%	-	0.0%	50,000,000	43.5%	50,000,000	43.5%	64,979,000	56.5%	114,979,000	100.0%
3	2022/2023	50,000,000	44.4%	-	0.0%	50,000,000	44.4%	50,000,000	44.4%	62,702,000	55.6%	112,702,000	100.0%
4	2023/2024	50,000,000	45.5%	-	0.0%	50,000,000	45.5%	50,000,000	45.5%	59,782,000	54.5%	109,782,000	100.0%
5	2024/2025	50,000,000	45.5%	-	0.0%	50,000,000	45.5%	50,000,000	45.5%	59,782,000	54.5%	109,782,000	100.0%
6	MTREF Totals	263,300,476	39.6%	-	0%	263,300,476	39.6%	263,300,476	39.6%	400,916,957	60.4%	664,217,433	100%
7	2025/2026	50,000,000	13.8%	250,000,000	69.1%	300,000,000	83.0%	300,000,000	83.0%	61,635,922	17.0%	361,635,922	100.0%
8	2026/2027	50,000,000	13.7%	250,000,000	68.6%	300,000,000	82.4%	300,000,000	82.4%	64,173,587	17.6%	364,173,587	100.0%
9	2027/2028	50,000,000	12.6%	280,000,000	70.6%	330,000,000	83.2%	330,000,000	83.2%	66,849,337	16.8%	396,849,337	100.0%
10	2028/2029	50,000,000	11.2%	325,000,000	73.1%	375,000,000	84.3%	375,000,000	84.3%	69,670,686	15.7%	444,670,686	100.0%
11	2029/2030	50,000,000	10.3%	365,000,000	74.8%	415,000,000	85.1%	415,000,000	85.1%	72,645,557	14.9%	487,645,557	100.0%
12	LTREF Grand Totals	513,300,476	18.9%	1,470,000,000	54%	1,983,300,476	72.9%	1,983,300,476	72.9%	735,892,046	27.1%	2,719,192,522	100%
13													
14	Capital budget (LTFF affordability envelope) for the next five (2020/2021 - 2024/2025) years to address IDP needs =											664,217,433	11.43%
15	LTFF affordability envelope for years six (2025/2026) to ten (2029/2030) to address IDP needs =											2,054,975,089	35.36%
16	IDP needs in capital programme that could not be addressed in years one (2020/2021) to ten (2029/2030) =											3,091,871,009	53.21%
17	Total capital programme based on IDP needs =											5,811,063,531	100.00%

The five-year MTREF indicates that the capital programme of R664.2 million in terms of the affordability envelope will only address 11.4% of Drakenstein's total capital programme needs of R5.811 billion. Over the LTREF this improves to 46.8% of the total capital programme needs in terms of the affordability envelope, but still leaving a funding gap of 53.2% over the LTREF.



The funding gap, based on the average capital need over the LTREF less the available funding per the affordability envelope is indicated in graph 13 below. Based on the forecasted MTREF, the average funding gap in 2020/21 is 63%, increasing to 80% in 2021/22, further increasing to 81% in 2022/23, 2023/24 and 2024/25, before decreasing to 16% in 2029/30. The large funding gaps between 2020/21 and 2024/25 is due to the moratorium placed on the taking up of external loans, as discussed earlier in the chapter.

**Graph 30: LTREF Capital Affordability Envelope and Funding Gap**



It is imperative to solve the unfunded and underfunded mandate issues to allow the operating budget to generate more operating surpluses to boost the funding of capital projects through own revenue. The funding gap will further accumulate over time, if it is not addressed, which could result in the collapse of municipality's infrastructure in the long-term.

#### 4.14 PRIORITISATION MODEL FOR CAPITAL ASSETS INVESTMENT

Drakenstein developed a Prioritisation Model for Capital Assets Investment that was implemented from the start of the 2013/2014 financial year. The purpose of the policy is to allocate available revenue for capital investment through a points system based on thirteen principles. These principles are statutory requirement; service delivery; essential service; economic stimulation; community benefit; permanent job creation; labour intensive construction; revenue generating; aesthetical improvement; social upliftment; spatial development framework compliance; risk factor and time factor.

Three main categories were defined i.e. basic services infrastructure and roads, social and economic infrastructure and operational infrastructure. It needs to be noted that these categories do not concur with the GFS standard classifications. Each of these infrastructure categories will receive a percentage allocation of prioritised funds. Prioritised funds mean conditional grants, own revenue and external borrowings to be distributed amongst the prioritised capital projects on the capital programme.

Basic services and roads infrastructure comprising of electricity main supply and networks; water main supply and networks; sewer main supply and networks; solid waste infrastructure; and, roads and storm water will receive approximately 70% of prioritised funds.

Social and economic infrastructure comprising of public safety; parks and recreation; environmental; libraries; sport and recreation facilities; arts and culture; new urban development; business development; industrial development; any development that will help grow the local economy and that will create jobs; labour intensive capital projects; and etcetera will receive approximately 20% of prioritised funds.

Operational infrastructure comprising of vehicles, plant and equipment; computer hardware and software; communication networks; office furniture and equipment; machinery, tools and equipment; municipal office buildings; and etcetera will receive approximately 10% of prioritised funds.

During 2019/20 the municipality acquired a Capital Project Prioritisation & Monitoring Software, which was necessitated by the inclusion of the municipality as part of the intermediate city programme receiving the Integrated Urban Development Grant (IUDG). As part of having access to the grant, the Department of Cooperative Governance (DCOG) requires of intermediate city municipalities to compile an annual CEFs according to the legislative requirement stated in the Spatial Planning and Land Use Management Act (Act No 16 of 2013) and aligned to the requirements stated in the Integrated Urban Development Framework (IUDF).

The benefit of such a Capital Expenditure Framework (CEF), is that it allows municipalities the ability to plan in an integrated manner and prioritise infrastructure investment in such a way that it will improve the distribution of investment and result in improved spatial development.

The software acquired assists the municipality to improve the management of capital projects planning, budgeting and prioritisation and reporting. The tool encompasses several features, including being able to assist with the respective life cycle phases of the capital projects and prioritisation of capital budgets.

The software would necessitate the updating of the current Prioritisation Model for Capital Assets, as it now provides for a multi-tiered approach to prioritisation, and application of prioritisation of strategic outcomes, budget capping based on collective strategic targets and consideration of investment requirements based on the outputs of long-term sector planning and asset management systems.

The quality of the current Prioritisation Model for Capital Assets that is performed is normally limited by the granularity of data and the availability/adequacy of information.

The new software, as the process of information management is enhanced, will allow for improved prioritisation. Furthermore, the software will be used to ensure, prior to prioritisation, that projects are prepared to a level where in the originator of future capital projects can:

- (a) Demonstrate that the proposed project meets the functional requirements and objectives, and is aligned to meet the need it seeks to address;

- (b) Aligns the proposed projects to the city's strategic programmes and KPAs, already demonstrating how these projects could contribute and align towards meeting of the city's strategic objectives;
- (c) Demonstrate that the proposed project is properly planned and ready to be implemented, should it receive budget;
- (d) Ascertain the capital and operational expenditure of the proposed project, to a sufficient level of accuracy, over the full project life-cycle;
- (e) Ascertain accessibility to grants, impact on municipal revenue and expenditure; and
- (f) Determine and document any risks and concerns that may result in project failure, inclusive of a plan to manage or eliminate such risks.

The Table below depicts the **allocations per infrastructure type**. Basic services infrastructure in 2020/2021 will receive 67.8% of the total capital budget. Over the MTREF basic services infrastructure will receive 52.4% (2021/2022), 43.9%; (2022/2023), 63.6% (2022/23) and 63.6% (2024/2025) of the total capital budget.

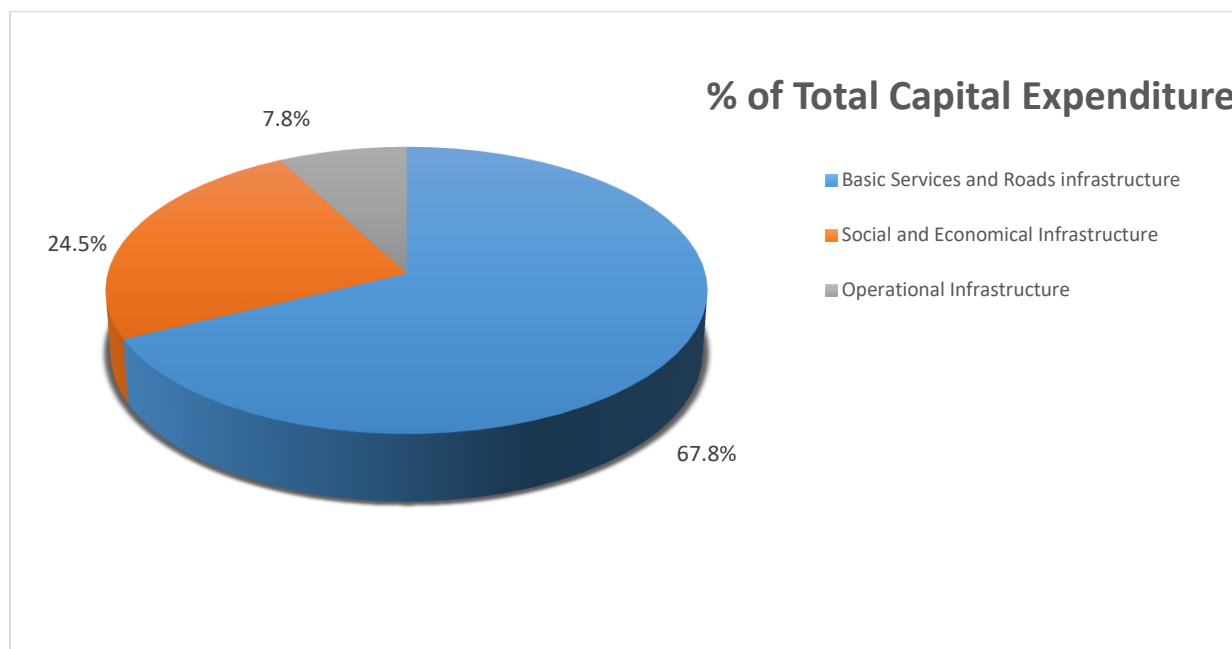
Table 106: Allocations per Infrastructure Type

2020/2021 MTREF HIGH LEVEL CAPITAL BUDGET EXPENDITURE PER INFRASTRUCTURE TYPE AND FUNDING											
Serial Number	Infrastructure Type / Funding Source	2020/2021 Approved Budget	Distribution %	2021/2022 Indicative Capital Budget	Distribution %	2022/2023 Indicative Capital Budget	Distribution %	2023/2024 Indicative Capital Budget	Distribution %	2024/2025 Indicative Capital Budget	Distribution %
Column Reference	A	B	C	D	E	F	G	H	I	J	K
1	Basic Services and Road Infrastructure	147,033,091	67.8%	60,209,354	52.4%	49,452,169	43.9%	69,782,000	63.6%	69,782,000	63.6%
2	Grants	107,815,665	49.7%	35,209,354	30.6%	20,452,169	18.1%	39,782,000	36.2%	39,782,000	36.2%
3	Prioritised Funds	39,217,426	18.1%	25,000,000	21.7%	29,000,000	25.7%	30,000,000	27.3%	30,000,000	27.3%
4	Social & Economical Infrastructure	53,114,055	24.5%	37,219,646	32.4%	49,849,831	44.2%	24,350,000	22.2%	24,350,000	22.2%
5	Grants	45,856,292	21.1%	29,769,646	25.9%	42,249,831	37.5%	20,000,000	18.2%	20,000,000	18.2%
6	Prioritised Funds	7,257,763	3.3%	7,450,000	6.5%	7,600,000	6.7%	4,350,000	4.0%	4,350,000	4.0%
7	Operational Infrastructure	16,825,287	7.8%	17,550,000	15.3%	13,400,000	11.9%	15,650,000	14.3%	15,650,000	14.3%
8	Grants	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
9	Prioritised Funds	16,825,287	7.8%	17,550,000	15.3%	13,400,000	11.9%	15,650,000	14.3%	15,650,000	14.3%
10	Grand Total	216,972,433	100.0%	114,979,000	100.0%	112,702,000	100.0%	109,782,000	100.0%	109,782,000	100.0%

Social and economic infrastructure will receive 24.5% of the total capital budget. Over the MTREF social and economic infrastructure will receive 32.4% (2021/2022), 44.2% (2022/2023), 22.2% (2022/2023) and 22.2% (2024/2025) of the total capital budget.

Operational infrastructure will receive 7.8% of the total capital budget. Over the MTREF operational infrastructure will receive 15.2% (2021/2022), 11.9% (2022/2023), 14.3% (2022/2023) and 14.3% (2024/2025) of the total capital budget.

For the 2020/2021 financial year the **total capital distribution** is as depicted in Graph below.

**Graph 31: Capital Expenditure Distribution for the 2020/2021 Financial Year**

The prioritised funds used for the allocations to the above infrastructure categories reflected in Drakenstein's capital budget come from the municipality's operating revenue surpluses (CRR), grants and external borrowings.

#### **4.15 LONG-TERM FINANCIAL SUSTAINABILITY RATIOS**

The Long-Term Financial Sustainability Policy of Council refers to three key financial indicators or ratios that influence long-term financial sustainability planning and budgeting. They are:

- (a) An **operating surplus ratio** to influence financial performance planning and budgeting;
- (b) A **net financial liabilities ratio** to influence financial position planning and budgeting; and
- (c) An **asset sustainability ratio** to influence asset management performance planning and budgeting.

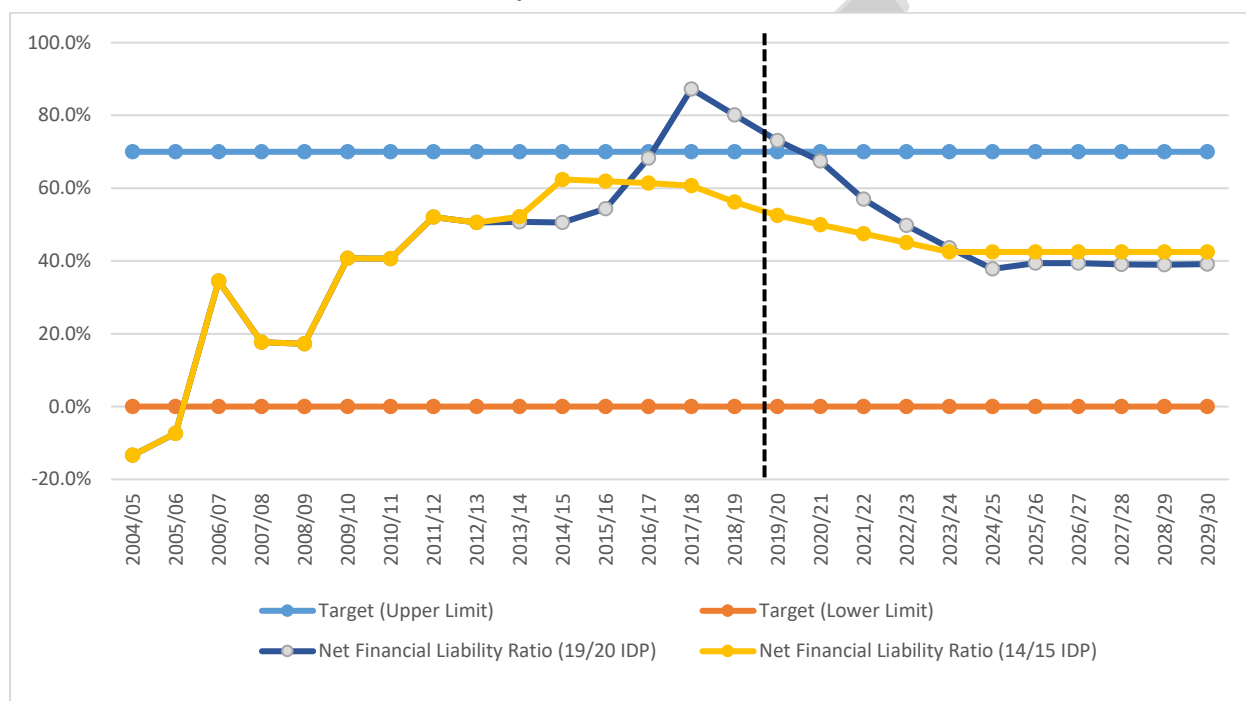
##### **4.15.1 Operating surplus ratio**

In the above the operating surplus ratio was discussed in detail. The discussions included envisaged actions to get closer to a balanced budgeted and an operating surplus above 0% by 2024/2025. This view needs to be intensified to rather reach a balanced budget by 2022/2023. The intention is to increase this operating surplus to about 4.5% in 2029/2030 to become less dependant on external borrowings on the long-term.

#### 4.15.2 Net financial liability ratio

The net financial liability ratio is calculated by dividing total liabilities less current assets by the total operating revenue (excluding capital grants). This would be an indicator to ensure that net financial liabilities exceed current assets and must be served using available operating revenues to ensure that Drakenstein remains within recommended levels for sustainability. Drakenstein's Policy refers to an upper limit target of 70% and a lower limit target of 0% to ensure a reasonable financial sustainability range to operate within.

**Graph 32: Net Financial Liability Ratio**



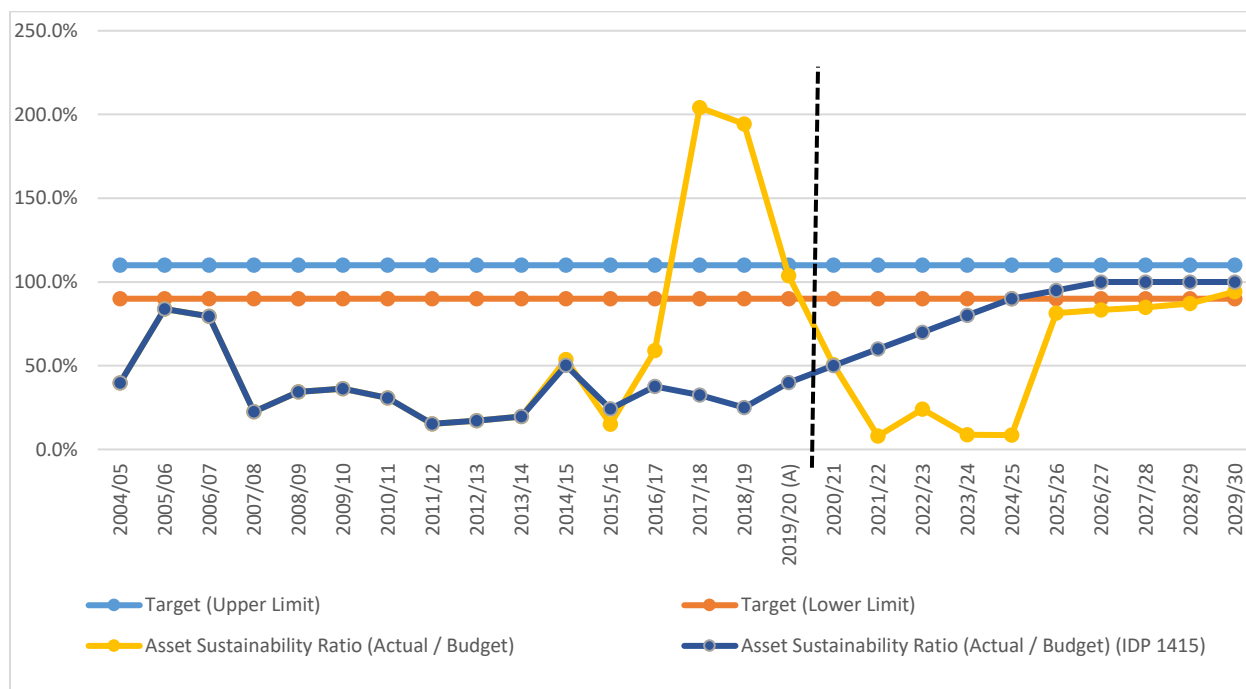
The graph above sketches the net financial liability ratio picture. The depletion of reserves and the taking up of external loans is the main reasons why the ratio drastically increased from 2004/2005 to 2011/2012. Drakenstein went over the sustainability limit of 70% in 2017/2018 and this will continue until 2020/2021 due to the extensive investment in revenue generating infrastructure (electricity, water and waste water) as discussed in detail in paragraph 4.10 above. During 2020/2021 till 2024/25 it will decrease significantly due to the moratorium on the taking up of long-term borrowings.

The only way to reduce the net financial liability ratio is to reduce the gearing ratio to below 50% over the long-term as depicted in the Graph (external borrowings as a percentage of total operating revenue) above. This however goes together with the assumption that the operating budget must yield higher operating surpluses as depicted in the Graph (operating surplus ratio) above.

### 4.15.3 Asset sustainability ratio

The asset sustainability ratio is calculated by dividing the capital expenditure amount spent on the renewal/replacement of asset infrastructure by the depreciation expenditure. This would be an indicator to ensure that existing infrastructure is sufficiently replaced or renewed when they reach their useful life.

**Graph 33: Asset Sustainability Ratio**



Based on this indicator about 40.1% (R2.332 billion) of the capital programme needs (R5.811 billion) for the 2020/2030 LTREF needs to be spent on the renewal/replacement of existing infrastructure to ensure that the same quality of services is kept being rendered. This is simply not obtainable, as the affordable capital budget over the 2020/2025 MTREF is only R664.2 million. The municipality thus requires urgent assistance from National and Provincial Government in the form of capital grants, to ensure that a healthy asset sustainability ratio is maintained.

Based on the 2020/2025 MTREF capital budget 51% (2020/21), 8% (2021/22), 24% (2022/23), 9% (2023/24) and 9% (2024/25) of the capital budget expenditure are related to the renewal, replacement and upgrading of existing infrastructure. National Treasury's norm is 40%, thus the current spending models for the outer years are lower than this norm. The reason for this is the significant decrease in the capital budget over the MTREF due to the moratorium on the taking up of new loans. Drakenstein Municipality also do not get their fair share of government grants for a developing municipality compared with other secondary and intermediary cities. Due to the municipality's dependency on capital grants over the next five years, there is a distinct possibility that the incentive portion of the IUDG allocations might decrease over the next few financial years.

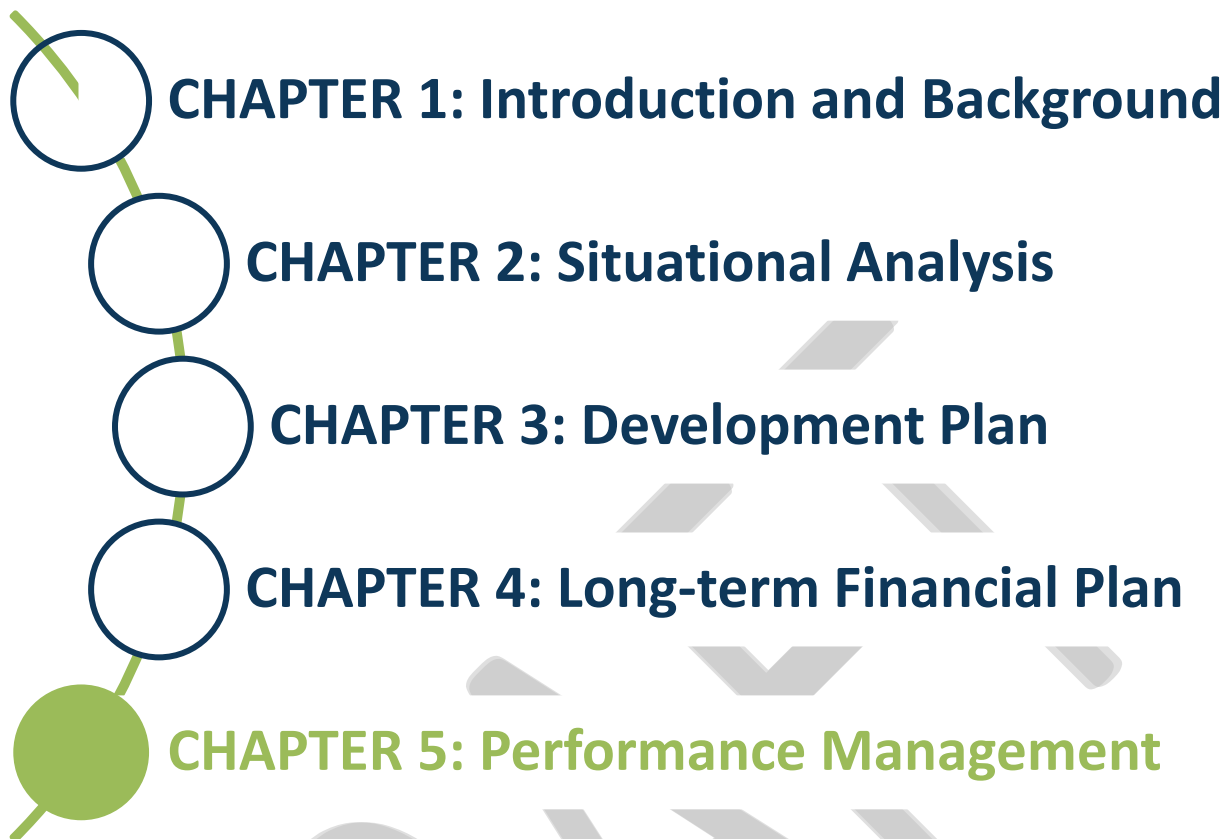
The graph above, illustrates the effect of the reduction of the capital budget over the MTREF. Current capital expenditure spending trends project that existing infrastructure are not being renewed/replaced sufficiently or maintained efficiently to prevent future renewal “backlogs”. If future renewal “backlogs” are not addressed, it will result in a reduction of service levels and will likely create a burden on future ratepayers; who will either have to incur substantial financial costs to restore the assets or it will result in a convenience cost from not being able to utilise the assets. Examples are the closure of roads due to excessive pot holes, unacceptable blue drop and green drop statuses due to quality standards not maintained and etcetera.

The decrease in the capital budget is an attempt by Drakenstein to decrease its gearing ratio over the MTREF. The ratio decreases up to 2024/2025, before it stabilises over the last five outer years reaching the acceptable limits of between 90% and 110% by 2029/30.

#### **4.16 CONCLUSION**

The continued improvement and development of an effective financial planning process aids the actualisation of fulfilling its facilitating role to capacitate the community to build a prosperous future for all. This Long-Term Financial Plan with its financial framework, financial strategies and financial policy framework contribute to ensuring that Drakenstein remains financially viable and sustainable and that quality municipal services are provided economically to all communities within its area of jurisdiction.

The multi-year Long-Term Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing and balanced operating budgets will certainly ensure the sustainability of the municipality over the short-, medium- and long-term.





## **CHAPTER 5: PERFORMANCE MANAGEMENT**

### **5.1 INTRODUCTION**

The Drakenstein Municipality's Performance Management System (PMS) aims to monitor, review and improve the implementation of its Integrated Development Plan (IDP) and to measure the progress made in achieving the objectives as set out in the IDP. Performance Management (PM) is complemented by Monitoring and Evaluation and Job Description Efficiency.

Implementation of the Service Delivery and Budget Implementation Plan (SDBIP) in the IDP ensures that the municipality implements programmes and projects based on the IDP targets and the approved budget. The performance of the municipality is reported on in the Quarterly and Mid-yearly Performance Assessment Reports as well as in the Annual Report.

Two key internal combined assurance tools are internal performance audit and risk management. This ensure that all activities undertaken adequately address significant risks and put in place control mechanisms to mitigate said risks in order to attain set performance targets.

In addition to performance management legislation and regulations, the Performance Management Policy seeks to promote a culture of performance management within DM. A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers as well as the consequence implementation thereof. The purpose of the Performance Management Policy is to streamline performance management processes and to ensure that the five-year IDP (2017-2022) is implemented.

**The Performance Management Policy includes the following objectives that the municipality's PMS should fulfil:**

- The PMS should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team;
- The PMS should facilitate learning in order to enable the municipality to improve service delivery;
- It is important that the PMS ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary; and
- The PMS should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The Performance Management Policy clarifies the roles and responsibilities of each of the stakeholders involved in the PMS of the municipality. This negates any confusion that might arise in the municipality's pursuit to speed up delivery and to enhance the quality of services to its local constituents.

The SDBIP is an implementation plan of the approved Integrated Development Plan (IDP) and Medium-Term Revenue and Expenditure Framework. Therefore, only projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP. The format of the SDBIP is prescribed by MFMA Circular Number 13 issued by National Treasury. In terms of Circular 13, the SDBIP provides a picture of service delivery priorities, budget provision and the monitoring of performance.

#### **MFMA Circular No. 13:**

The Circular stipulates that the SDBIP serves as a “contract” between the administration, council and community expressing the goals and objectives set by council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP provides the vital link between the mayor, council (executive) and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, *senior managers* and community.

### **5.2 HIGH LEVEL SDBIP TARGETS AND INDICATORS**

Quarterly projections of service delivery targets and performance indicators for each vote, is one of the five components of the top-layer SDBIP that must be made public as detailed in MFMA Circular 13. The top layer of the SDBIP includes measurable performance objectives in the form of service delivery targets and performance indicators that are provided to the community, that is, what impacts it seeks to achieve. These are drawn from the IDP programmes, services and activities that are relevant to each specific directorate as well as the statutory plans that the department is responsible for. The SDBIPs therefore are the key mechanisms for monitoring the different responsibilities and targets that each Directorate must fulfil in meeting service delivery needs provided to the community.

### **5.3 REPORTING ON THE SDBIP**

Various reporting requirements are outlined in the MFMA, both the mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports required by the MFMA. The report then allows the Council to monitor the implementation of service delivery programs and initiatives across the municipality's boundaries.

#### **5.3.1 Monthly Reporting**

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 working days, after the end of each month.

### **5.3.2 Quarterly Reporting**

Section 52(d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.

### **5.3.3 Mid-year Reporting**

Section 72 of the Local Government: Municipal Finance Management Act, Act No. 5 of 2003, determines that by 25 January of each year the accounting officer must assess the performance of the municipality and report to the Council on inter alia its 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.

## **5.4 MONITORING AND THE ADJUSTMENTS BUDGET PROCESS**

The section 71 and 72 budget monitoring reports required under the MFMA should provide a consolidated analysis of the municipality's financial position including year-end projections. The Executive Mayor must consider these reports under s54 of the MFMA and then make a decision as to whether the SDBIP should be amended. The Adjustments Budget concept is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the municipality's finances. In simple terms, funds can be transferred within a vote but any movements between votes can only be agreed by an adjustments budget.

### **5.4.1 Job Description Efficiency (JDE)**

JDE is a component of the Performance Management System (PMS) in Drakenstein.

The JDE tool was developed in order to ensure that staff are committed in delivering excellent services to our local communities with the relevant support from managers/supervisors. The tool will also assist in enhancing service delivery.

The Job description is utilised to monitor the efficiency of employees and is the contract between the employee and employer for service delivery.

**The benefits of the JDE are as follows:**

- Coaching and mentoring opportunities;
- Improvement of communication between line manager/supervisors and subordinates;
- Identification of areas of improvement/development;
- Identification of development initiatives (WSP);

- Rectification of job descriptions;
- Identification of tools of trade; and
- Recognition of staff exceeding expectation.

#### **5.4.2 Monitoring and Evaluation (M&E)**

M&E is an integral component of the Performance Management System (PMS) in Drakenstein.

The municipality focuses on the provision of services to the community and the optimal use of resources. M&E as a unit was introduced to ensure effective day-to-day service delivery implementation and the tracking thereof. It forms part of the City Manager's office, and is outcomes orientated and has outputs tailor-made for the Drakenstein municipal needs.

Our practical approach includes the implementation of the following initiatives:

- The “management by walking about” (MBWA) approach. This includes the physical visiting of municipal facilities, infrastructure and service delivery hotspot areas by the City Manager and the responsible senior management;
- Municipal focused discussions e.g. finance, service delivery and human capital/ICT meetings;
- The promotion of automisation and the utilisation of innovation to improve services delivery and portfolio of evidence feedback. This includes the usage of video clips and drone footage in assessing and addressing situations; and
- The creation of action and accountability orientated minute keeping.

Performance Management, Monitoring and Evaluation and Job Description Efficiency (JDE) ensures that municipal performance covers the formal and informal management of performance. These combined create an efficient and effective environment and workforce.

## 5.5 FIVE- YEAR TOP LAYER SDBIP

The tables below outline the five-year performance scorecard of the municipality

KEY PERFORMANCE AREA (KPA) 1: Good Governance																				
Strategic Objective:			To ensure good governance and the active participation of all relevant stakeholders.																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI002	PDO 01. Governance Structures	Submission of Audit Committee reports to Council	Output	Internal Audit	<u>Number of quarterly Audit Committee reports submitted to Council</u>	<u>100%</u>	95%	95%	95%	4	<u>100%</u>	All	100%			NKPA 2	NDP 11	PSO 5	CWDM 3	Outcome
KPI004	PDO 02. Risk Management	Investigation of all formally reported fraud, theft and corruption cases	Output	Risk Management	<u>Percentage % of formally reported fraud, theft and corruption investigations initiated within 30 days after receipt</u>	100%	100%	100%	100%	100%	100%	All	100%			NKPA 2	NDP 12	PSO 5	CWDM 3	Output
KPI005	PDO 03. Stakeholder Participation	IDP and Budget annual stakeholder consultation	Programme	IDP and Performance Management	IDP / Budget / SDF time schedule (process plan) submitted to Council	74	<u>66</u>	<u>43</u>	<u>33</u>	<u>1</u>	<u>33</u> <u>1</u>	All	43			NKPA 2	NDP 11	PSO 5	CWDM 3	Output
KPI007	PDO 05. Intergovernme ntal Relations (IGR)	<u>Development of International &amp; Intergovernmental Relations (I&amp;IGR) Policy</u>	Programme	Corporate Services	<u>Number of I&amp;IGR policies submitted to MayCo by 31 December</u>	New KPI	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	All	N/A			NKPA 2	NDP 11	PSO 5	CWDM 3	Output

**KEY PERFORMANCE AREA (KPA) 1: Good Governance**

Strategic Objective:			To ensure good governance and the active participation of all relevant stakeholders.																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI009	PDO 07. Marketing (Branding and Website)	Submission of <u>Marketing &amp; Branding Plan to MayCo</u>	Key Initiative	<u>Communication and Marketing</u>	Number of Marketing & <u>Branding Plans submitted to MayCo by 30 June</u>	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 4	NDP 5	PSO 5	CWDM 2	Output
KPI010	PDO 07. Marketing (Branding and Website)	Standardisation of marketing and branding	Key Initiative	<u>Communication and Marketing</u>	Number of standardised branding initiatives implemented by 30 June	New KPI	<u>N/A</u> 4	4	N/A	N/A	N/A	All	N/A			NKPA 5	NDP 11	PSO 5	CWDM 3	Output

**KEY PERFORMANCE AREA (KPA) 2: Financial Sustainability**

Strategic Objective:			To ensure financial sustainability in order to meet the statutory requirements.																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI011	PDO 09. Revenue Management	Raise / collect operating budget revenue as per approved budget	Input	Financial Services City Manager	Percentage of total Annual Operating Budget revenue raised / received by 30 June	101.63%	98%	98%	98%	98%	95% 98%	All	98%			NKPA 4	NDP 11	PSO 5	CWDM 3	Input Outcome
KPI015	PDO 11. Budgeting / Funding	Submission of the MTREF (aligned to the IDP) to Council for 31 May	Input	Financial Services	Number of MTREFs submitted for approval to Council by 31 May	1	1 2	1 2	1 2	1 2	1 2	All	1			NKPA 4	NDP 11	PSO 5	CWDM 3	Input
KPI016	PDO 11. Budgeting / Funding	Submission of the Adjustments Budget to Council for approval by 28 February	Input	Financial Services	Number of Adjustments Budgets submitted for approval to Council by 28 February	1	1	1	1	1	1	All	1			NKPA 4	NDP 11	PSO 5	CWDM 3	Input
KPI017	PDO 12. Capital Expenditure	Actual expenditure on the approved Capital Budget for the municipality by 30 June (MFMA, S10(c))	Output	Financial Services City Manager	Percentage of approved Capital Budget actually spent by 30 June	99.69%	90%	90%	90%	90%	90%	All	90%			NKPA 4	NDP 11	PSO 5	CWDM 3	Output
KPI020	PDO 14. Financial Viability	Ratio in respect of Debtor Payment Days (Collect all billed revenue to ensure that sufficient cash is generated to meet Drakenstein's debt and operating commitments)	Outcome	Financial Services	Net Debtors Days Ratio ((Gross Debtors – Bad Debt Provision) / Billed Revenue)) x 365 (Target Number of days), measured quarterly	New KPI	≤45	≤45	<50	<50	<50	All	45			NKPA 4	NDP 11	PSO 5	CWDM 3	Outcome

**KEY PERFORMANCE AREA (KPA) 2: Financial Sustainability**

Strategic Objective:			To ensure financial sustainability in order to meet the statutory requirements.																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI022	PDO 16: Financial Reporting	Submit the Annual Financial Statements by 31 August to the Office of the Auditor-General	Output	Financial Services	<u>Number of Annual Financial Statements submitted to the Auditor General by 31 August</u>	1	1	1	1	1	1	All	1			NKPA 4	NDP 11	PSO 5	CWDM 3	Output
KPI023	PDO 16: Financial Reporting	<u>Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MFMA, Reg. S10(g)(iii))</u>	Outcome	Financial Services	<u>Cost coverage ratio (Available cash + investments) / Monthly fixed operating expenditure, measured annually</u>	4.63	<u>&gt;3.0</u>	<u>&gt;3.0</u>	<u>&gt;1.0</u>	<u>&gt;1.0</u>	<u>&gt;1.0</u> <del>3.0</del>	All	>3.0			NKPA 4	NDP 11	PSO 5	CWDM 3	Output
KPI024	PDO 16. Financial Reporting	<u>Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MFMA, Reg. S10(g)(i))</u>	Outcome	Financial Services	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) <u>measured annually</u>	8.69	<u>&gt;6.7</u>	<u>&gt;6.7</u>	<u>&gt;6.7</u>	<u>&gt;6.7</u>	<u>&gt;6.7</u>	All	>6.7			NKPA 4	NDP 11	PSO 5	CWDM 3	Outcome
KPI025	PDO 16. Financial Reporting	<u>Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MFMA, Reg. S10(g)(iii))</u>	Outcome	Financial Services	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services) <u>measured annually</u>	0.18	<u>&lt;0.25</u>	<u>&lt;0.25</u>	<u>&lt;0.25</u>	<u>&lt;0.25</u>	<u>&lt;0.25</u>	All	<0.25			NKPA 4	NDP 11	PSO 5	CWDM 3	Outcome



**KEY PERFORMANCE AREA (KPA) 2: Financial Sustainability**

Strategic Objective:			To ensure financial sustainability in order to meet the statutory requirements.																		
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator	
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23								
KPI115	PDO14: Financial Viability	Updated Indigent Register (NKPI Proxy - MFMA, Reg. S10(b a))	Output		Financial Services	Percentage of all qualifying indigent applications processed by 30 June	100%	100%	100%	100%	100%	100%	All	100%			NKPA 3	NDP 11	PSO 5	CWDM 1	Output Outcome

**KEY PERFORMANCE AREA (KPA) 3: Institutional Transformation**

Strategic Objective:			To transform the municipality into an effective and efficient organization.																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI026	PDO 17. Organisation al Structure	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 (NKPI Proxy - MFMA, Reg. S10(e))	Output	Corporate Services	Number of reports on the number of people from employment equity groups employed in the three highest levels of management submitted to the City Manager by 30 November and 30 June	1	2	2	2	2	2	All	2			NKPA 5	NDP 1	PSO 1	CWDM 1	Output
KPI028	PDO 18. Human Capital and Skills Development	Submit to Council a Succession Planning Policy	Key Initiative	Corporate Services	Number of Succession Planning Policies submitted to Council -by 31 July	New KPI	N/A	1 N/A	N/A	N/A	N/A	All	N/A			NKPA	NDP 7	PSO 2	CWDM 1	Output
KPI116	PDO 18. Human Capital and Skills Development	The percentage of the municipality's budget actually spent on implementing its workplace skills plan (NKPI Proxy - MFMA, Reg. S10(f))	Output	Corporate Services	Percentage of the municipality's approved budget actually spent on implementing its workplace skills plan by 30 June	New KPI	0.07%	0.07%	98%	98%	98% 0.07%	All	0.07%			NKPA 5	NDP 7	PSO 5	CWDM 3	Output
KPI029	PDO 19. Project and Programme Management	Submit a Project Management Policy to MayCo for approval	Activity	Engineering Services	Number of Project Management policies submitted to MayCo by 30 September	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 5	NDP 11	PSO 5	CWDM 3	Output

**KEY PERFORMANCE AREA (KPA) 3: Institutional Transformation**

Strategic Objective:			To transform the municipality into an effective and efficient organization.																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years  2022/23	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22									
KPI099	PDO 19. Project and Programme Management	Develop and implement a Project Management Policy	Activity	<u>Engineering Services</u>	A Project Management Policy developed and implemented by 30 June	New KPI	N/A	1	N/A	N/A	N/A	All				NKPA 5	NDP 11	PSO 5	CWDM 3	Output
KPI030	PDO 20. Performance Management and Monitoring and Evaluation	Submit the Mid-year <u>MFMA</u> S72 report to the Mayor	Output	IDP and Performance Management	Number of Mid-year <u>MFMA S72</u> Reports submitted to the Mayor by 25 January	1	1	1	1	1	1	All	1			NKPA 2	NDP 11	PSO 5	CWDM 3	Output

**KEY PERFORMANCE AREA (KPA) 4: Physical Infrastructure and Services**

Strategic Objective:			To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services.																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator	
					Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23								
KPI100	PDO 08: <u>Customer relations Management</u>	<u>Submit a Service Charter to MayCo</u>	Activity	IDP and <u>Performance Management</u>	<u>Number of Service charters submitted to MayCo by 31 October</u>	<u>New KPI</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1</u>	<u>All</u>	<u>N/A</u>			NKPA 5	NDP 11	PSO 5	CWDM 3	<u>Output</u>
KPI037	PDO 24. Energy Supply Efficiency and Infrastructure	Limit the electricity losses to less than 10% annually ( <u>Average energy purchased to date - Average energy sold to date</u> ) / ( <u>Average energy purchased to date</u> ) X 100 = <u>Average energy losses for reporting period</u> (÷)	Outcome	<u>Engineering Services Infrastructure Services</u>	<u>Percentage % average electricity losses by 30 June</u>	3.99%	<10%	<10%	<10%	<10%	<10%	All	<10%			NKPA 4	NDP 2	PSO 4	CWDM 1	<u>Output</u>
KPI041	PDO 25. Transport, Roads and Stormwater Infrastructure	<u>Submit to Council a Draft an Integrated Public Transport Network Plan and submit to Council</u>	Key Initiative	<u>Engineering Services Infrastructure Services</u>	Number of Draft Integrated Public Transport Network <u>Plans</u> submitted to Council by 30 June	New KPI	<u>N/A</u>	<u>1</u>	<u>1</u>	N/A	N/A	All	N/A			NKPA 3	NDP 2	PSO 3	CWDM 1	<u>Output</u>
KPI045	PDO 26. Water and Wastewater Services	Submit to MayCo a Water and Sanitation Study in rural wards	Key Initiative	<u>Engineering Services</u>	<u>Number of Water and Sanitation Studies submitted to MayCo by 31 December</u>	New KPI	<u>N/A</u>	<u>1</u>	N/A	N/A	N/A	1, 3, 17, 18, 25, 28, 29, 30, 31,	N/A			NKPA 3	NDP 2	PSO 3	CWDM 1	<u>Output</u>
KPI119	<u>PDO 26. Water and Wastewater Services</u>	<u>Water quality managed and measured quarterly i.t.o the SANS 241 physical and micro parameters</u>	Outcome	<u>Engineering Services</u>	<u>Percentage water quality level as per analysis certificate measured quarterly</u>	<u>99%</u>	<u>95%</u>	<u>95%</u>	<u>95%</u>	<u>95%</u>	<u>90% 95%</u>	<u>All</u>	<u>95%</u>			NKPA 3	NDP 2	PSO 3	CWDM 1	<u>Outcome</u>

**KEY PERFORMANCE AREA (KPA) 4: Physical Infrastructure and Services**

Strategic Objective:			To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services.																		
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator	
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23								
KPI120	PDO 26. Water and Wastewater Services	Waste water quality managed and measured quarterly i.t.o the SANS Accreditation physical and micro parameters	Outcome		Engineering Services	Percentage waste water quality compliance as per analysis certificate measured quarterly	80.62%	80%	80%	80%	75%	75% 80%	All	80%			NKPA 3	NDP 2	PSO 3	CWDM 1	Outcome
KPI047	PDO 27. Solid Waste Management and Infrastructure	Submission of a Solid Waste Available Air Space Report to the Mayoral Committee (Mayco)	Output		Engineering Services	Number of Solid Waste Available Air Space Reports submitted to the Mayoral Committee (Mayco) by 30 June	New KPI	N/A	2	1	1	1 2	All	2			NKPA 3	NDP 2	PSO 3	CWDM 1	Output

**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI053	PDO 29. Economic Growth	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MFMA, Reg. S10(d))	Outcome	Engineering Services	Number of jobs opportunities created by 30 June	1,600	1,000	1,250	1,800	1,750	2,000	All	2,000	v		NKPA 1	NDP 1	PSO 1	CWDM 1	Outcome Output
KPI054	PDO 29. Economic Growth	Submit to the Portfolio Committee (Planning Services)/ MayCo a Informal Economy Enhancement Strategy	Key Initiative	Planning and Development	Number of Draft Informal Economy Enhancement Strategies submitted to the Portfolio Committee (Planning Services)/ MayCo by 31 December	New KPI	N/A	1	N/A	N/A	N/A	All	N/A	v		NKPA 1	NDP 1	PSO 1	CWDM 1	Output
KPI057	PDO 29. Economic Growth	Implementation of the Informal Economy Enhancement Strategy	Programme	Planning and Development Planning and	Number of Informal Economy Enhancement Strategy initiatives implemented by 30 June	New KPI	N/A	1	1	1	1	All	1	v		NKPA 1	NDP 1	PSO 1	CWDM 1	Output
KPI107	PDO 24. Energy Supply Efficiency and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Outcome	Engineering Services	Percentage of formal households with access to basic level of electricity by 30 June	New KPI	100%	100%	100%	100%	100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome
KPI108	PDO 26. Water and Wastewater services	Provision of basic service delivery to Drakenstein Residents (NKPI	Outcome	Engineering Services	Percentage of formal households with access to basic level of sanitation by 30 June	100%	100%	100%	100%	100%	100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome

**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
		Proxy - MFMA, Reg. S10(a))																		
KPI109	PDO 26. Water and Wastewater services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator - S10(a))	Outcome	Engineering Services	Percentage of formal households with access to basic level of water by 30 June	100%	100%	100%	100%	100%	100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome
KPI110	PDO 27. Solid Waste Management and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator - S10 (a))	Outcome	Engineering Services	Percentage of formal households with access to basic level solid waste removal by 30 June	100%	100%	100%	100%	100%	100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome
KPI111	PDO 24. Energy Supply Efficiency and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Output	Engineering Services	Number of new electricity connections installed in the registered informal settlements	New KPI	50%	520	250	60%	50 60%	All	70%			NKPA4	NDP5	PSO4	CWDM 3	Outcome
KPI112	PDO 26. Water and Wastewater services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Output	Engineering Services	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements	New KPI	100%	75 45	100%	100%	30 100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome

**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI113	PDO 26. Water and Wastewater services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Output	Engineering Services	Number of new/upgraded water service points (taps) provided to registered informal settlements	New KPI	100%	100% 14	100% 10	100%	10 100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome
KPI114	PDO 27. Solid Waste Management and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Output	Engineering Services	Number of registered informal settlements receiving a refuse collection service				41	41	41 100%	All	100%			NKPA4	NDP5	PSO4	CWDM 3	Outcome
KPI058	PDO 30. Growth and Investment Promotion (includes incentives)	Submit a draft Integrated Economic Growth Framework to the Portfolio Committee (Planning Services)/ MayCo	Key Initiative	Planning and Development	Number of draft Integrated Economic Growth Frameworks submitted to the Portfolio Committee (Planning Services)/ MayCo by 30 June	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 1	NDP 1	PSO 1	CWDM 1	Output
KPI059	PDO 30. Growth and Investment Promotion (includes incentives)	Submit to Council the Investment Incentive Policy	Key Initiative	Planning and Development	Number of Investment Incentive Policies submitted to Council by 30 June	New KPI	N/A	1	N/A	N/A	N/A	All	N/A			NKPA 1	NDP 1	PSO 1	CWDM 1	Output



**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI125	PDO 30. Growth and Investment Promotion (includes incentives)	Submit a Final Integrated Economic Growth Strategy to the Portfolio Committee (Planning Services)/ MayCo	Key Initiative	Planning and Development	Number of <b>Draft</b> Final Integrated Economic Growth Strategies submitted to the Portfolio Committee (Planning Services)/ MayCo <b>by 30 June</b>	New KPI	N/A	1	N/A	N/A	N/A	All	N/A			NKPA 1	NDP 1	PSO 1	CWDM 1	Output
KPI060	PDO 31. Land Use Management and Surveying	Develop an Electronic Land Use Management Process	Project	Planning and Development	Electronic Land Use Management Process developed by 30 June	New KPI	N/A	N/A	1	N/A	1	All	N/A			NKPA 3	NDP 11	PSO 5	CWDM 2	Output
KPI103	PDO 31. Land Use Management and Surveying	Drafting of a Local SDF for Klapmuts	Programme	Planning and Development	Number of progress reports for Klapmuts Local SDF submitted to the Portfolio Committee (Planning Services)/ MayCo by 30 June	New KPI	1	N/A	N/A	N/A	N/A	Wards	N/A			NKPA 3	NDP 11	PSO 5	CWDM 2	Output
KPI126	PDO 31. Land Use Management and Surveying	Submit to the Portfolio Committee (Planning Services)/ MayCo a Final Local Spatial Development Framework (SDF) for Klapmuts	Programme	Planning and Development	Number of Final Local SDFs for Klapmuts submitted to the Portfolio Committee (Planning Services)/ MayCo by 30 June	New KPI	N/A	1	N/A	N/A	N/A	Wards	N/A			NKPA 3	NDP 11	PSO 5	CWDM 2	Output

**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI063	PDO 32. Built environment Management (includes Heritage Resource Management)	Submit to the <u>Portfolio Committee (Planning Services)/ MayCo</u> a report on the improvement of the Building Plan Application Process	Programme	<u>Planning and Development</u>	<u>Number of Building Plan Application Improvement Process reports submitted to the Portfolio Committee (Planning Services)/ MayCo by 31 December</u>	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 11	PSO 5	CWDM 2	Output
KPI127	<u>PDO 32. Built environment Management (includes Heritage Resource Management)</u>	Submit to the <u>Portfolio Committee (Planning Services) / MayCo</u> a <u>Ou Tuin Heritage Report</u>	Programme	<u>Planning and Development</u>	<u>Number of Ou Tuin Heritage Reports submitted to the Portfolio Committee (Planning Services) / MayCo by 31 December</u>	<u>New KPI</u>	<u>N/A</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>All</u>	<u>N/A</u>			NKPA 3	NDP 11	PSO 5	CWDM 2	<u>Output</u>
KPI064	<b>PDO 33. Urban Regeneration</b>	Develop a Local Spatial Development Framework (LSDF) for the Klein Drakenstein Road and Lady Grey Street	Activity	<u>Planning and Development</u>	<u>Number of Progress Reports for the Local Spatial Development Framework for the Klein Drakenstein Road and Lady Grey Street submitted to the Portfolio Committee (Planning Services) / MayCo by 31 March</u>	New KPI	1	N/A	N/A	N/A	N/A	4, 19, 20, 22, 23, 26, 27 & 33	N/A			NKPA 3	NDP 11	PSO 5	CWDM 2	Output
KPI132	<b>PDO 33. Urban Regeneration</b>	<u>Develop a Local Spatial Development Framework (LSDF) for the Klein Drakenstein Road and Lady Grey Street</u>	Programme	<u>Planning and Development</u>	<u>Number of Final Local Spatial Development Frameworks (LSDF) for the Klein Drakenstein Road and Lady Grey Street submitted to the Portfolio Committee (Planning Services) / MayCo by 31 March</u>	<u>1</u>	<u>N/A</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>All</u>	<u>N/A</u>			NKPA 3	NDP 11	PSO 5	CWDM 2	<u>Output</u>

**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																	
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI066	PDO 34. Skills Development and Capacity Building	Conduct a Drakenstein wide Skills Development Survey	Activity	Planning and Development	Number of Skills Development Surveys conducted by 30 June	New KPI	N/A	1	N/A	N/A	N/A	All	N/A			NKPA 1	NDP 1	PSO 1	CWDM 2	Output
KPI067	PDO 34. Skills Development and Capacity Building	Develop a Small Business Entrepreneurs Capacity Building Programme	Programme	Planning and Development	Number of Small Business Entrepreneurs Capacity Building Programmes developed by 31 March	New KPI	1	N/A	N/A	N/A	N/A	All	N/A	v		NKPA 1	NDP 1	PSO 1	CWDM 2	Output
KPI070	PDO 35. Rural Development	Submit Final Zoning Scheme (Land Use Management System) developed and submitted to the Portfolio Committee (Planning Services)/ MayCo	Activity	Planning and Development	Number of Final Zoning Schemes submitted to the Portfolio Committee (Planning Services)/ MayCo by 30 June	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output
KPI071	PDO 36. Spatial Planning	Compile Submit to MayCo a Draft Klapmuts Local Spatial Development Framework (LSDF)	Activity	Planning and Development Planning and Economic Development	Number of Draft Klapmuts Local Spatial Development Frameworks submitted to MayCo by 30 June	New KPI	N/A	1	N/A	N/A	N/A	1				NKPA 3	NDP 3	PSO 4	CWDM 2	Output
KPI072	PDO 36. Spatial Planning	Annual Review of the Drakenstein Spatial Development Framework (SDF)	Programme	Planning and Development	Number of reviewed SDFs submitted to the Portfolio Committee (Planning Services) / MayCo 31 May	New KPI	1	1	1	N/A	1	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output

**KEY PERFORMANCE AREA (KPA) 5: Planning and Economic Development**

Strategic Objective:			To plan and facilitate sustainable and inclusive economic growth and development																		
IDP/ Ref No.	Pre-determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator	
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23								
KPI073	PDO 36. Spatial Planning	Compile a Five-year Drakenstein Municipal SDF	Activity		<u>Planning and Development</u>	Submit to MayCo by 31 March the compiled Five-year Drakenstein Municipal SDF	New KPI	N/A	N/A	N/A	1	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output
KPI074	PDO 37. Tourism	Submit to <u>the Portfolio Committee (Planning Services)</u> / MayCo a progress report on the <u>funding and</u> implementation of the Integrated Arts and Crafts Route	Activity		<u>Planning and Development</u>	<u>Number of</u> progress reports submitted to the <u>Portfolio Committee (Planning Services)</u> / MayCo by <u>30 June</u>	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 1	NDP 1	PSO 1	CWDM 2	Output
<u>KPI128</u>	<u>PDO 37. Tourism</u>	<u>Conclusion of a Service Level Agreement (SLA) with the Drakenstein Local Tourism Association</u>	<u>Key Initiative</u>		<u>Planning and Development</u>	<u>Number of SLAs concluded with the Drakenstein Local Tourism Association by 31 December</u>	<u>New KPI</u>	<u>N/A</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>All</u>	<u>N/A</u>			NKPA 1	NDP 1	PSO 1	CWDM 2	<u>Output</u>

**KEY PERFORMANCE AREA (KPA) 6: Safety and Environmental Management**

Strategic Objective:			To ensure a safe community and a healthy and protected environment.																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI078	PDO 39. Safety and Security	Establishment of a Land Invasion Response Unit	Key Initiate	Community Services	<u>Number of</u> Land Invasion Response Units established by 30 June	New KPI	1	N/A	N/A	N/A	N/A	All	N/A	v		NKPA 3	NDP 10	PSO 3	CWDM 2	Output
KPI131	<u>PDO 39. Safety and Security</u>	<u>Submission of a CBD (North and South) Law Enforcement Plan to the Portfolio Committee (Community Services)</u>	<u>Key Initiate</u>	<u>Community Services</u>	<u>Number of CBD (North and South) Law Enforcement Plans submitted to the Portfolio Committee (Community Services) by 30 September</u>	<u>New KPI</u>	<u>N/A</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>All</u>	<u>N/A</u>			NKPA 3	NDP 10	PSO 3	CWDM 2	<u>Output</u>
KPI079	PDO 40. Disaster <u>and</u> <u>Emergency</u> Management	Establish a Combined Response and Control Centre	Key Initiate	Community Services	<u>Number of</u> Combined Response and Control Centres established by 30 June	New KPI	N/A	1	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 10	PSO 3	CWDM 2	Output
KPI105	<u>PDO 40. Disaster and Emergency Management</u>	<u>Submit Disaster Management Plan to MayCo</u>	<u>Programme</u>	<u>Community Services</u>	<u>Number of Disaster Management Plans submitted to MayCo by 31 March</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>All</u>	<u>1</u>			NKPA 3	NDP 10	PSO 3	CWDM 2	<u>Output</u>
KPI082	PDO 42. Municipal Law Enforcement (includes the Municipal Court)	Establishment of a Municipal Court	Key Initiatives	<u>Corporate Services</u>	<u>Number of</u> Municipal Courts established by 30 June	New KPI	N/A	1	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 10	PSO 3	CWDM 2	Output

**KEY PERFORMANCE AREA (KPA) 6: Safety and Environmental Management**

Strategic Objective:			To ensure a safe community and a healthy and protected environment.																		
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator	
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23								
KPI106	PDO 42. Municipal Law Enforcement (includes the Municipal Court)	Submit an Implementation Plan on the Municipal Court	Key Initiatives		Corporate Services	Number of implementation plans on the Municipal Court submitted to MayCo by 30 September	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 10	PSO 3	CWDM 2	Output
KPI083	PDO 43. Environmental Management and Climate Change	Submit to the Portfolio Committee (Planning Services)/ MayCo the final Climate Change Adaptation Plan	Programme		Planning and Development	Number of Final Climate Change Adaptation Plan submitted to the Portfolio Committee (Planning Services)/ MayCo by 30 June		1	N/A	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output
KPI084	PDO 43. Environmental Management and Climate Change	Finalise and submit to MayCo the State of the Environment Report	Activity		Planning and Development	State of the Environment Report compiled and submitted to MayCo by 31 June	New KPI	N/A	N/A	N/A	1	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output
KPI085	PDO 43. Environmental Management and Climate Change	Submission of the Final Air Quality Management Plan to Council	Output		Planning and Development	Number of Final Air Quality Management Plans submitted to (Planning Services)/ MayCo by 30 June	New KPI	N/A	1	N/A	1	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output
KPI086	PDO 44. Natural Resources	Develop a Draft Implementation Strategy for the Management of Alien Vegetation on Municipal land	Activity		Planning and Development	Number of Draft Implementation Strategies for the Management of Alien Vegetation on Municipal land submitted to Executive Director Planning & Development by 30 June	New KPI	1	N/A	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output

**KEY PERFORMANCE AREA (KPA) 6: Safety and Environmental Management**

Strategic Objective:			To ensure a safe community and a healthy and protected environment.																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI130	PDO 44. Natural Resources	Submit to the Portfolio Committee (Planning Services) / MayCo a Final Implementation Strategy for the Management of Alien Vegetation on Municipal land	Key Initiatives		Planning and Development	Number of Final Implementation Strategies for the Management of Alien Vegetation on Municipal land submitted to the Portfolio Committee (Planning Services) / MayCo by 30 June	New KPI	N/A	1	N/A	N/A	N/A	All	N/A		NKPA 3	NDP 3	PSO 4	CWDM 2	Output

**KEY PERFORMANCE AREA (KPA) 7: Social and Community Development**

Strategic Objective:			To facilitate social and community development																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23							
KPI092	PDO 50 Sustainable Human Settlements (housing)	Provide <u>housing opportunities</u> in terms of the Integrated Human Settlement Plan and in accordance with the <u>Human Settlements Grant</u>	Output	Community Services	Number of <u>housing opportunities</u> provided by 30 June	99	46	300	300	400	400	All	400			NKPA 3	NDP 6	PSO 3	CWDM 1	Output
KPI093	PDO 51. Sport, Recreation and Facilities	Implement the De Kraal Sport Capital Project measured quarterly in terms of the approved Capital Budget spent	Capital Project	Community Services	<u>Percentage</u> of approved <u>De Kraal Sport</u> Capital Budget spent by 30 June	New KPI	90%	90%	90%	90%	90%	All	90%			NKPA 3	NDP 6	PSO 3	CWDM 2	Output
KPI094	PDO 51. Sport, Recreation and Facilities	Implement the Mbekweni Sport Capital Project measured quarterly in terms of the approved Capital Budget spent	Capital Project	Community Services	<u>Percentage</u> of approved <u>Mbekweni Sport</u> Capital Budget spent by 30 June	New KPI	N/A	90%	90%	90%	90%	Identify wards	90%			NKPA 3	NDP 6	PSO 3	CWDM 2	Output
KPI097	PDO 53. Libraries	Implement the House of Learning (VPUU, Groenheuwel Library) Capital Project measured quarterly in terms of the approved Capital Budget spent	Capital Project	Community Services	<u>Percentage</u> of approved <u>VPUU Groenheuwel Library</u> Capital Budget spent by 30 June	New KPI	90%	90%	N/A	N/A	N/A	13, 14, 32	N/A	v		NKPA 3	NDP 7	PSO 2	CWDM 2	Output
KPI061	PDO 54. Cemeteries and Crematoria	Submit Final Master Development Potential Plan for Farm 1341, Paarl, to the <u>Portfolio Committee (Planning Services)</u> / MayCo by 31 March	Activity	<u>Planning and Development</u>	<u>Number of</u> Final Master Development Potential Plans for Farm 1341 submitted to the <u>Portfolio Committee (Planning Services)</u> / MayCo by 31 March	New KPI	1	N/A	N/A	N/A	N/A	N/A 29	N/A			NKPA 3	NDP 11	PSO 5	CWDM 2	Output



KEY PERFORMANCE AREA (KPA) 7: Social and Community Development																					
Strategic Objective:				To facilitate social and community development																	
IDP/ Ref No.	Pre- determined Objective (PDO)	Indicator  (Activity/ Project/ Programme/ Key Initiative)	Indicator type		Unit of Measurement	IDP TARGETS 2017-2022						Wards	Outer years	VPUU	Risk indicator	Link to NKPA	Link to NDP	Link PSO	Link CWDM	Delivery Indicator	
						Baseline Actual 2016/2017	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22		2022/23								
KPI098	PDO 54. Cemeteries and Crematoria	Extend the capacity of the Parys Cemetery through the construction of crypts	Capital Project		Community Services	Number of crypts constructed by 30 June	New KPI	N/A	N/A	N/A	N/A	N/A	All	N/A			NKPA 3	NDP 3	PSO 4	CWDM 2	Output

## **5.6 IMPLEMENTATION MONITORING AND REVIEW - ONE YEAR PLAN**

The Municipal Finance Management Act No 56 of 2003 (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration and the community. It gives effect to the IDP and budget of the municipality.

The municipal budget shall give effect to the Strategic Focus Areas as contained in the IDP. The Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) shall contain details on the execution of the budget and information on programmes and projects. Quarterly, half yearly and annual performance reports must also be submitted to Council as a means to monitor the implementation of the predetermined objectives is contained in the IDP.

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

Indicators developed for the Drakenstein Municipality addresses the Strategic Focus Areas of the municipality. The municipality utilises the one-year TL SDBIP to ensure that it delivers of its service delivery mandate by indicating clear indicators and targets.

**Note: This Chapter, the one-year Municipal Scorecard, will be updated in accordance with the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2021/22 during June 2021. The TL SDBIP 2020/21 must be approved by the Executive Mayor within 28 days after the adoption of the Municipal Budget to be tabled in Council in May 2021.**

KEY PERFORMANCE AREA (KPA) 1: Good Governance												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI113	KPA 01. Good Governance> PDO 01. Governance Structure	Submission of Audit Committee reports to Council	Output	Number of quarterly Audit Committee reports submitted to Council	4	4 per annum	4 quarterly Audit Committee reports submitted to Council	DM	<u>1</u> (1)	<u>1</u> (2)	<u>1</u> (3)	<u>1</u> (4)
KPI004	KPA 01. Good Governance > PDO 02: Risk Management and Assurance	Investigation of all formally reported fraud, theft and corruption cases initiated	Output	Percentage of formally reported fraud, theft and corruption cases initiated within 30 days of receipt	100%	100% per annum	100% of formally reported fraud, theft and corruption cases investigated within 30 days of receipt	DM	100%	100%	100%	100%
KPI005	KPA 01. Good Governance > PDO 03: Stakeholder Participation	IDP / Budget / SDF time schedule (process plan) submitted to Mayco/Council	Output	Number of IDP/Budget/SDF time schedules (process plan) submitted to Mayco/Council by 31 August	New KPI	1 per annum	1 IDP/Budget/SDF time schedule (process plan) submitted to Mayco/Council by 31 August	DM	<u>1</u>	N/A	N/A	N/A
KPI100	KPA 01. Good Governance> PDO 01. Governance Structure	Submit a Service Charter to MayCo	Output	Number of Service charters submitted to MayCo by 31 October	New KPI	1 per annum	1 Service charters submitted to Mayco/ Council by 31 October	DM	N/A	1	N/A	N/A

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KEY PERFORMANCE AREA (KPA) 2: Financial Sustainability												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI011	KPA 02. Financial Sustainability> PDO 09. Revenue Management	Raise/collect Operating Budget revenue as per approved budget	Output	Percentage of Total Annual Operating Budget revenue raised/collected by 30 June	94.81%	98% per annum	95% <del>98%</del> of Total Annual Operating Budget revenue raised/collected by 30 June	DM	N/A	N/A	95%	95%
KPI015	KPA 02. Financial Sustainability> PDO 11. Budgeting/Funding	Submission of the MTREF (aligned to the IDP) to Council for approval by 31 May	Output	Number of MTREFs submitted for approval to Council by 31 May	1 Approved MTREF	1 per annum	1 MTREF submitted for approval to Council by 31 May	DM	N/A	N/A	N/A	1
KPI017	KPA 02. Financial Sustainability> PDO 12. Capital Expenditure	Actual expenditure on the approved Capital Budget for the municipality by 30 June (NKPI - MFMA, Reg. S10(c))	Output	Percentage of approved Capital Budget actually spent by 30 June	101.56%	90% per annum	90% of approved Capital Budget actually spent by 30 June	DM	90%	90%	90%	90%
KPI020	KPA 02. Financial Sustainability> PDO 14. Financial Viability	Ratio in respect of Debtor Payment Days (Collect all billed revenue to ensure that sufficient cash is generated to meet Drakenstein’s debt and operating commitments)	Output	Net Debtors Days Ratio ((Gross Debtors – Bad Debt Provision)/Billed Revenue)) x 365 (Target Number of days), measured quarterly	45.22 days	<45 days per annum (less than)	≤50 days (less than or equal to)	DM	≤50	≤50	≤50	≤50
KPI022	KPA 02. Financial Sustainability> PDO 16. Financial Reporting	Submission of the Annual Financial Statement (AFS) to the Auditor-General of South Africa	Output	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	1	1 per annum	1 Annual Financial Statement (AFS) submitted to the Auditor-General of South Africa by 31 August	DM	1	N/A	N/A	N/A
KPI023	KPA 02. Financial Sustainability> PDO 16. Financial Reporting	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MFMA, Reg. S10(g)(iii))	Output	Cost coverage ratio (Available cash + investments)/Monthly fixed operating expenditure, measured annually	0.73	>3.0 per annum (more than)	>1.0 (more than)	DM	>1.0	>1.0	>1.0	>1.0

KEY PERFORMANCE AREA (KPA) 2: Financial Sustainability												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI024	KPA 02. Financial Sustainability> PDO 16. Financial Reporting	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MFMA, Reg. S10(g)(i))	Output	Debt coverage ratio ((Total operating revenue - operating grants received)/ (Debt service payments due within the year)) measured annually	6.28	>6.7 per annum (more than)	>6.7 (more than)	DM	>6.7	>6.7	>6.7	>6.7
KPI025	KPA 02. Financial Sustainability> PDO 16. Financial Reporting	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MFMA, Reg. S10(g)(ii))	Output	Service debtors to revenue ratio – (Total outstanding service debtors/revenue received for services) measured annually	0.16	<0.25 per annum (Less than)	<0.25 (Less than)	DM	<0.25	<0.25	<0.25	<0.25

KEY PERFORMANCE AREA (KPA) 3: Institutional Transformation												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI026	KPA 03. Institutional Transformation> PDO 17. Organisational Structure	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 reports (NKPI Proxy - MFMA, Reg. S10(e))	Output	Number of reports on the number of people from employment equity groups employed in the three highest levels of management submitted to the City Manager by 30 November and 30 June	2	2 per annum	2 reports submitted to the City Manager (30 November and 30 June)	DM	N/A	1 (1)	N/A	1 (2)
KPI116	KPA 03. Institutional Transformation> PDO 18. Human Capital and Skills Development	The percentage of the municipality's budget actually spent on implementing its workplace skills plan (NKPI Proxy - MFMA, Reg. S10(f))	Output	Percentage of the Municipality's approved workplace skills budget actually spent on implementing its Workplace Skills Plan by 30 June	98%	98% per annum	98% of the Municipality's approved Workplace skills budget actually spent on implementing its Workplace Skills Plan by 30 June	DM	N/A	N/A	N/A	98%
KPI030	KPA 03. Institutional Transformation> PDO 20. Performance Management and Monitoring and Evaluation	Submission of the Mid-Year MFMA S72 Performance Report to the Mayor	Output	Number of the Mid-Year MFMA S72 Performance Reports submitted to the Mayor by 25 January	1	1 per annum	1 Mid-Year MFMA S72 Performance Report submitted to the Mayor by 25 January	DM	N/A	N/A	1	N/A

# DRAKENSTEIN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN (IDP) | 2021/2022

KPA 4: PHYSICAL INFRASTRUCTURE AND SERVICES												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI119	KPA 04. Physical Infrastructure and Services> PDO 26. Water and Wastewater Services	Water quality managed and measured quarterly i.e. the SANS 241 physical and micro parameters	Output	Percentage water quality level as per analysis certificate measured quarterly	96.80%	95% per annum	90%- water quality level as per analysis certificate measured quarterly	DM	90%	90%	90%	90%
KPI120	KPA 04. Physical Infrastructure and Services> PDO 26. Water and Wastewater Services	Waste water quality managed and measured quarterly i.e. the SANS Accreditation physical and micro parameters	Output	Percentage waste water quality compliance as per analysis certificate measured quarterly	77.80%	80% per annum	75% waste water quality compliance as per analysis certificate measured quarterly	DM	75%	75%	75%	75%
KPI047	KPA 04. Physical Infrastructure and Services> PDO 27. Solid Waste Management and Infrastructure	Submission of a Solid Waste Available Air Space Report to the Mayoral Committee	Output	Number of Solid Waste Available Air Space Reports submitted to the Mayoral Committee by 30 June	1	1 per annum	1 Solid Waste Available Air Space Report submitted to the Mayoral Committee by 30 June	DM	N/A	N/A	N/A	1
KPI037	KPA 04. Physical Infrastructure and Services> PDO 24. Energy Supply Efficiency and Infrastructure	Limit the electricity losses to less than 10% annually (Average energy purchased to date – Average energy sold to date)/ (Average energy purchased to date) X 100 = Average energy losses for reporting period	Output	Percentage average electricity losses by 30 June	5.52%	<10% per annum (less than)	<10% average electricity losses by 30 June	DM	<10%	<10%	<10%	<10%
KPI107	KPA 04. Physical Infrastructure and Services> PDO 24. Energy Supply Efficiency and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Outcome	Percentage of formal households with access to basic level of electricity measured quarterly	100%	100% per annum	100 % of formal households with access to basic level of electricity measured quarterly	DM	100%	100%	100%	100%
KPI108	KPA 04. Physical Infrastructure and Services > PDO 26. Water and Wastewater Services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Outcome	Percentage of formal households with access to basic level of sanitation measured quarterly	100%	100% per annum	100 % of formal households with access to basic level of sanitation measured quarterly	DM	100%	100%	100%	100%
KPI109	KPA 04. Physical Infrastructure and Services > PDO 26. Water and Wastewater Services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator – S10(a))	Outcome	Percentage of formal households with access to basic level of water measured quarterly	100%	100% per annum	100 % of formal households with access to basic level of water measured quarterly	DM	100%	100%	100%	100%

# DRAKENSTEIN MUNICIPALITY INTEGRATED DEVELOPMENT PLAN (IDP) | 2021/2022

KPA 4: PHYSICAL INFRASTRUCTURE AND SERVICES												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI110	KPA 04. Physical Infrastructure and Services > PDO 27. Solid Waste Management and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator – S10 (a))	Outcome	Percentage of formal households with access to basic level solid waste removal measured quarterly	100%	100% per annum	100 % of formal households with access to basic level solid waste removal measured quarterly	DM	100%	100%	100%	100%
KPI111	KPA 04. Physical Infrastructure and Services> PDO 24. Energy Supply Efficiency and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Output	Number of new electricity connections installed in the registered informal settlements	New KPI	50 per annum	Number of new electricity connections installed in the registered informal settlements by 30 June	DM	N/A	N/A	N/A	50
KPI112	KPA 04. Physical Infrastructure and Services > PDO 26. Water and Wastewater Services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Output	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements by 30 June	New KPI	45 per annum	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements by 30 June	DM	0	0	0	45
KPI113	KPA 04 Physical Infrastructure and Services. > PDO 26. Water and Wastewater Services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Output	Number of new/upgraded water service points (taps) provided to registered informal settlements by 30 June	New KPI	10 per annum	Number of new water service points (taps) provided to registered informal settlements by 30 June	DM	0	0	0	10
KPI114	KPA 04. Physical Infrastructure and Services > PDO 27. Solid Waste Management and Infrastructure	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Output	Number of registered informal settlements receiving a refuse collection service	New KPI	41 per annum	Number of registered informal settlements receiving a refuse collection service	DM	41	41	41	41
KPI118	KPA 04. Physical Infrastructure and Services> KFA 27. Water and Wastewater Services	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied)	Outcome	Average percentage water losses by 30 June	13.21%	<15% average water losses per annum	<15% average percentage water losses by 30 June	DM	N/A	N/A	N/A	<19%



KPA 5: PLANNING AND ECONOMIC DEVELOPMENT												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI053	KPA 05. Planning and Economic Development> PDO 29. Economic Growth	Job creation through the municipality's local economic development initiatives including capital projects (NKPI Proxy – MFMA, Reg. S10(d))	Output	Number of EPWP job opportunities created by 30 June	1, 804	1000 per annum	1,800 job opportunities created by 30 June	DM	400	500	500	400
KPI060	KPA 05. Planning and Economic Development> PDO 31. Land Use Management and Surveying	Develop an Electronic Land Use Management Process	Outcome	Number of Electronic Land Use Management Process developed by 30 June	New KPI	1 per annum	1 Electronic Land Use Management Process developed by 30 June	DM	N/A	N/A	N/A	1
KPI057	KPA 05. Planning and Economic Development> PDO 29. Economic Growth	Implementation of the Informal Economy Enhancement Strategy	Outcome	Number of Informal Economy Enhancement Strategy initiatives implemented by 30 June	New KPI	2 per annum	2 Informal Economy Enhancement Strategy initiatives implemented by 30 June	DM	N/A	1	N/A	1

KPA 6: SAFETY AND ENVIRONMENTAL MANAGEMENT												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2021/2022)			
									Q1	Q2	Q3	Q4
KPI105	KPA 6. Safety and Environmental Management >PDO 40. Disaster and Emergency Management	Submit Disaster Management Plan to Portfolio Committee (Community Services)/ Mayco	Output	Number of Disaster Management Plans submitted to Portfolio Committee (Community Services)/ Mayco by 31 March	1	1 per annum	1 Management Plan to Portfolio Committee (Community Services)/ Mayco by 31 March	DM	N/A	N/A	1	N/A

KPA 7: Social and Community Development												
IDP/ Ref No.	KPA > Pre-determined Objective (PDO)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Indicator type	Unit of Measurement	Baseline (Actual 2018/2019)	5 Year Target	2021/2022	Funding Source	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/2021)			
									Q1	Q2	Q3	Q4
KPI092	KPA 07. Social and Community Development> PDO 50. Sustainable Human Settlements (housing)	Provision of housing opportunities in terms of the Integrated Human Settlement Plan and in accordance with the Human Settlements Grant	Output	Number of housing opportunities provided in terms of the Integrated Human Settlement Plan and in accordance with the Human Settlements Grant by 30 June	300	400 per annum	400 Housing opportunities provided in terms of the Integrated Human Settlement Plan and in accordance with the Human Settlements Grant by 30 June	DM	50	100	50	200
KPI093	KPA 07. Social and Community Development> PDO 51. Sport, Recreation and Facilities	Implement the De Kraal Sport Capital Project measured quarterly in terms of the approved Capital Budget spent	Output	Percentage of approved De Kraal Sport Capital Budget spent by 30 June	New KPI	90% per annum	90% of approved De Kraal Sport Capital Budget spent by 30 June	DM	N/A	25%	45%	90%
KPI094	KPA 07. Social and Community Development> PDO 51. Sport, Recreation and Facilities	Implement the Mbekweni Sport Capital Project measured quarterly in terms of the approved Capital Budget spent	Output	Percentage of approved Mbekweni Sport Capital Budget spent by 30 June	New KPI	90% per annum	90% of approved Mbekweni Sport Capital Budget spent by 30 June	DM	N/A	25%	45%	90%

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