

ZWAANSWYK SPECIAL RATING AREA

BUSINESS PLAN

FOR THE ESTABLISHMENT AND MANAGEMENT
OF

A SPECIAL RATING AREA

In terms of the Special Rating Area By-Law 2012

IN

ZWAANSWYK, CAPE TOWN

AUGUST 2015

SRA IDENTIFICATION

Name of SRA: ZWAANSWYK SPECIAL RATING AREA

Date: AUGUST 2015

Name of Municipality having jurisdiction: CITY OF CAPE TOWN

Principal Contact Persons:

N. HARRIS
139 ZWAANSWYK ROAD
TOKAI

P. LAMBRECHT
103 ZWAANSWYK ROAD
TOKAI

H. BURDETT (MANAGER)
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Geographic Area: ZWAANSWYK
SPECIAL RATING AREA

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1. INTRODUCTION AND SUMMARY OF PREVIOUS BUSINESS PLAN

The Zwaanswyk Special Rating Area was approved By the City of Cape Town and established in 2011 and runs for a 5 year period, which expires on 30th June 2016.

To implement the approved Business Plan the Board of directors of the management company undertook the following:

- Established a company (NPC) to administer the SRA, Zwaanswyk Association of Property Owners NPC (ZAPO), an Association incorporated under Schedule 1 of the Companies Act 71 of 2008, and Registration No. 2008/21552/08.
- Appointed the Directors of the Company, the Company Secretary and the Independent auditors.
- Erected an approximately 2, 1 kilometre baboon-deterrent electrified fence along the northern and western boundaries of the SRA on land within the Table Mountain National Park (TMNP), administered by SANParks, together with limited CCTV cameras in the more remote areas of the fence. This entailed raising loans from SRA members to fund the fence, which loans were fully repaid by the end of the financial year ending 30th June 2014.
- Appointed and thereafter monitored the performance of a service provider to monitor the fence, the CCTV cameras and the common areas of the SRA, 24 hours a day, 365 days a year.
- Maintained the baboon-deterrent fence and the access gates. Maintained the solar power to the fence and the mains 220 volt supply to the cameras, which also acts as a back-up to the solar power. Maintained the strip of land between the fence and the boundary fences of properties along the boundary of the SRA, as well as the land immediately within the TMNP to prevent weeds, grass, bushes growing into the fence and providing effective soil erosion prevention within these areas

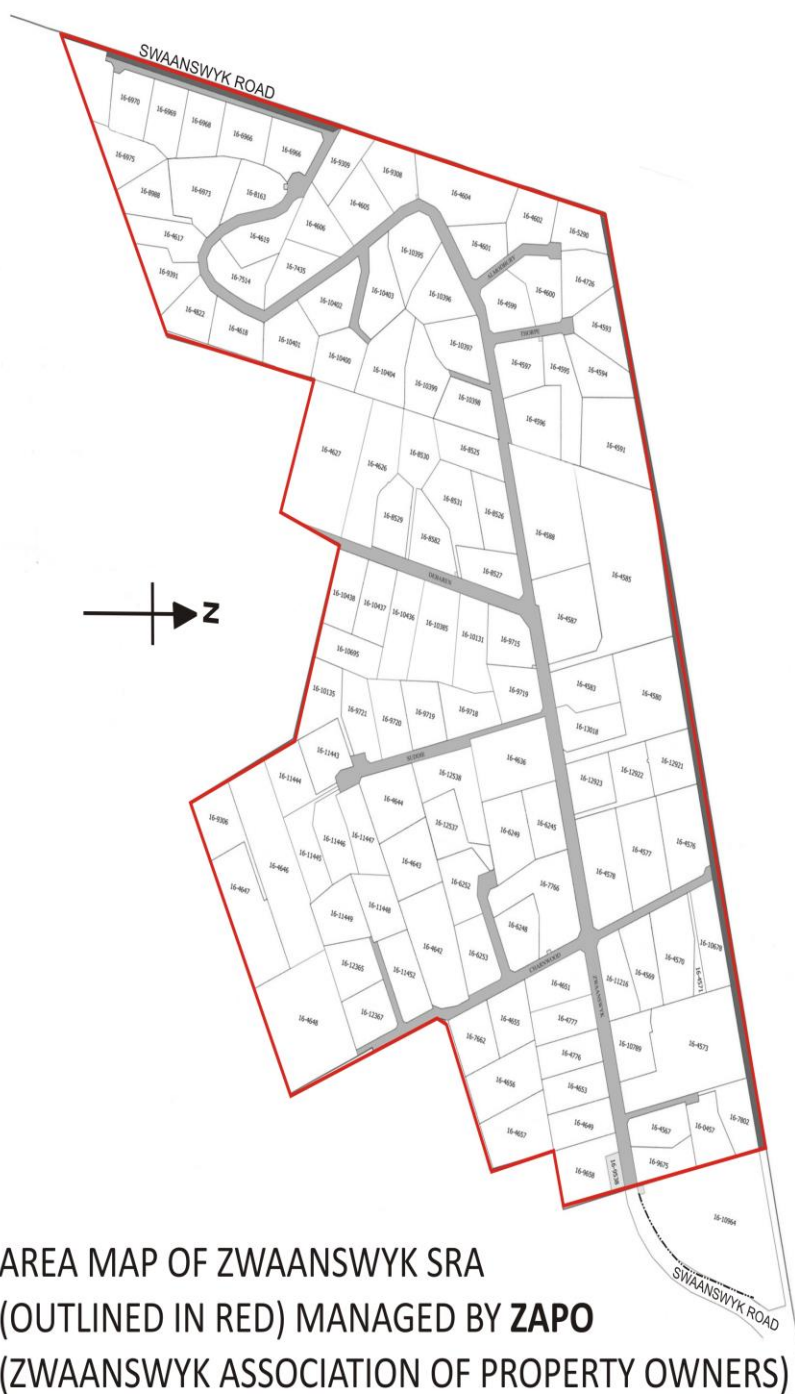
- Appointed a part time Manager for the SRA, whose responsibilities included, inter alia, liaison with City Council departments to ensure the proper provision of Municipal services by the City Council within the common areas of the SRA, communication with members and various service providers, maintaining the books of account for ZAPO, making the VAT payments, arranging meeting dates and venues for Board meetings and the AGM and taking the minutes of those meetings, maintaining the ZAPO website to ensure it provides members with pertinent information.

All these objectives have been achieved over the current life of ZAPO.

2. IDENTIFICATION OF THE SRA BOUNDARIES

The boundaries of the SRA established in 2010 will remain unchanged and are depicted on the plan below.

There are 122 properties in the area which have a collective Municipal Valuation as at October 2014 of R 890 094 000 (eight hundred ninety million and ninety four thousand rand)



3. COMPLIANCE WITH THE CITY OF CAPE TOWN BY-LAWS

The operations and management of the SRA by ZAPO are governed by the City of Cape Town's Special Rating Area By-Law of 2012 Companies Act and the Finance Agreement between the City of Cape Town and Zwaanswyk Association of Property Owners NPC.

4. DISSOLUTION

Chapter 4 of the Special Rating Area By-Law provides for the dissolution of a special rating area as follows;

16 Dissolution

- (1) The Council may dissolve a special rating area –
 - (a) Upon written application signed by the majority of owners within the boundaries of the special rating area who are liable for paying the additional rate; or
 - (b) After prior consultation by the CFO with the management body or community, for any good cause, whereupon he or she may cause the management body to be wound up.
- (2) Upon the winding up of the management body, the entire net value of the management body, including its net assets remaining after the satisfaction of all its liabilities, shall be disposed of in terms of the relevant provisions of the Companies Act and the memorandum of incorporation of the management body.

Clause 16.2 of the memorandum of incorporation of the company states;

Upon the dissolution of the Company, its entire net value, including its net assets must be distributed in accordance with item 1 (4)(b) of Schedule 1 of the Act as follows:

16.2.1 no past or present member or director of the Company, or person appointing a director of the Company, is entitled to any part of the net asset value of the Company, including its net assets, after its obligations and liabilities have been satisfied: and

16.2.2 The entire net value of the Company, including its net assets must be distributed to a non-profit company managing another SRA within the area of

jurisdiction of the City of Cape Town and which ideally will be the SRA closest to the SRA in question, and having objectives similar to the Company as stated in 4 of this MOI. The non-profit company to which the Company's entire net value, including its net assets, must be distributed will be identified by Council at or immediately before the time of the Company's dissolution

16.2.3 In order for the Company to comply with the requirements of section 30(6A) of the Income Tax Act, the non-profit company to which the Company's entire net value, including its net assets, will be distributed upon dissolution must hold the status of a public benefit organisation, as envisaged in section 30 of the Income Tax Act, or be an institution, board or body which is exempt from tax under the provisions of section 10(1)(c A)(i) of the Income Tax Act, and use the Company's net assets solely for purposes or carrying on one or more public benefit activities in the SRA that was managed by the Company prior to its dissolution

5. VISION

To provide Community-Based Private Urban Management in the public areas of the SRA to ensure the Zwaanswyk area is a safe and secure area with minimum invasions of homes by baboons. Also to provide well-maintained services, roads and verges, which provides an environment in which to foster equestrian activities and a healthy family life.

6. MISSION FOR THE SRA

ZAPO will, in close co-operation with the City of Cape Town officials, SANParks, HWS, the Tokai Residents Association, neighbouring crime watches and the Tokai Policing Forum, provide and manage supplementary services to all property owners in the SRA. This is to provide a safe, secure, clean and aesthetically pleasing neighbourhood for the benefit of all property owners, residents, employees and visitors.

7. GOALS

- To enhance and supplement the municipal services provided by the City.
- To maintain the mutually beneficial working relationship with the City, SANParks, and HWS
- To maintain the baboon deterrent fence along the perimeter of the SRA, thereby restricting the baboons within the TMNP and minimising incidents of baboon /human conflict.
- To secure the common areas of the SRA and monitor the CCTV cameras along the fence and the LPR camera at the entrance to the SRA area. To encourage motorists entering the SRA area to comply with road safety measures and speed restrictions.
- To liaise with neighbouring crime watch organisations to improve communication and the effectiveness of the individual group efforts
- To promote and nurture the rural character of the neighbourhood, which lies on the boundary between the urban development of the City and TMNP.
- To improve the value of the properties within the SRA by making the area more attractive and secure and to facilitate investment in the area.

8. MANAGEMENT

ZAPO, the management company of the SRA, is a non-profit company and therefore members do not incur individual liability for any of the obligations assumed by the company on behalf of the SRA.

Each year the company holds an AGM at which the Board of directors reports on the past years activities and financial accounts to the members. Each year the budget for the forthcoming financial year is presented to members for approval.

A third of the Board retire each year at the AGM at which members elect a number of new directors or re-elect those retiring who are available to continue. Directors hold office for a period of three years. This rotation ensures an opportunity for new blood on the Board, yet maintaining some continuity in service delivery.

The Board appoints a chairman from within their own ranks each year.

No director receives any remuneration or benefits for serving on the Board of ZAPO.

The board should comprise of members who bring both a spread and wealth of skills and experience to the board.

As the financial accounting and corporate governance compliance requirements are both necessary and stringent the board may need to supplement its own responsibilities with guidance and advice from professional consultants from time to time.

The board has appointed Helen Burdett as a consultant on a part time basis to manage the following activities:

- Liaison with City departments in the provision of municipal services and repairs and maintenance of roads, storm water drainage, verges and street lighting.
- Liaison with SANParks on issues relating to members access to TMNP
- The prompt and effective handling of queries or complaints from members.
- Maintaining the books of account of the company, making the VAT payments and reporting to the City Council.
- Maintaining the necessary records of the company and ensuring compliance with the City regulations.
- Assisting board members serving on the various sub committees.
- Maintaining and updating the website and communication with members.

In addition the Board has appointed Des Brown of Brodloft to assist with VAT reconciliations, review the financial accounts on a regular basis and supervise the year end accounts before they are submitted to the auditors.

This appointment may have to be extended if there's not sufficient financial and accounting skills represented around the board room table from those elected by members.

The external auditors of ZAPO, as at year end 2015, are Valentine Sargeant and the Company Secretary is Rob Tiffin.

9. SERVICES TO BE PROVIDED BY ZAPO TO THE SRA

- a. Liaising with City Departments in the provision of Municipal services, repairs and maintenance of roads, storm water drainage, verges and street lighting in the SRA.
- b. Liaising with SANParks regarding member's access to TMNP.
- c. Maintaining the books and records of accounts of the Company, making VAT payments and the monthly financial reports to the City.
- d. Maintaining the company records and ensuring compliance with City regulations.
- e. Ensuring sound financial management of the Company so that it operates within budgets as approved by members at each year's AGM.
- f. Ensuring the ongoing appointment of external auditors and a company secretary.
- g. To involve ZAPO by encouraging and or facilitating its members to become involved in appropriate social upliftment initiatives operated by NGO's or by the City
- h. Communicating with members, answering queries and responding to complaints.
- i. Ensuring the updates of the website for members' information and where appropriate, communicating with the Village Chatter Group of members.
- j. To report to members as to the performance of the Company relative to the aforementioned objectives and the approved budget.

9.1 CURRENT STATUS QUO

THE FENCE

The fence and the power supplies were designed and constructed within budget. This entailed raising loans from SRA members to fund the fence with such loans being fully repaid by the end of the financial year ending 30th June 2014. Since 2012 the fence and its various components have been modified and improved so as to ensure that the fence remains an effective baboon deterrent. The fence is regularly serviced by a contractor, Perisecure, whose services are retained by

ZAPO to conduct a monthly inspection routine and to effect repairs to the fence where necessary.

Recently, following the devastating fire in March the fence has been extended down part of the Southern boundary, with the consent of Steenberg Vineyards and members of the Louw family, the two adjacent landowners. This was necessary as the feeding habits of the baboons changed due to the loss of much of their previous food sources as a result of this fire.

ZAPO has gained considerable experience regarding the operation and maintenance of the fence and is now more aware of the effective useful life of some of the electrical components and the cameras.

The fence is insured at full replacement value. ZAPO has made two minor claims on the insurance policy, both of which were paid promptly without question. The first was for the theft of a solar panel and deep cycle battery and the other was as a result of fire damage.

COMMON AREA SECURITY

The initial common area contract was with the security service provider Mountain Men. Once the fence was completed and the cameras were installed a new security and operating protocol was prepared and ZAPO approached several service providers to tender for the contract from August 2013. Premier Security was awarded the contract for a two year period. Since then Premier have shown their ability to provide excellent 24 hour security to the common areas. In addition, they appointed contractors to rectify some of the shortcomings of the CCTV camera installation and ensured that all the cameras can be monitored in their control room.

In 2014 ZAPO arranged for the installation of a Licence Plate recognition (LPR) camera which is linked to the Tokai Neighbourhood Crime Watch LPR camera network and which is also monitored by Premier Security.

In late 2014 ZAPO negotiated with Premier Security to provide a fence “trouble shooting” service in addition to the weekly inspections that premier make. All these services are being run effectively by Premier Security resulting in ZAPO having renewed the common area security contract with Premier Security for a further two year period.

Premier Security has recently established an emergency sms service to members to enable communication with members on security of emergency issues.

ENVIRONMENT

The fence strip and an area within the TMNP is kept clear of weeds and vegetation on a monthly basis and it was this fastidious maintenance that was a material factor in the fire damage to the fence being so minimal. The area adjacent to the fence is also constantly maintained to prevent erosion in order to protect the fence against water damage.

ZAPO maintains regular contact with Human Wildlife Solutions (HWS), the City Council’s appointed baboon monitoring service providers and the excellent working relationship that ZAPO has with HWS has resulted in prompt response to the few baboon incursions that have occurred since their contract commenced in August 2012.

PART TIME MANAGER

ZAPO’s manager, Bernie Lomas resigned for family reasons in August 2013. ZAPO appointed Helen Burdett as a consultant to provide these services from October 2013. Helen has a good working relationship with City departments and ensures that the common areas and services are well maintained, relative to the limited budget available to the various City Departments.

COMMUNICATION WITH MEMBERS

ZAPO established a website to enable communication with members. This is maintained by a service provider. In addition, periodic newsletters are circulated by email to members.

Immediately after the March fire a number of members established a community “Whatsapp” network names ‘Village Chatter’ which enables members to communicate with each other.

9.2 SUMMARY OF IMPLEMENTATION PLAN

There are no major changes proposed to the current business plan, merely fine-tuning of the various objectives brought about with the benefit of experience.

The objective of ZAPO will be to supplement the services provided by the City Council. ZAPO does not become involved in town planning or rezoning issues which are monitored by the Tokai Residents Association.

- Maintain and improve as and when necessary, the baboon deterrent fence.
 - Monitor the fence, the CCTV and LPR cameras and the common areas of the SRA.
 - Maintain the fence strip and continue to work with SANParks on soil erosion control either side of the fence.
 - Continue to employ the services of consultants to attend to the day-to-day running of the SRA and ZAPO and maintaining the correct statutory records and accounts, including monthly financial reporting to the City Council.
 - Promotion and support of new or existing social upliftment initiatives.
- Communication with members and the recently formed Village Chatter group.

10. FIVE YEAR BUDGET

The five year budget for the life of the renewed SRA from 1st July 2016 is attached.

Each year this budget will be reviewed by the Board and if necessary be amended and submitted to members at the AGM, prior to being incorporated into the budget of the City.

		5 YEAR BUDGET AS PER BUSINESS PLAN					
		2016/17	2017/18	2018/19	2019/20	2020/21	
EXPENDITURE		R	R	R	R	R	
1. Employee Related		-	0.0%	-	0.0%	-	0.0%
2. Core Business		639,107	63.9%	738,567	66.2%	793,960	66.8%
Cleaning Services		40,313		46,586		50,060	
Security Services		598,794		691,981		743,880	
Social Upliftment							
3. Depreciation		99,077	9.9%	74,626	6.7%	67,782	5.7%
4. Repairs and Maintenance		99,782	10.0%	116,060	10.4%	125,181	10.5%
5. Services Accounts ex CCT		7,920	0.8%	9,583	0.9%	10,542	0.9%
6. Interest Paid			0.0%		0.0%		0.0%
7. General Expenditure		124,492	12.4%	143,864	12.9%	154,655	13.0%
Accommodation (Rent)		16,125		18,634		20,032	
Accounting fees		59,663		68,947		74,119	
Administration and management fees		12,900		14,908		16,026	
Auditor's remuneration		4,300		4,969		5,342	
Advertising		3,225		3,727		4,006	
Bank charges		1,290		1,491		1,603	
Computer expenses (including Website)		6,450		7,454		8,013	
Contingency / Sundry		13,443		15,535		16,700	
Insurance		1,613		1,733		2,003	
Meeting expenses		2,150		2,485		2,671	
Printing and stationery		2,688		3,106		3,339	
Secretarial duties		645		745		801	
Telephone and fax							
8. Operational Projects		-	0.0%	-	0.0%	-	0.0%
9. Capital Projects		-	0.0%	-	0.0%	-	0.0%
10. Capital Expenditure (PPE)		-	0.0%	-	0.0%	-	0.0%
11. Future Provision		-	0.0%	-	0.0%	-	0.0%
12. Bad Debt Provision 3%		30,012	3.0%	33,486	3.0%	35,633	3.0%
TOTAL EXPENDITURE		1,000,390	100.0%	1,116,186	100.0%	1,187,753	100.0%
INCOME		R	R	R	R	R	
1. Revenue - SRA Add Rates			#DIV/0!		#DIV/0!		#DIV/0!
2. Other: Specify			#DIV/0!		#DIV/0!		#DIV/0!
TOTAL INCOME							
(SURPLUS)/ SHORTFALL		1,000,390		1,116,186		1,187,753	
BUDGET GROWTH		8.42%		4.48%		6.41%	
							7.12%

11.

**CITY IMPROVEMENT DISTRICT
5 YEAR IMPLEMENTATION PLAN**

1st July 2016 to 30th June 2021

PROGRAM 1 - MANAGEMENT & OPERATIONS				
ACTION STEPS	RESPONSIBLE	FREQUENCY per year	PERFORMANCE INDICATOR	COMMENTS
1. Direction & leadership for the Board and Organisation	CHAIRMAN	ON GOING	Successful implementation of the business plan	
2. Successful Day-to-day management and operations	MANAGER	ON GOING	Regular feedback at board meetings and no of complaints from members	
3. Appointment of staff and consultants	BOARD	AS REQUIRED	Consultants contracts reviewed annually	
4. Appointment of relevant service providers	BOARD	AS REQUIRED	Service provider compliance with terms and contracts	
5. Board meetings	CHAIRMAN	6	Meeting minuted and posted on website	
6. Financial reports to CoCT	MANAGER	12	Monthly reports submitted by manager	
7. Communicate Arrears List	MANAGER	6	Reviewed at board meetings	
8. Audited Financial Statements	BOARD	1	Unqualified audit approved by board and members	
9. Submit Management Report and Annual Financial Statements to Sub-council(s)	MANAGER	1	Confirmation of submission from manager	
10. Feedback to Members and Annual General Meeting	CHAIRMAN	2	Volume of queries from members	
11. Updating membership list	MANAGER	6	Membership reviewed at each board meeting	
12. Establish and maintain Website	MANAGER	ON GOING	Reviewed by board at board meetings	
13. Comply with all Company Act requirements	BOARD	ON GOING	Reviewed by board at board meetings	
14. Interact with property owners	MANAGER	AD HOC	Managers response to member's issues	
15. Visit ZAPO members	DIRECTORS	ON GOING	Feedback at board meetings and at AGM	
16. Promote and develop ZAPO NPC membership	DIRECTORS	ON GOING	New and potential membership reviewed at each board meeting	
17. Vat reconciliation/ tax returns	MANAGER	6	Confirmation from Des Brown	
18. Build working relationships with Sub-Council Management and relevant CoCT officials and departments that deliver services in the SRA	MANAGER	ON GOING	Feedback from manger and inspection of council facilities in SRA	
19. Tax Clearance Certificate Apply Timeously for new TCC	MANAGER	1	Confirmation of collection of tax clearance certificate by manager	
20. Compile the SRA renewal application and survey.	BOARD	1	Board and member approval at AGM	

PROGRAM 2 - SECURITY / LAW ENFORCEMENT INITIATIVES				
ACTION STEPS	RESPONSIBLE	FREQUENCY per year	PERFORMANCE INDICATOR	COMMENTS
1. Identify the root causes of Crime in conjunction with the SAPS and existing service provider	BOARD WITH SERVICE PROVIDER	ON GOING	No of incidents logged – currently zero	
2. In liaison with other security role players and the South African Police Service, identify current security and policing shortcomings and develop and implement effective crime prevention strategy	BOARD	4	Regular feedback from security service provider	
3. Develop a Security Management Strategy with clear deliverables and defined performance indicators to guide safety services by the appointed service provider and evaluate levels of service provided.	BOARD	1	Regular feedback from security service provider	
4. Deploy security resources accordingly and effectively on visible patrols. Security personnel and patrol vehicles to be easily identifiable	SERVICE PROVIDER	6	Reviewed at each board meeting and annually with security service provider	
5. Assist the police through participation by SRA in the local police sector crime forum	BOARD	4	Attend Tokai Community Police Forum meetings	
6. Monitor and evaluate the security strategy and performance of all service delivery on a 2 monthly basis	BOARD	6	Reviewed at each board meeting	
a. Weekly fence report	MANAGER	52	Reviewed weekly by a director	
b. Maintain Incident Report Desk	MANAGER	ON GOING	Reviewed at each board meeting	
c. On-site inspection of Security Patrol officers	DIRECTORS	AD HOC	Vehicles and officers visible and well presented	
7. CCTV camera monitoring	SERVICE PROVIDER	ON GOING	Report from service provider	

PROGRAM 3 - CLEANSING INITIATIVES				
ACTION STEPS	RESPONSIBLE	FREQUENCY per year	PERFORMANCE INDICATOR	COMMENTS
1. Develop a cleansing strategy with clear deliverables and defined performance indicators to guide cleansing and delivery from the appointed service provider.	BOARD	6	Performance measured and reviewed against Fence Cleaning contract at board meetings	
2. Monitor and evaluate the cleansing strategy and performance of all service delivery	BOARD	6	Report to board at board meetings	
3. Identifying Health and safety issues within the area and reporting to Council with C3 notification reference no's	MANAGER	AD HOC	Reviewed by board as necessary	
4. Monitor and combat Illegal Dumping	DIRECTORS	ON GOING	On-site inspections	
5. Promoting waste minimization through education and awareness on waste and water pollution	BOARD	ON GOING	Participation of members in recycling programs	
6. Encourage property owners to act responsibly in terms of waste management and encourage recycling initiatives	BOARD	ON GOING	Participation of members in recycling programs	

PROGRAM 4 - URBAN MANAGEMENT INITIATIVES				
ACTION STEPS	RESPONSIBLE	FREQUENCY per year	PERFORMANCE INDICATOR	COMMENTS
1. Identify problem areas with respect to: a. street lighting; b. missing drain covers/cleaning of drains c. maintenance of road surfaces sidewalks d. cutting of grass / removal of weeds e. road markings / traffic signs Use the established service levels to design the provision of supplementary services without duplication of effort	MANAGER	ON GOING	Monthly inspections and report to board at board meetings	
2. Identify and report infrastructure supplementing existing Council Services: a. Street lighting b. Dumping c. Refuse Removal d. Waterworks e. Sewerage f. Roads and Storm water g. Traffic signals and line painting h. Pedestrian safety i. Road repairs	MANAGER	ON GOING	Monthly inspections and report to board at board meetings	
3. Monitor maintenance required by council relating to upgrading and repair of roads, pavements, open spaces and street lighting.	MANAGER	ON GOING	Monthly inspections and report to board at board meetings	
4. Compile a list of prioritized needs to enhance the objectives of the CID and liaise with the relevant departments to correct	BOARD	1	Part of annual implementation plan review	
5. Stray dogs/ animals	MANAGER	AD HOC	Circulate to members via social media	

PROGRAM 5 - SOCIAL INTERVENTION INITIATIVES				
ACTION STEPS	RESPONSIBLE	FREQUENCY per year	PERFORMANCE INDICATOR	COMMENTS
1. Promote community up-liftment by encouraging sustainability. Participate in a project by providing waste that is used to generate income	BOARD	AD HOC	Member involvement through social media	
2. Identify needs in Westlake community and develop relationship with "Soil for Life"	BOARD	6	Review at board meetings	
3. Sourcing labour from local community and Westlake	BOARD	6	Review at board meetings	

PROGRAM 6 - MARKETING INITIATIVES				
ACTION STEPS	RESPONSIBLE	FREQUENCY per year	PERFORMANCE INDICATOR	COMMENTS
1. Regular newsletters and newsflashes	MANAGER	AD HOC	Reviewed by board at board meetings	
2. Establish and maintain a website	MANAGER	ON GOING	Reviewed by board at board meetings	
3. Regular Member visits and meetings	DIRECTORS	ON GOING	Reviewed by board at board meetings	