

ITEM NUMBER: C 25/05/16

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 17 MAY 2016

MC 61/05/16 TRANSFER OF FUNDS AND INCREASE IN TOTAL PROJECT COST FOR THE ESTABLISHMENT OF AN INCREMENTAL DEVELOPMENT AREA (IDA) IN SIR LOWRY'S PASS VILLAGE, IN THE 2015/16 FINANCIAL YEAR

It is **RECOMMENDED** that:

- (a) transfer of R718 207 savings ex WBS C15.15102-F1 (Urbanisation: Backyards/Infrm Settl Upgr) to C09.15513-F1 (Sir Lowry's Pass Village - 220 units) to be funded by means of USDG funding in the 2015/16 financial year, be approved
- (b) transfer of R793 330 savings ex WBS C14.15504-F1 (BNG: Housing Developments) to C09.15513-F2 (Sir Lowry's Pass Village - 220 units) to be funded by means of EFF funding in the 2015/2016 financial year, be approved
- (c) additional capital expenditure, in the amount of R718 207 on C09.15513-F1 (Sir Lowry's Pass Village - 220 units) to be funded by means of USDG funding in the 2015/16 financial year, be approved
- (d) additional capital expenditure, in the amount of R793 330 on C09.15513-F2 (Sir Lowry's Pass Village - 220 units) to be funded by means of EFF funding in the 2015/16 financial year, be approved
- (e) the Total Project Cost be increased from R12 616 352 to R14 127 889 as a result of the additional funding of R1 511 537,00 required in the 2015/16 financial year.

Project	Description	Total Project Cost from	Total Project Cost to
C09.15513-F1/F2	Sir Lowry's Pass Village - 220 units	R12 616 352	R14 127 889



REPORT TO COUNCIL

DATE

1. ITEM NUMBER :

2. SUBJECT

TRANSFER OF FUNDS AND INCREASE IN TOTAL PROJECT COST FOR THE ESTABLISHMENT OF AN INCREMENTAL DEVELOPMENT AREA (IDA) IN SIR LOWRY'S PASS VILLAGE, IN THE 2015/16 FINANCIAL YEAR.

LSU: G5556/G5690

ONDERWERP

OORDRAG VAN FONDSE EN VERHOOGING VAN TOTALE PROJEKOSTE VIR DIE STIGTING VAN 'N GEBIED VIR INKREMENTELE ONTWIKKELING (IDA) IN SIR LOWRY'S PASS VILLAGE IN DIE 2016/16- BOEKJAAR

LSU: G5556/G5690

ISIHLOKO

UKUTSHINTSHELWA KWEZIMALI NOKWANDISWA KWEENDLEKO
ZISONKE ZEPROJEKTHI ENGOKUMISELWA KOMMANDLA
WOLWANDISO LOPHUHLISO (IDA) OSE-SIR LOWRY'S PASS VILLAGE,
KUMNYAKA-MALI KA-2015/16

LSU: G5556/G5690

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

In terms of the five year Integrated Development Plan (IDP) this project is in line with providing for the need of informal settlements and backyard residence through improved services. Its objective is in line with Programme 3.4 (a) which deals with "Anti-poverty programme" and Programme 3.4 (b) which deals with "Service delivery programme in informal settlements".

4. PURPOSE

The purpose of this report is to obtain authority to incur additional capital expenditure and to transfer capital funds in the 2015/16 financial year, from the Urbanisation: Backyards/Infrm Settl Upgr Project and BNG: Housing Developments to the Sir Lowry's Pass Village – 220 Units Project

This is required for the construction of civil engineering services and related infrastructure for the establishment of an Incremental Development Area (IDA) in Sir Lowry's Pass Village.

5. FOR DECISION BY

COUNCIL

This report is for consideration/decision by

- Council

6. EXECUTIVE SUMMARY

The need to provide alternate accommodation to the families residing within the Sir Lowry's Pass Village informal settlements, who are affected by the yearly occurrence of flooding, has compelled the City of Cape Town's Human Settlements Directorate to identify a suitable piece of land and establish an IDA to relocate the flood affected residents.

During the construction of the civil engineering infrastructure and top structures it was determined that additional security measures were required as a result of the on-going threat of community unrest, which culminated between 25 – 27 February 2016 with a large scale protest, resulting in damage to the newly constructed internal roads, 20 of the 122 new top structures being razed by means of petrol bombing and the remaining 102 structures being vandalised.

Furthermore, due to the current contractor taking over the works from the previously appointed contractor, whose contract was terminated by the City Manager following a breach of contract, the works had to be continuously inspected and certain portions of the work had to be demolished and re-built due to the inadequate quality thereof.

- a) Additional funds are therefore required as a result of the following:
- Provision and erection of a 1.8m high BTC razor security fence along the perimeter of the development to deter individuals from damaging, pillaging or invading the development (Subsequent to the completion of this development, the fence will be placed in storage by the City and utilised in a similar manner for future developments, in order to protect the City's assets);
 - Reparations due to the criminal action, by means of petrol bombing and damaging of the development, in retaliation to the City acting to prevent the illegal occupation of the IDA; and
 - Demolition of inadequate retaining structures constructed by previous contractor and the re-construction thereof.

7. RECOMMENDATIONS

"Not delegated: for decision by Council:

It is recommended that:

- a) Transfer of R718 207 savings ex WBS C15.15102-F1 (Urbanisation: Backyards/Infrm Settl Upgr) to C09.15513-F1 (Sir Lowry's Pass Village – 220 Units) to be funded by means of USDG funding in the 2015/16 financial year be approved
- b) Transfer of R793 330 savings ex WBS C14.15504-F1 (BNG: Housing Developments) to C09.15513-F2 (Sir Lowry's Pass Village – 220 Units) to be funded by means of EFF funding in the 2015/16 financial year be approved
- c) Additional capital expenditure, in the amount of R718 207 on C09.15513-F1 (Sir Lowry's Pass Village – 220 Units) to be funded by means of USDG funding in the 2015/16 financial year, be approved
- d) Additional capital expenditure, in the amount of R793 330 on C09.15513-F2 (Sir Lowry's Pass Village – 220 Units) to be funded by means of EFF funding in the 2015/16 financial year, be approved
- e) The Total Project Cost be increased from R12 616 352 to R14 127 889 as a result of the additional funding of R1 511 537,00 required in the 2015/16 financial year.

Project	Description	Total Project Cost from	Total Project Cost to
C09.15513-F1/F2	Sir Lowry's Pass Village – 220 Units	R12 616 352	R14 127 889

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Die oordrag van die besparing van R718 207 uit WBS C15.15102-F1 (Verstedeliking: agterplase/ opgradering van informele nedersettings) na C09.15513-F1 (Sir Lowry's Pass Village – 220 eenhede) om deur middel van USDG-befondsing in die 2015/16-boekjaar befonds te word, goedgekeur word
- b) Die oordrag van die besparing van R793 330 uit WBS C14.15504-F1 (BNG: Housing Developments) na C09.15513-F2 (Sir Lowry's Pass Village – 220 eenhede) om deur middel van EFF-befondsing in die 2015/16-boekjaar befonds te word, goedgekeur word
- c) Bykomende kapitaalbesteding ten bedrae van R718 207 op C09.15513-F1 (Sir Lowry's Pass Village – 220 eenhede) om deur middel van USDG-befondsing in die 2015/16-boekjaar befonds te word, goedgekeur word
- d) Bykomende kapitaalbesteding ten bedrae van R793 330 op C09.15513-F2 (Sir Lowry's Pass Village – 220 eenhede) om deur middel van EFF-befondsing in die 2015/16-boekjaar befonds te word, goedgekeur word
- e) Die totale projekkkoste van R12 616 352 na R14 127 889 verhoog word as gevolg van die bykomende befondsing van R1 511 537 wat in die 2015/16-boekjaar verlang word.

Projek	Beskrywing	Totale projekkkoste van	Totale projekkkoste na
C09.15513-F1/F2	Sir Lowry's Pass Village – 220 eenhede	R12 616 352	R14 127 889

IZINDULULO

Azgunyaziswanga: zezokuba kuthatyathwe isiggibo liBhunga:

Kundululwe ukuba:

- a) Makuphonyezwe ukutshintshelwa kwesixa-mali sezolondolozo esingama-R718 207 – ingxowa i-ex WBS C15.15102-F1 (Ukungena edolophini: Ukuphuculwa kweeyadi ezingemva kwezinye/Ukufakelelwa kwezindlu zokuhlala) ukuze sibekwingxowa eyi-C09. 15513-F1 (engeLokishi yase-Sir Lowry's Pass Village – eneeyunithi ezingama-220) apho iyakuthi ixhaswe ngezimali ze- USDG kumnyaka-mali ka-2015/16.

- b) Makuphunyezwe ukutshintshelwa okwezimali ezingezolondolozo ezingama-R793 330 ezikwingxowa i-ex WBS C14.15504-F1 (BNG: uPhuhliso lweZindlu) zitshintshelwe kwingxowa engu-C09.15513-F2 (engeLokishi yase-Sir Lowry's Pass – iiYunithi ezingama-220) ukuze ixhaswe ngezimali ze-EFF kumnyaka-mali ka-2015/16.
- c) Makuphunyezwe inkcitho eyongezelelweyo engezimali ezinkulu esisixa esingama-R718 207 kwingxowa engu-C09.15513-F1 (engeLokishi yase-Sir Lowry's Pass – iiYunthi ezingama-220) apho iyakuthi ixhaswe ngezimali ze-USDG kumnyaka-mali wama-2015/16.
- d) Makuphunyezwe inkcitho eyongezelelweyo engezimali ezinkulu esisixa esingama-R793 330, kwingxowa engu-C09.15513-F2 (engeLokishi yase-Sir Lowry's Pass – iiYunithi ezingama-220) apho iyakuthi ixhaswe ngezimali ze-EFF kumnyaka-mali ka-2015/16.
- e) Makunyaswe indleko zeprojekthi zizonke ukususela kwi-R12 616 352 ukuya kwi-R14 127 889 ngenxa yenkxaso-mali eyongezelelweyo eli-R1 511 537 efunekayo kumnyaka-mali ka-2015/16.

Iprojekthi	Inkcazelo	Iindleko zizonke zeProjekthi ukususela kwi-	Iindleko zizonke zeProjekthi ukususela kwi-
C09. 15513-F1/F2	ILokishi yase- Sir Lowry's Pass – engeeYuniti ezingama-220	R12 616 352	R14 127 889

8. DISCUSSION/CONTENTS

The need to provide alternate accommodation to the families residing within the Sir Lowry's Pass Village informal settlements, who are affected by the yearly occurrence of flooding, has compelled the City of Cape Town's Human Settlements Directorate to identify a suitable piece of land and establish an IDA to relocate the flood affected residents. The piece of land identified was however partially occupied by residents of the Riemvasmaak TRA, located on the land, therefore arrangements had to be made to have those residents relocated upon completion of sufficient serviced sites and structures within the IDA.

As a result of the aforementioned, together with further surveys conducted by the City of Cape Town's Informal Markets Department, previously known as the Urbanisation Department, beneficiaries for the IDA were identified from the informal settlements of Rasta Camp 911, Uitkyk, Riverside, Riemvasmaak TRA, Canal and Stofpad.

The IDA will yield 173 opportunities under the Emergency Housing Programme (EHP), supplying the beneficiaries with individual taps and toilets within their shelters.

The civil engineering infrastructure for the development is as follows:

- Hardened gravel surface to accommodate the top structures
- Asphalt surfaced internal roads
- Stormwater management system
- Internal fresh water reticulation system, inclusive of all specials and fittings
- Internal sewer network, inclusive of all manholes and rodding eyes

In addition to the above infrastructure to be constructed, the following services will be provided:

- Eskom to supply electricity to all of the structures upon completion
- 173 top structures to be constructed under a separate contract

The purpose of this report is to obtain authority to incur additional capital expenditure and to transfer capital funds in the 2015/16 financial year, with the expenditure of the additional funds being as follows:

Description	Expenditure (excluding VAT)
Provision and erection of a 1.8m high BTC razor security fence	R 206 500.00
Reparations due to the criminal action	R 117 000.00
Demolition of inadequate retaining structures constructed by previous contractor and the re-construction thereof	R 676 330.00
Payment to contractor in lieu of extension of time claims	R 283 287.70
Professional Fees in lieu of additional works	R 228 418.46

The effective execution of the above processes will result in the successful delivery of formal engineering infrastructure and housing opportunities to the beneficiaries.

8.1. Constitutional and Policy Implications

Section 19 (1) (b) of the Municipal Finance Management Act (MFMA) states the following:

“(1) A municipality may spend money on a capital project only if –
 (b) the project, including the total cost, has been approved by council;”

8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City?	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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8.2.2 The content of this report complies with the Integrated Metropolitan Environmental Policy (IMEP) as the construction of the civil engineering infrastructure and top structures has no health or environmental impact on the respective property.

8.3. Financial Implications

Capital Budget Provisions: Transfer of additional funds

Please see Financial Footnote at the end of the report.

The transfer of additional funds, in the amount of R1 511 537 (excl. VAT) as specified in the recommendations, refer to:

- a) Transfer of R718 207 savings ex WBS C15.15102-F1 (Urbanisation: Backyards/Infrm Settl Upgr) to C09.15513-F1 (Sir Lowry's Pass Village – 220 Units) to be funded by means of USDG funding in the 2015/16 financial year be approved
- b) Transfer of R793 330 savings ex WBS C14.15504-F1 (BNG: Housing Developments) to C09.15513-F2 (Sir Lowry's Pass Village – 220 Units) to be funded by means of EFF funding in the 2015/16 financial year be approved
- c) Additional capital expenditure, in the amount of R718 207 on C09.15513-F1 (Sir Lowry's Pass Village – 220 Units) to be funded by means of USDG funding in the 2015/16 financial year, be approved
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Motivation for transfer from sender projects:

Sender Project: ex WBS C15.15102-F1 (Urbanisation: Backyards/Infrm Settl Upgr)

The Informal Markets Department, previously known as the Urbanisation Department, has a budget intended for many informal settlements, including Re-blocking and Backyarder projects.

BT Section is a settlement located in Khayelitsha that was earmarked for re-blocking due to the settlement being flood-prone and having limited access. Phase 1 of the project was rolled out in BT Section, with only 7 out of the 90 households being re-blocked.

Phase 2 will be rolled out in the bigger BT North, however, this will no longer be a re-blocking project but a formal development as a result of Land Use Management deeming the new advanced structures as formal. A formal process will now ensue which include consolidation, rezoning and sub-division, which will not be concluded during the 2015/16 financial year.

As a result of the aforementioned, R718 207 can be transferred from WBS C15.15102-F1 (Urbanisation: Backyards/Infrm Settl Upgr) to WBS C09.15513-F1 (Sir Lowry's Pass Village - 220 Units).

Sender Project: ex WBS C14.15504-F1 (BNG: Housing Developments)

WBS C14.15504-F1 (BNG: Housing Developments) is utilised for adhoc housing development situations and therefore R793 330 can be transferred from WBS C14.15504-F1 (BNG: Housing Developments) to WBS C09.15513-F2 (Sir Lowry's Pass Village - 220 Units).

8.4. Legal Implications

None

8.5. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

Yes

8.6. Other Services Consulted

None

ANNEXURES

None

FOR FURTHER DETAILS CONTACT :

NAME	Anver Seconds
CONTACT NUMBERS	021 400 1909
E-MAIL ADDRESS	anver.seconds@capetown.gov.za
DIRECTORATE	Human Settlements
FILE REF NO	
SIGNATURE : DIRECTOR Ms R PRETORIUS	<i>Ms R Pretorius</i>

EXECUTIVE DIRECTOR: HUMAN SETTLEMENTS
[DR I BROMFIELD]

(Author to obtain signature before submission to Executive Support)

NAME

DATE

10/5/2016

COMMENT:

CHIEF FINANCIAL OFFICER (EXECUTIVE DIRECTOR: FINANCE) – where the report has financial or budgetary implications
[MR K JACOBY]

(AUTHOR TO OBTAIN SIGNATURE BEFORE SUBMISSION TO EXECUTIVE SUPPORT)

NAME

DATE

11.05.2016

COMMENT:

JMH

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

[Handwritten signature]

LEGAL COMPLIANCE

[COMPULSORY TO INSERT NAME]

NAME Joan-Mari Holt

COMMENT:

TEL 021 400 2753

DATE 16/05/2016

Certified as legally compliant:
Based on the contents of the report.

[Handwritten signature: A.G. Ras]

EXECUTIVE DIRECTOR: CORPORATE SERVICES AND COMPLIANCE (ED: CORC)

GERHARD RAS

DATE 16/5/16

SUPPORTED FOR ONWARD SUBMISSION TO MAYOR / MAYCO / COUNCIL

AUDIT/PERFORMANCE AUDIT

NOT SUPPORTED

REFERRED BACK

COMMENT:



MAYORAL COMMITTEE MEMBER
(AUTHOR TO OBTAIN SIGNATURE BEFORE
SUBMISSION TO EXECUTIVE SUPPORT)

COMMENT:

NAME B van Minnen

DATE 16-5-16

EXECUTIVE MAYOR

- SUPPORTED FOR ONWARD SUBMISSION TO MAYCO / COUNCIL :
- PC RECOMMENDATION
- RECOMMENDATION AS CONTAINED IN ORIGINAL REPORT
- ALTERNATIVE RECOMMENDATION TO BE REFLECTED BELOW

- APPROVED I.T.O. DELEGATED AUTHORITY
- NOTED
- REFUSED
- REFERRED BACK

DATE _____

COMMENT:

