

BUSINESS PLAN FOR THE MANAGEMENT OF THE LLANDUDNO SPECIAL RATING AREA

PERIOD: JULY 2019 TO JUNE 2024
Dated 15 October 2018

Prepared in accordance with the By-Law for the establishment of Special
Rating Areas promulgated in Provincial Gazette 7015/2012



Llandudno Special Rating Area NPC Reg no 2014 179104/08 11 Apostle Road Llandudno 7806

Directors: M Bond-Smith W Endersby A Pearce M McKenzie J Aufrichtig C de Ridder G Wright Adv M Greig W Corbett

The Business Plan proposal covers the period 1 July 2019 to 30 June 2024 and is set out in the following parts:

1. Introduction
2. Motivation report
3. Budget
4. Implementation plan

SRA information:

Name: Llandudno Special Rating Area NPC (the LSRA)

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Commencement date 1 July 2019

Municipality: Cape Town

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The Board of directors at September 2018:

Kiki Bond-Smith	Chairperson
Alistair Pearce	Treasurer
Wesley Corbett	Security - Operational
Carel de Ridder	Security – Technical
Huck Endersby	Beach, Environment
Margie McKenzie	Communication
Jody Aufrichtig	Special Projects
Greg Wright	Environment
Mark Greig	Legal and compliance

Administrative assistant:

Claire Coetzee



Geographic boundaries of the Llandudno SRA



Llandudno is a geographically distinct suburb with natural boundaries created by the sea, state owned land and roads. The geographic demarcation of the LSRA can therefore be determined with ease and certainty, thereby contributing to its desirability.

Northern Boundary: Table Mountain National Park

Southern Boundary: Klein Leeukoppie Estate/SanParks Table Mountain Reserve

Western Boundary: Atlantic Ocean

Eastern Boundary: Victoria Road, Apostle Battery, Table Mountain National Park



The initial business plan for the period 1 July 2014- 30 June 2019 accordingly aimed to address these issues:

- To provide funding for increased security measures in the public open spaces and beach areas
- To provide funding for additional supplementary cleaning of verges and pavements as well as to remove alien vegetation.
- To contain overheads and administration costs as far as possible and to use volunteer services to limit expenditure.

The initial business plan was supported by 66% plus of property owners in the LSRA in accordance with the applicable SRA By Law and was subsequently approved by the City, thereby authorising the establishment of the LSRA with effect from 1 July 2014.

The business plan was amended in July 2017 to 30 June 2018 to incorporate additional public safety measures after a comprehensive public participation process followed by a majority support vote at a Special General Meeting.

1.3. What is an SRA?

A Special Rating Area is an arrangement under the City's Special Rating Area by Law of 2012 designed to enable self-funded community initiatives within a clearly defined geographic area that aim to improve and or upgrade neighbourhoods by making use of a non profit company to manage the implementation supported by property owners in the SRA in accordance with the procedure set out in the by law and approved by Council.

The SRA model is based on international best practice aimed at preventing the degeneration of neighbourhoods and facilitating their upliftment, economic growth and sustainable development. The continuing success of this model is demonstrated by the fact that there are an increasing number of SRA's being established in Cape Town.

1.4. The SRA company

Following the approval of the initial 5 year business plan by the majority of property owners in Llandudno and by the City in 2014, a non profit SRA company was established in terms of the Companies Act 71 of 2008 with the sole purpose to give effect to the business plan and supplementary municipal services contained therein as approved by Council.

The costs of these additional supplementary services is funded from additional municipal property rates paid by all property owners within the SRA. The cost of these additional rates are shared by property owners in the form of an additional rate based proportionally on the valuation of the properties, implementation of the business plan is administered by the board of directors of the SRA company, who are unpaid volunteers, elected by its members, being the property owners within the SRA supported by an administrative assistance, appointed by the Board.

In order to vote at the members' meetings of the LSRA, property owners need to apply to become members of the SRA. Membership ceases, inter alia, when the property is sold and hence new owners would need to apply to become members. Voting at the meetings of the



LSRA occurs by show of hands, or if required, by each member having one vote per R5m of municipal valuation of their property. Owners in arrears with their municipal accounts by more than 60 days are not allowed to vote, unless a payment arrangement is in place with the City. Full details of the legal requirements surrounding membership, eligibility to vote and the manner of voting are contained in the Memorandum of Incorporation which can be accessed via our website.

The LSRA manages its own finances and appoints its own auditors. The interests of members of the SRA company are protected by the provisions of the Companies Act and the Special Rating Area By Law which include the following:

- The LSRA retains control over the funds received for the implementation of the business plan, which monies may only be spent within the LSRA and only in accordance with the approved budget and business plan.
- The responsibility for the collection of rates and additional rates in terms of the LSRA business plan vests with the City.
- The City monitors the compliance of the Board with the provisions of the SRA Bylaw and the Companies Act and the Finance agreement concluded between the City and the SRA.
- A councillor of the City is appointed by the Executive Mayor as observer is entitled to attend the board meetings (but not vote) of the LSRA.
- The LSRA is required to submit a 5 year business plan, consisting of a motivation report, implementation plan and budget for approval by the City. Items not provided for in these documents may not be expended by the reviewed annually and approved at the AGM of the LSRA.
- An amendment to the business plan and budget needs to be approved by the members of the LSRA and Council.
- The LSRA is required to submit audited annual financial statements and to report this to the City.

1.5. How are the SRA additional rates calculated

- The most recent municipal valuation roll is used to determine the properties comprising the LSRA and the LSRA additional property rate payable by each property owner is calculated using the most recent municipal valuation.
- The LSRA management prepares an annual budget taking into account the additional supplementary services required as identified in the business plan. The individual contributions by each property owners accordingly represents the value of that property owner's municipal valuation of his property, divided by the total municipal valuation of all properties within the geographic boundary of the LSRA multiplied by the total expenditure of the LSRA for a particular year.
- The particular additional rates payable by each property owner is based on the budget for a particular year commences on 1 July of each year.
- The LSRA budget and proposed additional rates must be approved by Council and advertised for comments and objections as part of the City's budget process for implementation on 1 July.



1.6. Term renewal process

Each business plan under the SRA By-Law has a duration of 5 years. The initial business plan of the LSRA was in respect of the period 1 July 2014 to 30 June 2019. Approval of members of a new business plan for the period 1 July 2019 to 30 June 2024 is therefore required. This will occur as follows:

- The LSRA management compiles a new 5 year business plan, consisting of a motivation report, implementation plan and 5 year budget .
- The new plan is approved by the Board and submitted to the City for comment.
- Once reviewed by the City, the renewal is advertised along with the notice of the annual general meeting in year 5 of the LSRA 's term.
- At the AGM, the members can then vote to adopt the new 5 year plan and approve the intention to renew.
- The renewal plan is considered by the full council of the City of Cape Town.
- Once the renewal has been approved the LSRA commences with the new terms on 1 July of the following year.

The sections below motivate the approval of the new 5 year business plan for the period 2019 to 2024.

MOTIVATION REPORT

The Llandudno Special Rating Area NPC ('LSRA') has been in existence since 2014 and have focused on the following areas:

- Public safety and monitoring of public open spaces,
- the provision of additional cleaning services as a top up to existing municipal services and
- Environmental initiatives such as the removal of alien vegetation
- Communication within the community of community related matters.
- Water resilience investigations (currently unfunded)

It is proposed that these main areas of focus be retained, although the extent, content and budget allocation for the different areas will change as set out in the proposed budget. In addition it is proposed that the LSRA adds water resilience and implementation of water augmentation measures as a separate focus area for the next 5 years as part of its business plan.

Intention of LSRA

The continued operation of the LSRA will not reinforce existing inequalities nor be a substitute for City services, and the services of the LSRA will 'be over and above and a top up' of services provided by the City.

In addition, initiative undertaken in environmental clean up and alien vegetation removal will ensure that the public's use and enjoyment of the beach and its related facilities will be continued to be improved.



In addition, monies spent in the area as a result of the LSRA establishment has and will create local employment opportunities.

Consistency with Integrated Development Plan

The Integrated Development Plan of the City for 2017-2022 has a vision to be:

- To be an opportunity city that creates an enabling environment for economic growth and job creation. Alien removal and cleaning activities have been subcontracted to local previously disadvantaged persons.
- To deliver quality services to all residents;
- To serve the citizens of Cape Town as a well governed and corruption free administration

The integrated development plan of the City for 2017-2022 has the following mission:

- To contribute actively to the development of its environment, human and social capital
- To offer high quality services to all who live in and visit Cape Town
- To be known for its efficient, effective and caring government.

We believe that the continued operation of the LSRA will support these as follows:

- The LSRA initiatives will stimulate economic growth and employment creation as a result of the appointment of a contractor to attend to cleaning and alien vegetation removal as a 'top up' service in addition to existing municipal services.
- The LSRA is subject to the Companies Act and the City's By Law and is subject to oversight by the City and as such contributes to a well governed and corruption free administration.
- The LSRA initiatives enhance the security and cleanliness of the beach and surrounds and hence contribute to the overall enjoyment of citizens and visitors to the beach.

Institutional arrangements of LSRA

The LSRA commenced on 1 July 2014 as a Non Profit Company (NPC) established in terms of the Companies Act 71 of 2008. We are now submitting a renewal application for the period 1 July 2019 to 30 June 2024.

Vision

The LSRA vision is to ensure that Llandudno:



Retains its single residential family focused community driven neighbourhood status.

Residents and visitors respect the natural and built environment by keeping it clean, and by removing alien vegetation and adding to biodiversity richness in the area through initiatives aimed at planting of indigenous vegetation on private and publicly owned land.

Remains a safe neighbourhood, free of crime and ensuring visitors and residents can enjoy the beach and surrounding areas without crime and in adherence to laws and regulations.

Innovative initiatives will be explored to generate a sense of community cohesion e.g. website and printed media advertising.

Water resilience and addressing the vulnerability of residents should water scarcity issues exacerbate will be addressed by means of a dedicated subcommittee.

Mission

The Llandudno SRA will in conjunction with relevant and appropriate stakeholders, supplement municipal services as detailed in the business plan for the benefit of property owners, and members of the public insofar as the use and enjoyment of public open spaces including the beach is concerned.

Goals

To promote and safeguard the interests of the residents of Llandudno.

To take cognisance of the unique character of Llandudno as low-density suburb zoned single residential.

To respect and protect the natural and built environment of Llandudno.

To ensure the suburb remains clean and free from litter.

To facilitate provision for tourists and visitors in recognition of the status of Llandudno as a functional and safe tourist destination.

To take all reasonable steps to protect the safety of the public.

To promote and ensure interaction with the greater community of the metropole and especially of all sectors of the community within the Ward arising out of macro socio economic and environmental issues and to facilitate this objective by seeking corporate membership of other organisations with common objectives and interests including the management of the Cape Peninsula National park.



Management

The LSRA has been and will be conducted by means of the NPC as contemplated in the Companies Act 71 of 2008 with a Memorandum of Incorporation as required by the Companies Act as well as the requirements laid down by the City of Cape Town.

The composition, election and regulatory aspects of the NPC are discussed under the Institutional Arrangements section of this document.

The LSRA will be managed by a Board of Directors who will meet monthly under an elected chairperson.

The Board of directors shall comprise a minimum of 3 and a maximum of 8 directors, as minuted in the AGM of 2017.

A new Board of Directors will be elected annually at the AGM. The MOI requires 3 of the board to resign each year with the option to be re-elected.

Any registered property owner can become a member of the NPC upon application and cannot be refused.

Registered property owners may choose to appoint a proxy to present and vote on their behalf at NPC meetings.

Only members of the NPC (or their delegated proxy) are eligible to vote at meetings of the NPC.

The Board of Directors will be responsible for the implementation of the Business Plan.

The Members will monitor the performance of the Board of Directors in the achievement of its objectives as detailed in the Business Plan.

The NPC does have a memorandum of incorporation (MOI) as prescribed by the City and as regulated in terms of the Companies Act of 71 of 2008.

The annual financial statements will be externally audited and the NPC will appoint a part time bookkeeper to prepare monthly accounts, submission of VAT returns and similar requirements. Such audited annual financial statements will be scrutinized for approval by the City and Auditor General and be adopted at the AGM.

The NPC is required to submit annual budgets and implementation plans for approval at the AGM.

The Board Members will perform the required administration functions as per the portfolio analysis. The Board has deemed it necessary to appoint a manager to fulfill certain functions and to increase the budget if required.

Contractors who will be appointed by the Board of Directors will provide services as stipulated in the Business Plan. The obtaining of a minimum of 3 quotations will be required in any appointment process. Appointment process will be documented. A contract with



performance indicators and a termination clause will be concluded with the appointed contractor.

The Board of directors shall have the following portfolios:

Role	Description
Chairperson	Oversight role, chair meetings, overall direction. Delegation of specified tasks and supervision of part time manager if appointed.
Finance	Maintaining books of account, oversight of bookkeeper and preparation of VAT returns, financial reports to the City, payment of contractors and staff
Security	Contracts with security service providers, monitoring of patrolling in area, interaction with other neighbourhood watch, SAPS, SanParks and other Security Service Providers. Investigation and recommendations for upgrades to these services. Liaison with entities contracted to engage with CCTV monitoring
Cleaning	Liaison with City and monitoring of cleaning in area. Notification and guidance as to needs in the area
Beach/ Blue Flag	Monitoring requirements, communication with life saving, beach cleaning, safety etc
Infrastructure	Communication with City officials as to planned and scheduled repairs and upgrades required
Legal Regulatory	Compliance with outsourcing agreements, holding of meetings, minute keeping, compliance with City requirements, annual returns and registrations. Comply with the Companies Act Requirements. The LSRA board has co-opted a member of the Cape Bar to assist with this aspect to ensure compliance with statutory aspects.
Environment	Biodiversity monitoring and enhancement, fire breaks, removal of alien, enhancement of Apostle Battery. Supervision of upliftment initiatives
Communication	Public relations communication, website content management, community liaison, interaction with stakeholders such as School, Church, Sport Club,



	Life Saving Club. Preparation of quarterly newsletter.
Secretarial/administrative person (new)	Assistance to the Chairperson to assist with minutes of meetings, updating members' details and completeness of documents, preparation for meetings, collation of proxy forms and community liaison.

Public Safety

Safety and security are protected by means of active public safety monitoring and active interaction between community neighbourhood watch initiatives, consultation with Security Service Providers, SAPS and SANParks. Ongoing public safety and security in the provision of a dedicated vehicle 24/7 and patrol guards with dogs at nighttime. There are 4 guards per shift.

Purchase and installation of various security equipment such as cameras to monitor public open spaces. Electronic surveillance to include: street view cameras with analytics, long-range thermal cameras with advanced motion detection, LPR (License Plate Recognition) with suspect database reconciliation, and seismic sensors for human detection.

Purchase and installation of software and security monitoring equipment to analyse and report on data captured by the cameras. 24-hour off-site monitoring of electronic surveillance tasked with relaying real-time tactical information to responders.

The appointment and monitoring of a service provider, after a due tender evaluation process to monitor the public open spaces at night. Currently PPA provides this service.

Signage updating

Maintenance & control of informal access points into the community

Communications systems for responders

Patrols of the common areas

Increased presence during peak beach periods provided by external service providers to enhance the public safety of the area

Improved patrolling and monitoring of public areas will assist the greater Hout Bay community in the prevention and detection of crime generally.

Liaison with multiple security bodies such as: Hout Bay Community Policing Forum, Hout Bay Neighbourhood Watch Exco CCP Board of Directors, All Sectors within the Hout Bay Neighbourhood watch, SANParks poaching division, City poaching division, different Security Service Providers active in the greater area, City Law Enforcement, SAPS Hout Bay, SAPS Camps Bay, liaison with other neighbourhood watch organisations within the greater Cape Town metropole.



Contractors for Security will be conducted by means of a competitive tender process for the next 5 years.

LSRA Planned Security Monitoring and Tactical response					
Security Solution	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
Monitoring	320 373	337 641	355 840	375 019	395 233
Tactical response	1 520 604	1 561 584	1 645 754	1 734 460	1 827 947

LSRA Planned Phasing in of planned capex to enhance the Security Solution and replace equipment					
Security Solution	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
Budget per year	0	R144 000	240 000	390 000	710000

Cleaning and Environment

Communal areas that include the public footpaths, car park above beach, and public open spaces are kept clean, vegetation is trimmed back to ensure, visibility and safety by provision of top-up services, which will be an enhancement to services provided by the City.

Removal of alien vegetation on communal land and to restore indigenous vegetation in public spaces. This will also encourage private owners to do the same on their properties.

Interaction with City in the provision of top-up services to ensure the beach and surrounding areas are cleaned on a regular basis especially after weekends and public holidays and especially during the summer season.

Cleaning will be done by local businesses employing local people from previously disadvantaged backgrounds. It is envisaged that approximately 6 people will be employed by the service provider who will be appointed following a competitive tender process.

Marketing and communication:

An internet based email and website presence has been activated and is maintained to ensure that residents and owners are kept apprised of community developments inclusive of security updates for the area. Other communication media such as Facebook and whatsapp chat groups have been implemented. Regular (Quarterly) Newsletters will be delivered and emailed to all residents.

Community activities will be encouraged to develop a sense of community cohesion and awareness of neighbourhood cleanliness, as well as annual general meeting.



We have employed a secretarial/administration person to further assist with communications to and from members and to increase the membership numbers. There has been a significant increase in members during the last business plan cycle (from 86 to approximately 190).

Interaction with stakeholders such as the Church, School, Lifesaving Club, and Sports Club.

Engendering an improved sense of community cooperation, necessitated by our geographic isolation.

Continued communication within the community with regard to matters of communal interest such as security and crime, assisting other bodies such as the Life saving club with their fund raising efforts.

Improved communication with members and property owners to increase the membership and awareness surrounding the LSRA and its activities. To this end the LSRA has employed the services of a secretarial and administrative person to assist with the communication and regulatory compliance of the LSRA.

The LSRA board has appointed a qualified Advocate to serve on the board to assist the board to ensure that all compliance and regulatory aspects of the LSRA are compliant both from a substantive and procedural aspect.

Communication occurs as follows:

- A printed quarterly newsletter
- A general and street specific Whatsapp group
- A Facebook page
- A webpage www.llandudno.org.za
- Email notifications
- Advertisements for formal meetings are placed in the Argus and Die Burger.
- Chairperson attends the quarterly Ward Committee meetings of the City of Cape Town.

Water resilience

- The LSRA has established a water sub-committee that has met monthly during the day zero crisis. This subcommittee will continue to meet and explore alternate water sourcing strategies, noting the regulatory and costing implications thereof with a view to formally presenting such findings to the members at a future date.
- In addition the subcommittee will investigate and propose solutions to address and improve water resilience and vulnerability within the community.



- At this stage the water resilience issues are unfunded and no budget has been provided therefore. Should the water subcommittee at some time during this business plan framework deem it appropriate that funding and hence budget are required for certain initiatives, it will report so to the Board, who will then hold a public meeting and if supported submit to CCT a revised budget and business plan for review and approval.

Cleaning – (Cleansing, Conservation and environmental protection and enhancement):

Contractors will continue to attend to garden and alien vegetation activities of the public open space, footpath and car park above the beach, the beach area, side verges including road reserves to ensure these are kept free of litter and overgrowth obscuring traffic visibility is cut back appropriately. Preference will be given to subcontractors employing previously disadvantaged persons.

Provision has been made for the upgrade and greening of the suburb with indigenous biodiversity and the cultural historic protection and enhancement of all community areas.

LSRA Planned Phasing in of improvement to Cleaning and environmental upgrade					
	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
Budget per year	R143 803	R151 554	R159 723	R168 332	R177 405

Ongoing action is required to ensure unsightly and offensive graffiti and litter are addressed immediately.

Financial Impact

This document provides for an annual budget in year 1 (2019/20) of R2 749 381 escalating to R4 190 699 in year 5 (2023/24) based on annual increases of South African forecasted inflation for the period plus 3% .

PRELIMINARY MODELLING OF FINANCIAL IMPACT PER R1M VALUATION						
	Year 1 2018/19	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
Annual Contribution	R673	R740	R803	R872	R946	R1 026
Monthly Contribution	R56	R62	R67	R73	R79	R85
% increase	10%	10%	8.5%	8.5%	8.5%	8.5%

