

**PART 3: IMPLEMENTATION FRAMEWORK,
CAPITAL EXPENDITURE FRAMEWORK,
MONITORING AND REVIEW**

14. IMPLEMENTATION FRAMEWORK AND CAPITAL EXPENDITURE FRAMEWORK

14.1 PURPOSE OF A CAPITAL EXPENDITURE FRAMEWORK

The Capital Expenditure Framework (CEF) of a municipality can be defined to “include all the infrastructure requirements (engineering, social and other capital requirements) that falls within the mandate of the municipality and is funded by the municipality and includes own funding, grants received as well as borrowing raised by the municipality itself. It is an important tool in ensuring that long-term infrastructure investment decisions are timeously made in a financially viable way to support the Integrated Urban Development Framework objectives in facilitating transformation.” (COGTA Guidelines, 2018).

It is important that all spheres of government must contribute towards the functionality and sustainability of the municipality. It is therefore important to make a distinction between the infrastructure that is required to ensure long-term sustainability and functionality, which is financed by national and provincial government (included in a Capital Investment Framework), versus infrastructure that the municipality has to finance from its own budget, including grants (included in a Capital Expenditure Framework). The investments by the municipality must fall within the municipality's affordability means.

The intention of a CEF is to effectively link the municipality's spatial development strategies to the municipality's budget, which is one of the primary means with which to implement the development strategies.

A CEF therefore provides a link between spatial planning and financial planning, and also links to infrastructure planning, which is crucial to accommodate the spatial development strategies and maintain existing services infrastructure. This inter-relationship is illustrated in **Figure 14.1**.

By providing more specific direction on what **type** of investment should be made at which **location** and in what **order** of priority, alignment between TWKM's strategies, plans, programmes and policies and the development at ground level is improved and the risk that budget allocations undermine or contradict the SDF is mitigated.

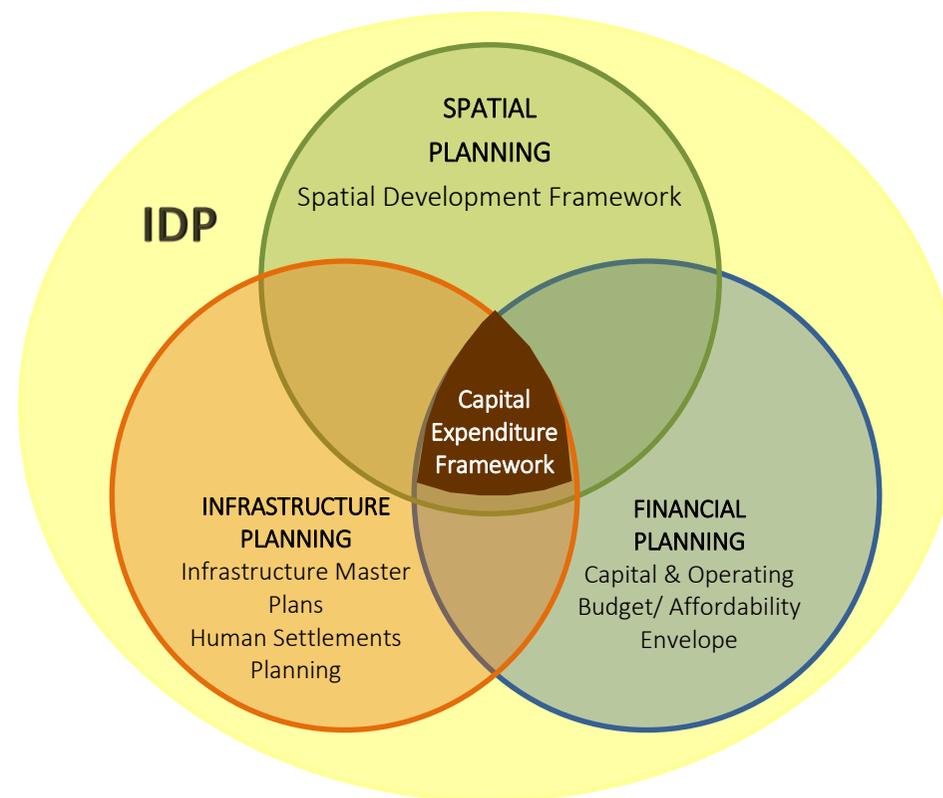


Figure 14.1: Inter-relationship of a Capital Expenditure Framework

The CEF aims to answer the following key questions:

- What infrastructure does the municipality currently have?
- What is the municipality's goals with infrastructure over the next 10 to 20 years?
- What are other spheres of government or service providers planning to do with infrastructure in the municipal area?
- Where does the municipality need infrastructure?
- How much and of what type of infrastructure does the municipality need?
- How much will it cost?
- What impact will it have on financial viability in future?
- How will the municipality pay for the infrastructure required?

Figure 14.2 illustrates the process and inter-relationship of the SDF proposals, programmes, projects and the budget allocation. The figure illustrates that the prioritisation of projects will continuously contribute to the amendment of the CEF, which in turn, impacts on the number of programmes that can be funded

Therefore, the CEF articulates what municipal investment is needed where, for what, when and at what cost to inform and guide budget allocation and revenue decisions for the Medium Term Revenue Expenditure Framework (MTREF).

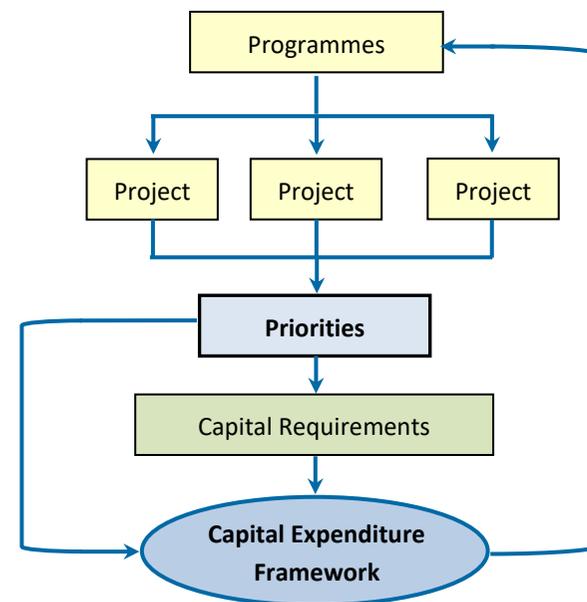


Figure 14.2: Capital Expenditure Framework Process

14.2 LEGISLATIVE REQUIREMENTS

The Spatial Planning and Land Use Management Act (SPLUMA, Act 16 of 2013) requires that Municipal Spatial Development Frameworks “*determine a capital expenditure framework for the municipality’s development programmes, depicted spatially*”.

Furthermore, the Local Government: Municipal Planning and Performance Management Regulations (2001) require that a SDF sets out a Capital Investment Framework for the municipality’s development program.

The implementation framework aims to shift the focus away from strategy and policy, towards actions and interventions to implement these policy and plans.

Government initiated the Integrated Urban Development Framework (IUDF) in order to restructure South Africa’s urban spaces, guided by a vision of creating “liveable, safe, resource efficient cities and towns that are socially integrated, economically inclusive and globally competitive.” One element of the implementation of the IUDF is the introduction of a consolidated infrastructure grant, the Integrated Urban Development Grant (IUDG), which municipalities may be eligible for. Among other features, the IUDG moves towards programmatic grant monitoring. The business plan for the IUDG is a three-year capital programme that is aligned with a long-term Capital Expenditure Framework. In order to access IUDG funding, TWKM requires a credible CEF.

The key intentions in introducing the CEF as the basis for monitoring the IUDG are:

- To ensure that priorities identified in the SDF are translated into capital programmes;
- To promote long-term engineering and social infrastructure planning;
- To promote infrastructure planning that is better integrated across sectors and spheres and within space;
- To promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

While the SDF is reviewed every 5 years, the CEF needs to be reviewed annually.

14.3 INSTITUTIONAL REQUIREMENTS

TWKM’s Integrated Development Plan and Performance Management and Town Planning departments will be responsible to facilitate and monitor the implementation of the SDF proposals, actions and interventions. These two departments must work closely with the other municipal departments dealing with engineering services infrastructure, social facilities, human

settlements and the municipal budget, as illustrated on **Figure 14.3**.

The two departments must ensure that the SDF’s proposals, actions and interventions are included in annual reports, annual budgets and IDP reviews in order to formulate programmes and projects for implementation, spatially. It must also be ensured that the SDF informs sector planning and resource/funding allocation.

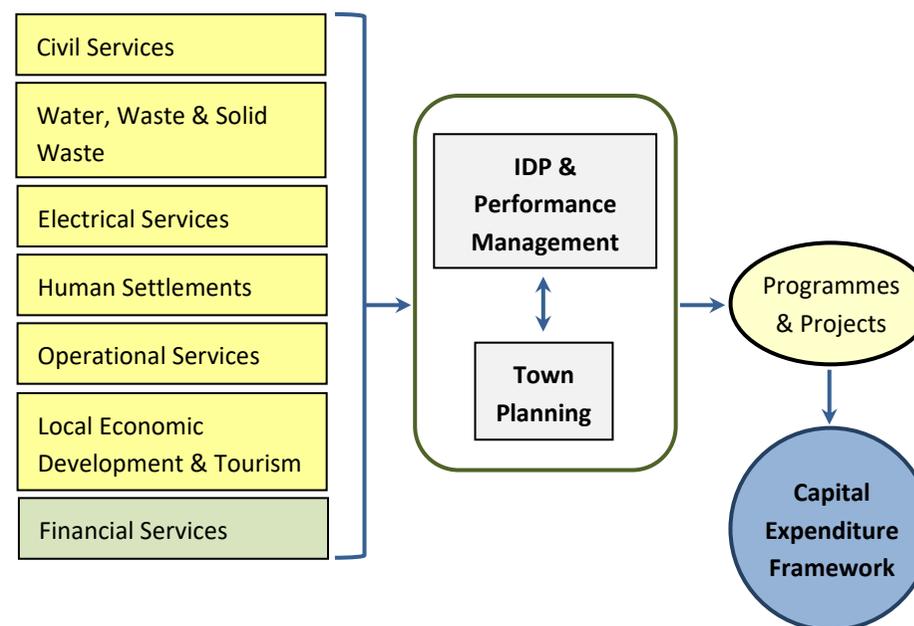


Figure 14.3: Inter-relationship between Municipal Departments

14.4 ALIGNMENT OF SECTORAL PLANS

The SDF is a medium term planning instrument, which spatially coordinates and implements the TWKM IDP’s vision. The SDF both leads and is informed by the various interdepartmental sector plans and it must be ensured that

the SDF and sectoral plans are aligned in order to utilise their potential as an implementation toolkit. Therefore, once the SDF has been adopted, the SDF must be a key consideration during the revision of the sectoral plans to establish alignment, where required. The following table lists TWKM's sectoral plans, their status and the SDFs implications for these plans.

Table 14.1: TWKM Sector Plans, their Status and SDF Implication

Sector Plan	Status	SDF Implication
Integrated Development Plan	2017/2018-2021/2022	The revised IDP is planned to be approved in May 2019. The IDP would need to include the current SDF proposals and CEF informants.
Infrastructure Growth Plan (IGP) and Engineering Master Plans	2019	This Plan will need to consider the urban growth direction included in the SDF, particularly with regard to low income housing development and densification. Certain amendments to the IGP would be required to include the latest SDF proposals and should include updated programmes and estimated costing after 2018/2019.
Human Settlement Plan (HSP)	No plan has been drafted; only a housing pipeline.	A HSP would need to be drafted to include the current and proposed human settlements projects. The HSP must prioritise human settlement projects within the growth areas/Priority Development Areas identified in the SDF.
Tourism Strategy	2010	The strategy would require updating to include the additional tourism initiatives, e.g. the Hemel and Aarde

		Valley tourism corridor. A review of this plan would inform the next review of the SDF, should additional tourism activities/nodes be identified in future.
Economic Development Strategy	2015	The strategy is four years old and would require a review. The SDF's spatial context and strategies should inform this review, where applicable. The economic potential of each settlement should be optimised and coordinated with human settlement planning.
Long Term Financial Plan (LTFF)	2019	The LTFF informs the affordability envelope of the CEF. The LTFF is aligned with the current SDF.
Budget	May 2019	The next revision of the Municipal Budget would need to include prioritised, project-ready projects and programmes that are identified in the SDF/IDP.
Integrated Transport Plan	No plan has been drafted.	An Integrated Transport Plan needs to be compiled in order to assist the long term planning and implementation of the SDF proposals.

14.5 CAPITAL EXPENDITURE FRAMEWORK

14.5.1 Methodology

(i) COGTA Guidelines (2014)

There is currently no specification for a SPLUMA-compliant CEF. However, the National Department: Cooperative Governance commissioned a guide to aid the public and private sectors in preparing a Capital Expenditure Framework for municipalities. The draft guidelines (TE COGTA/V8) are aimed at the larger Intermediate City Municipalities (ICM). TWKM is not categorised as an ICM and therefore TWKM would not need to adhere to the COGTA guidelines in its entirety. The guidelines were however considered and used as a framework in which to compile the TWKM CEF.

The COGTA guidelines include ten steps, which should be followed in preparing a CEF for an ICM. **Table 14.2** lists the activities to be undertaken based on the 10 steps and illustrates how the current TWKM CEF complies with the requirements and where additional work is required in the next revision of the SDF.

Table 14.2: COGTA CEF Guidelines: 10 Steps

Step	Task Description	Compliance
1	Identify Functional Areas and Priority Development Areas for the municipal area.	Eight Functional Areas have been identified for TWKM, which represent each of the seven settlements and the rural hinterland. Priority Development Areas have been identified within some of the Functional Areas, where appropriate. (Refer to subsection 14.5.3).
2	Compile a socio-economic profile for each Functional Area for a 10-year period.	A socio-economic profile and projected population growth were compiled for each Functional Area. Refer to subsection 14.5.3

		below.
3	Compile a land budget for residential and commercial/ industrial growth for the next 10 years as per the SDF proposals.	A land budget of the proposed land uses has been compiled for each settlement for the 10-year period. Refer to subsection 14.5.4 below.
4	Confirm the appropriateness of the SDF vision and long-term spatial structure for the municipality, based on supply and demand of land and infrastructure.	The SDF long-term spatial structure is aligned to the future needs of TWKM up to 2028. This is confirmed in subsection 14.5.5 below, namely that sufficient opportunities are provided to accommodate and address the expected future demand.
5	Sector master plans should be revised based on the outcomes of steps 1 to 4, with the view to determine infrastructure requirements for the various Priority Development Areas.	Discussions were held with the TWKM engineering departments who provided the data on costing of new infrastructure investment needed to service the SDF proposals. The Master Plans would need to be updated and aligned with the latest SDF proposals.
6	Develop a Long Term Financial Plan .	INCA Portfolio Managers has developed a Long Term Financial Plan (LTFP, 2019) for TWKM.
7	Link the costing from the previous step (step 5) with the Long Term Financial Plan that provides the affordability envelope . The outcome of this step will be to model the expected	The LTFP informed the CEF, by providing the estimated revenue for TWKM for the 10-year period (affordability envelope), as discussed in subsections 14.5.6 to 14.5.8 . Prioritisation was not done in this CEF.

	investment levels over time and the operating impact of providing and maintaining the various services. High level prioritisation is required.	
8	Structure all requirements into programmes per Functional Area. Existing projects must be fitted into these programmes and new projects must be conceived in terms of these programmes.	The current Master Plans include provision to service some of the proposed Priority Development Areas' projects. However, specific programmes have not been formalised as yet.
9	On the completion of steps 5, 6, 7 & 8, a Capital Expenditure Framework can be developed.	The current CEF represents the best effort, given the available data. The CEF would need to be expanded on in the next revision.
10	Projects that are conceptualized in terms of various programmes per functional area as reflected in the CEF and that obtain readiness status, will be considered in terms of the Medium Term Revenue and Expenditure Framework (MRTEF) budgeting cycle . Projects that are approved as part of the MTEF will form the basis for the Capital Expenditure	The SDF's proposals would need to be prioritised and included in the next revision of the TWKM MTREF.

	Programme, which is a monitoring requirement of the IUDG.	
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Note: Green = compliance; Yellow = partial compliance/in process; orange = non-compliance

(ii) Approach

The Capital Expenditure Framework (CEF) was developed as an iterative process in conjunction with TWKM's Planning Department, Engineering Department, Housing Department and Treasury, with assistance from the Department of Environmental Affairs and Development Planning and INCA Portfolio Managers.

The COGTA ten steps were used as a framework to compile the current CEF. Compliance with these ten steps is illustrated in **Table 14.2** above¹.

The growth projections for TWKM over a 10-year period, as contained in **subsection 4.4.3**, were used to inform the expected additional domestic demand for municipal services. Engineering input provided the estimated capital requirement for new engineering services per Functional Area. Since the timing of service provision (prioritisation) per Functional Area could currently not be determined, the total capital costs were divided equally between the projected 10-year timeframe. Prioritisation of each engineering service should form part of the next revision of the SDF.

Capital expenditure includes (i) the costs involved in the maintenance and renewal of existing and new municipal infrastructure and (ii) the costs of new

¹ The CEFs compiled for the Drakenstein and Stellenbosch municipalities were also considered to determine and formulate an appropriate approach for the TWKM CEF. Both municipalities are Intermediate City Municipalities and are therefore aligned with the COGTA guidelines. Both CEFs were also compiled using a multi-disciplinary team. The TWKM CEF aims to follow the structure of these CEFs and provide as much data and information as possible. It is however acknowledged that the TWKM CEF is not as comprehensive and complete as the Drakenstein and Stellenbosch CEFs, as is discussed in **subsection 14.5.9**.

infrastructure (bulk, connector and internal infrastructure).

Renewal expenditure includes the estimated replacement costs of existing assets and asset condition, plus the renewal costs of any new assets created during the 10-year period.

New infrastructure includes infrastructure required to eradicate the current backlog by providing services to currently un-serviced residents, and for new services for the projected population growth within the 10-year period.

For this CEF, it was assumed that the current infrastructure backlogs, except housing, will be eliminated in 10 years (by 2028).

Depending on the funds available to TWKM, infrastructure costs could be more than the available capital finance. The CEF provides the estimated shortfall or surplus per year for the 10-year period. This is important for TWKM to determine and align infrastructure priorities with available funding and to request additional funding where required.

14.5.2 Socio-Economic Profile: Municipal Wide

The following table provides the socio-economic profile for the TWKM municipal area. It provides a brief overview of the historic and estimated population growth, the current housing backlog and the proportion of the population which is dependent on social grants. This is important for the future planning of subsidised housing and the impact it has on the municipal expenditure and revenue generation by new infrastructure, e.g the proportion of the population that can contribute to the rates base of the Municipality.

Table 14.3: TWKM: Socio-economic Profile

Population 2011 (StatsSA 2011 Census data)	108 790
Population 2018 (MYPE)	122 317
Population Growth 2011 – 2018	1.7% per annum
Population 2028 (Estimated)	144 016
Population Growth 2018 – 2028 (Estimated)	1.7% per annum
Households 2011 (2011 Census Data)	28 885
Households 2018 (MYPE)	34 948
Household Growth 2011 – 2018	2.8% per annum
Households 2028 (Estimated)	41 147
Household Growth 2018 – 2028 (Estimated)	1.7% per annum
Urbanisation (2011)	68.5%
Informal Housing (2011 Census Data)	9.8%
Housing Backlog (2018) = Informal Structures + Backyarders Dwellers	10 759 = 7 686 + 3 073
Additional demand: Farm Workers on Waiting List	1 468
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	75 608 (69.5% of total population)
Poverty (Households earning less than R3 200/month) (2011 Census Data)	21 602 (74.8% of total households)
Unemployment Rate (2011 Census Data) ¹	6.5%
Unemployment Rate (2011 Census Data)	32.1%

Unemployment Rate (2016 MYPE) ¹	9.7%
Largest Employing Sector	Wholesale, retail trade, catering and accommodation (18.3%)
Largest Economic Sector	Wholesale, retail trade, catering and accommodation (17.8%)

Note:

1. Does not include 'discouraged work seekers' or 'other not economically active'.

14.5.3 Functional Areas

(i) Functional Area Demarcation

To order the main community and infrastructure needs within the Municipality and to prioritise public investment and depict capital programmes spatially, the municipal area needs to be divided into Function Areas (FA). An FA is an area with similar characteristics from a developmental and service demand perspective. The TWKM was divided into the following eight Function Areas:

1. **Caledon and Myddleton;**
2. **Grabouw;**
3. Villiersdorp;
4. Botrivier;
5. Riviersonderend;
6. Greyton;
7. Farm 39;
8. Rural Hinterland (including Tesselaarsdal).

Caledon and Grabouw are identified as the two settlements within TWKM with the highest growth potential (Growth Potential Study, 2014). It is expected that these two settlements will experience the highest economic growth. Public investment should therefore be prioritised in these two areas.

(ii) Socio-economic Profile per Functional Area

Tables 14.4 to 14.11 present the socio-economic profile for each Functional Area. The tables indicate the current and projected population growth within TWKM up to 2028, in terms of the number of individuals and households. Information is also provided on the current and future individual and household income levels, as well as the estimated number of residential units and community facilities that would be required by 2028.

The provision of subsidised housing is one of the main needs and priorities within the TWKM and also represents one of the main expenditure items in terms of infrastructure provision. Identifying the current housing backlog is therefore important to estimate the future infrastructure investment to eradicate the backlog.

The following diagram illustrates the percentage informality (informal structures and backyard dwellings) within each Functional Area. Note that information on informal structures in the rural hinterland is not known and therefore this Functional Area is not included in the diagram. The diagram illustrates that Villiersdorp, Grabouw and Riviersonderend have the highest proportion of informal structures. This is an important consideration, as these towns have the highest percentage of individuals dependent on social and housing grants.

When considering the number of informal structures, Grabouw, Villiersdorp and Caledon have the greatest housing need. Housing delivery in the latter three settlements should therefore be given higher priority.

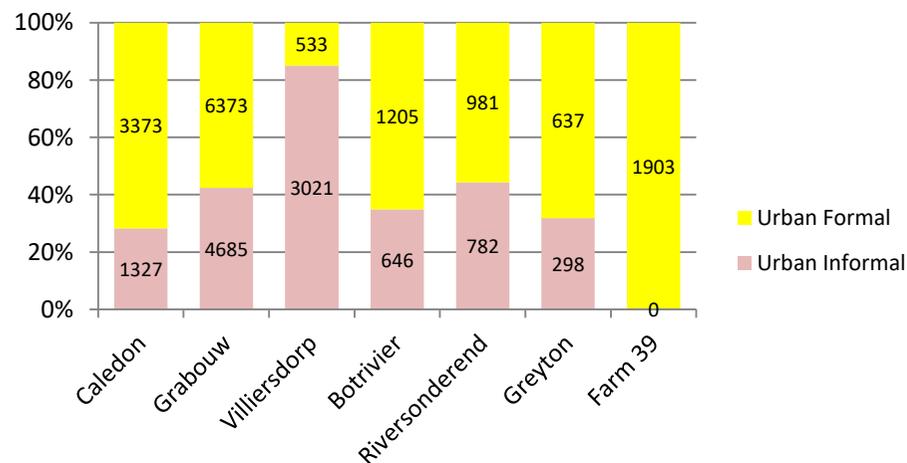


Figure 14.4: Formality and Informality per Functional Area (2018)

Table 14.4: Functional Area 1: Caledon and Myddleton (Priority Development Area): Demographic and Economic Profile

Population 2011 (2011 Census Data)	13 983
Population 2018 (MYPE)	16 451 (13.4% of total TWKM population)
Population 2028 (Estimated)	20 410 (an increase of 3 959 persons)
Estimated Population Growth 2018 to 2028	2.2% per annum
Households 2011 (2011 Census Data)	3 787
Households 2018 (Estimated)	4 700
Households 2028 (Estimated)	6 003 (an increase of 1 303 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	9 625 (68.8% of town)
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	14 042 (68.8% of town) an increase of 4 417 people
Poverty (Households earning less than R3 200/month) (2011 Census Data)	2 750 (72.6% of town)
Poverty (Households earning less than R3 200/month) (2028 Estimate)	4 358 (72.6% of town) an increase of 1 608 households
Housing Backlog (2018): Informal Structures + Backyard Dwellers	1 327 = 627 + 700
Residential demand (2028)	3 959 additional people = 59.3 ha With densification = 48.6 ha
Existing Community Facilities (2018)	Refer to Chapter 6
Required Community Facilities upto 2028 (Responsible entity in brackets)	2 ECDCs: 0.04 ha (TWKM) 2 Primary schools: 5.6 ha (PGWC) 2 Secondary schools: 9.6 ha (PGWC) 3 Skills training facilities: 0.6 ha (PGWC) 3 Primary health clinics: 0.6 (PGWC) 1 Library: 0.05 ha (TWKM) 1 Community centre: 0.2 ha (TWKM)

	2.0 ha of Parks (TWKM) 1 Grassfield: 2.3 ha (TWKM) Total: 21.0 ha
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Table 14.5: Functional Area 2: Grabouw (Priority Development Area): Demographic and Economic Profile

Population 2011 (2011 Census Data)	32 897
Population 2018 (MYPE)	38 703 (31.6% of total TWKM population)
Population 2028 (Estimated)	48 016 (an increase of 9 313 people)
Population Growth 2018 – 2028	2.2% per annum
Households 2011 (2011 Census Data)	8 270
Households 2018 (Estimated)	11 058
Households 2028 (Estimated)	12 977 (an increase of 1 919 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	21 954 (66.7% of town)
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	32 026 (66.7% of town, assumption) an increase of 10 073 people
Poverty (Households earning less than R3 200/month) (2011 Census Data)	6 269 (75.8% of town)
Poverty (Households earning less than R3 200/month) (2028 Estimate)	9 837 (75.8% of town, assumption) an increase of 3 568 households
Housing Backlog (2018) = Informal Structures + Backyarders Dwellers	4 685 = 4 161 + 524
Residential demand (2028)	9 313 additional people = 158.0 ha With densification = 137.5 ha
Existing Community Facilities (2018)	Refer to Chapter 7
Required Community Facilities upto 2028	4 ECDCs: 0.08 ha (TWKM) 9 Primary schools: 25.2 ha (PGWC)

(Responsible entity in brackets)	7 Secondary schools: 33.6 ha (PGWC) 11 Skills training facilities: 2.2 ha (PGWC) 9 Primary health clinics: 1.8 (PGWC) 1 Library: 0.05 ha (TWKM) 1 Community centre: 0.2 ha (TWKM) 4.5 ha of Parks (TWKM) 3 Grassfields: 6.9 ha (TWKM) Total: 74.5 ha
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Table 14.6: Functional Area 3: Villiersdorp (Priority Development Area): Demographic and Economic Profile

Population 2011 (2011 Census Data)	10 572
Population 2018 (MYPE)	12 438 (10.2% of total TWKM population)
Population 2028 (Estimated)	15 431 (an increase of 2 993 people)
Population Growth 2018 – 2028	2.2% per annum
Households 2011 (2011 Census Data)	3 654
Households 2018 (Estimated)	3 554
Households 2028 (Estimated)	6 172 (an increase of 2 618 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	6 889 (65.2% of town)
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	1 0061 (65.2% of town) an increase of 3 172 people
Poverty (Households earning less than R3 200/month) (2011 Census Data)	1 968 (53.9% of town)
Poverty (Households earning less than R3 200/month) (2028 Estimate)	3 327 (53.9% of town) an increase of 1 359 households
Housing Backlog (2018)= Informal Structures + Backyarders Dwellers	3 021 = 2 315 + 706

Residential demand (2028)	2 993 additional people = 80.8 ha With densification = 74.1 ha
Existing Community Facilities (2018)	Refer to Chapter 8
Required Community Facilities upto 2028 (Responsible entity in brackets)	1 ECDC: 0.02 ha (TWKM) 2 Primary schools: 5.6 ha (PGWC) 1 Secondary school: 4.8 ha (PGWC) 3 Skills training facilities: 0.6 ha (PGWC) 2 Primary health clinics: 0.4 (PGWC) 1 Library: 0.05 ha (TWKM) 1.5 ha of Parks (TWKM) 1 Grassfield: 2.3 ha (TWKM) Total: 15.3 ha

Housing Backlog (2018)= Informal Structures + Backyarders Dwellers	646 = 389 +257
Residential demand (2028)	1 558 additional people = 24.1 ha With densification = 17.6 ha
Existing Community Facilities (2018)	Refer to Chapter 9
Required Community Facilities upto 2028 (Responsible entity in brackets)	1 Primary school: 2.8 ha (PGWC) 1 Secondary school: 2.8 ha (PGWC) 1 Skills training facility: 0.2 ha (PGWC) 1 Community centre: 0.2 ha (TWKM) 1.0 ha of Parks (TWKM) Total: 8.8 ha

Table 14.7: Functional Area 4: Botrivier: Demographic and Economic Profile

Population 2011 (2011 Census Data)	5 505
Population 2018 (MYPE)	6 477 (5.3% of total TWKM population)
Population 2028 (Estimated)	8 035 (an increase of 1 558 people)
Population Growth 2018 – 2028	2.2% per annum
Households 2011 (2011 Census Data)	1 579
Households 2018 (Estimated)	1 851
Households 2028 (Estimated)	2 592 (an increase of 741 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	3 482 (63.3% of town)
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	5 086 (63.3% of town) an increase of 1604 people
Poverty (Households earning less than R3 200/month) (2011 Census Data)	995 (63.0% of town)
Poverty (Households earning less than R3 200/month) (2028 Estimate)	1 633 (63.0% of town) an increase of 638 households

Table 14.8: Functional Area 5: Riviersonderend: Demographic and Economic Profile

Population 2011 (2011 Census Data)	5 245
Population 2018 (MYPE)	6 171 (5.0% of total TWKM population)
Population 2028 (Estimated)	7 656 (an increase of 1 485 people)
Population Growth 2018 – 2028	2.2 % per annum
Households 2011 (2011 Census Data)	1 483
Households 2018 (Estimated)	1 763
Households 2028 (Estimated)	2 470 (an increase of 707 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	4 568 (87.1% of town)
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	6 668 (87.1% of town) an increase of 2 100 people
Poverty (Households earning less than R3 200/month) (2011 Census Data)	1 305 (88.0% of town)
Poverty (Households earning less than R3 200/month)	2 174 (88.0% of town)

R3 200/month) (2028 Estimate)	an increase of 867 households
Housing Backlog (2018)= Informal Structures + Backyarders Dwellers	782 = 142 + 640
Residential demand (2028)	1 485 additional people = 25.3 ha With densification = 19.9 ha
Existing Community Facilities (2018)	Refer to Chapter 10
Required Community Facilities upto 2028 (Responsible entity in brackets)	1 ECDC: 0.02 ha (TWKM) 1 Primary school: 2.8 ha (PGWC) 1 Skills training facility: 0.2 ha (PGWC) 0.5 ha of Parks (TWKM) Total: 3.5 ha

Table 14.9: Functional Area 6: Greyton: Demographic and Economic Profile

Population 2011 (2011 Census Data)	2 780
Population 2018 (MYPE)	3 271 (2.7% of total TWKM population)
Population 2028 (Estimated)	4 058 (an increase of 787 people)
Population Growth 2018 – 2028	2.2% per annum
Households 2011 (2011 Census Data)	990
Households 2018 (Estimated)	935
Households 2028 (Estimated)	1 561 (an increase of 626 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	Unknown ²
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	Unknown ³

² Accurate figures on poverty could not be determined for Greyton, as the StatsSA Census 2011 data include Greyton and Genadendal (Farm 39) in one ward. This gives a skewed picture of the town as Greyton and Genadendal have two different income groups, with Greyton accommodating mostly higher income households. Individual settlement data was not available.

³ As above, accurate estimates cannot be made for Greyton.

Poverty (Households earning less than R3 200/month) (2011 Census Data)	Unknown ¹
Poverty (Households earning less than R3 200/month) (2028 Estimate)	Unknown ²
Housing Backlog (2018)= Informal Structures + Backyarders Dwellers	298 = 52 + 246
Residential demand (2028)	787 additional people = 13.0 ha With densification = 9.3 ha
Existing Community Facilities (2018)	Refer to Chapter 11
Required Community Facilities upto 2028 (Responsible entity in brackets)	1 Skills training facility: 0.2 ha (PGWC) Total: 0.2 ha

Table 14.10: Functional Area 7: Genadendal: Demographic and Economic Profile

Population 2011 (2011 Census Data)	5 663
Population 2018 (MYPE)	6 662 (5.4% of total TWKM population)
Population 2028 (Estimated)	8 266 (an increase of 1 604 people)
Population Growth 2018 – 2028	2.2% per annum
Households 2011 (2011 Census Data)	1 593
Households 2018 (Estimated)	1 903
Households 2028 (Estimated)	2 583 (an increase of 680 households)
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	Unknown ⁴

⁴ Individual settlement data was not available. Accurate figures on poverty could not be determined for Greyton, as the StatsSA Census 2011 data include Greyton and Genadendal (Farm 39) in one ward. This gives a skewed picture of the town as Greyton and Genadendal have two different income groups, with Farm 39 accommodating mostly lower income households.

Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	Unknown ⁵
Poverty (Households earning less than R3 200/month) (2011 Census Data)	Unknown ³
Poverty (Households earning less than R3 200/month) (2028 Estimate)	Unknown ⁴
Housing Backlog (2018)= Informal Structures + Backyarders Dwellers	0
Residential demand (2028)	1 604 additional people = 21 ha With densification = 0.0 ha
Existing Community Facilities (2018)	Refer to Chapter 12
Required Community Facilities upto 2028 (Responsible entity in brackets)	Since TWKM can only invest in community facilities on properties it owns, the provision of community facilities within these settlements is problematic. The need for a skills training facility was identified.

Table 14.11: Functional Area 8: Rural Hinterland (including Tesselaarsdal): Demographic and Economic Profile

Population 2011 (2011 Census Data)	32 145
Population 2018 (MYPE)	32 145 (26.3% of total TWKM population)
Population 2028 (Estimated)	32 145 (no increase)
Population Growth 2018 – 2028	0.0% per annum
Households 2011 (2011 Census Data)	7 529
Households 2018 (Estimated)	7 529
Households 2028 (Estimated)	7 529 (no increase)

⁵ As above, accurate estimates cannot be made for Genadendal.

Farm Workers on Waiting List (DoHS 2018)	1 468
Poverty (Individuals earning less than R3 200/month) (2011 Census Data)	10 636 (66.4% of total)
Poverty (Individuals earning less than R3 200/month) (2028 Estimate)	Expected to remain as is in 2011
Poverty (Households earning less than R3 200/month) (2011 Census Data)	3 039 (40.4% of total)
Poverty (Households earning less than R3 200/month) (2028 Estimate)	Expected to remain as is in 2011

14.5.4 Land Budget

Tables 14.4 to 14.11 above include details on the estimated land that will be required for residential development to accommodate the current backlog and projected future population growth for the 10-year period up to 2028. The tables also include the land requirements for future community facilities that would be required for the current backlog and future population.

Limited data were available on the estimated future economic development within TWKM. No accurate or well-informed assessments could therefore be made for the expected demand for commercial and industrial land. During discussions and workshops held with municipal officials and based on past experience, land has been proposed for future commercial and industrial development. It is believed that these land allocations would be sufficient for the 10-year period.

Table 14.12 presents the land budget per Functional Area. Refer to **Plans 6.1 to 13.1** for the spatial representation of these land proposals.

Chapters 6 to 13 describe the estimated required land uses in more detail per settlement. It is shown that sufficient land have been allocated within

each settlement's urban edge to accommodate the estimated population for the 10-year period.

14.5.5 Vision and Spatial Structure

The SDF proposals for each settlement aim to achieve sustainable development throughout the TWKM area by (i) avoiding and protecting sensitive biodiversity areas, (ii) avoiding and protecting high potential agricultural land where feasible, (iii) providing sufficient space for the provision of housing and social facilities for the projected population and (iv) providing space and opportunity for non-residential uses to grow the local economy and create employment opportunities.

The proposed long-term spatial structure of each settlement (up to 2028), as explained in **Chapters 6 to 13**, provides sufficient space and opportunity within the designated urban edges for the required urban land uses to accommodate and serve the projected population up to 2028. **Table 14.12** below presents the land allocations per urban land use.

Table 14.12: SDF Proposals: Land Budget per Functional Area

Functional Area	Proposed Land Use, as per SDF Proposals (Refer to Plans 6.1 to 13.1. Allocation in Hectares)					
	Residential		Mixed Use	Industry	Commercial/Tourism	Community Facilities
	Demand	Provided				
Caledon	48.6	335.2	106.4	62.7	37.0	14.1
Grabouw	137.5	427.0	73.2	37.5	24.5	11.0
Villiersdorp	74.1	133.7	35.8	42.4	1.2	15.3
Botrivier	17.6	192.2	32.2	95.4	21.0	4.1
Riviersonderend	19.9	37.6	4.5	4.1	0.0	1.9
Greyton	9.3	19.0	3.0	1.4	0.6	0.0
Genadendal	0.0	10.2	0	14.2	0.6	0
Tesselaarsdal	15.3		0	0	0	0
Rural Hinterland	0	0	0	0	0	0

14.5.6 Capital Revenue

Available capital revenue and expenditure figures were obtained from TKWM's Long Term Financial Plan (LTFP, 2019). The LTFP provides the estimated 'affordability envelope' per year for the 10-year period.

According to the LTFP, the total available Capital Expenditure (affordability envelope) for the period 2018/2019 to 2027/2028 is R1 192 million. The revenue sources and total available capital funds are presented in **Table 14.13**.

Table 14.13: TWKM Revenue Sources for the Total 10-Year Period

Funding Source	Rand Value	% of Total
Capital grants	R706 000 000	59.2
Financing	R365 000 000	30.6
Cash reserves and funds	R121 000 000	10.2
Total (Affordability Envelope):	R1 192 000 000	100.0

Source: TWKM LTFP, 2019

14.5.7 Engineering Services and Social Facilities

The TWKM engineering departments provided estimated costs for the engineering infrastructure that would be required to service the SDF proposals for the 10-year period. Engineering infrastructure include (i) potable water, (ii) wastewater, (iii) electricity, (iv) roads and transport, (v) stormwater and (vi) solid waste. Detailed costing and prioritisation for each SDF proposal has not yet been undertaken. The total costs per engineering sector were divided equally for the 10 years. Typical construction costs of social facilities were provided by DEA&DP. Note that TWKM is not responsible for the construction costs of schools, training facilities or medical clinics. Small grants are provided for libraries to assist TWKM in the construction thereof. **Table 14.14** provides the total cost of engineering and

social infrastructure, as well as the cost of asset replacement/upgrades/refurbishment, for the total TWKM area for the 10-year period. **Figures 14.5 to 14.13** illustrate the breakdown of each engineering and social infrastructure component for the TWKM area and per Functional Area.

The total engineering and social facilities costs for the 10-year period is approximately R1 811 million.

It is noted that the cost of asset replacement represents the largest proportion (26%) of the total cost for this period, followed by new stormwater infrastructure (16%). Refer to the detailed engineering and social infrastructure costs included in **Annexure 2**.

Table 14.14: Cost of Total TWKM Required Engineering and Social Infrastructure for the Total 10-Year Period

Type of Engineering and Social Infrastructure	Rand Value	% of Total
New potable water	232 026 581	13
New wastewater	162 221 491	9
New electricity	257 240 000	14
New roads and transport	226 800 000	13
New stormwater	293 600 000	16
New solid waste	52 000 000	3
New social facilities	118 000 000	7
Asset replacement/upgrades/refurbishment	469 400 000	26
Total:	1 811 288 072	100

Source: TWKM Engineering Departments and DEA&DP, 2019

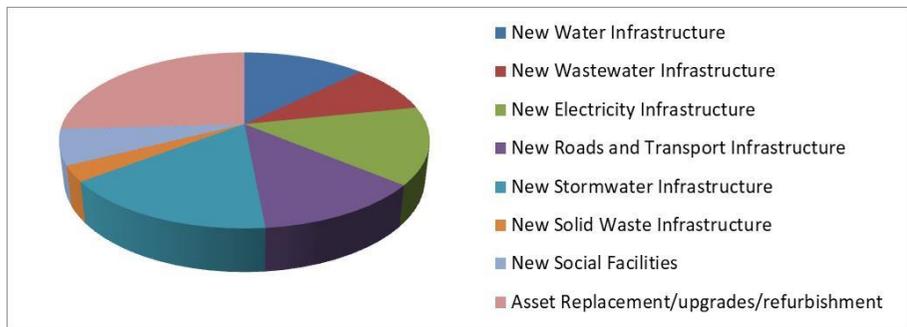


Figure 14.5: TWKM Area: Required Engineering and Social Infrastructure for the 10-year Period

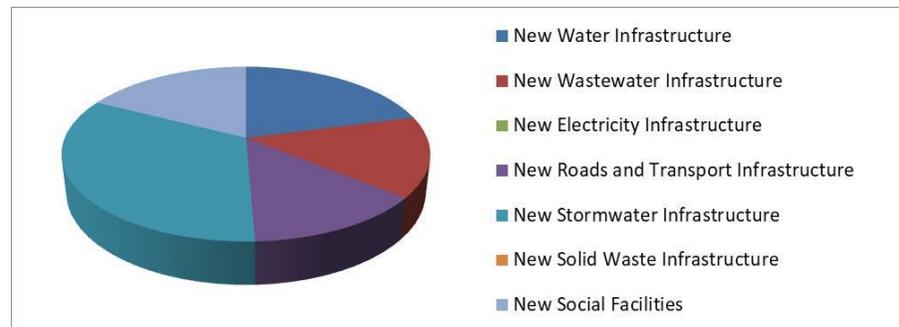


Figure 14.7: Grabouw: Required Engineering and Social Infrastructure for the 10-year Period

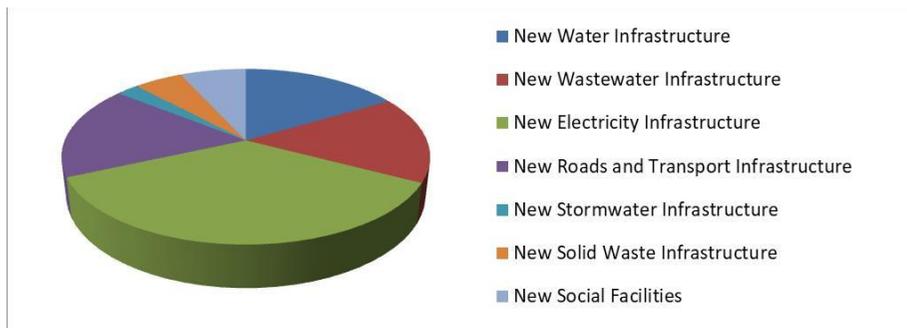


Figure 14.6: Caledon: Required Engineering and Social Infrastructure for the 10-year Period

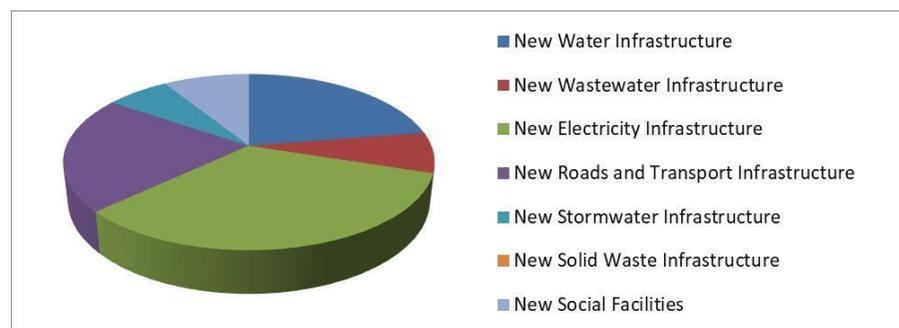


Figure 14.8: Villiersdorp: Required Engineering and Social Infrastructure for the 10-year Period

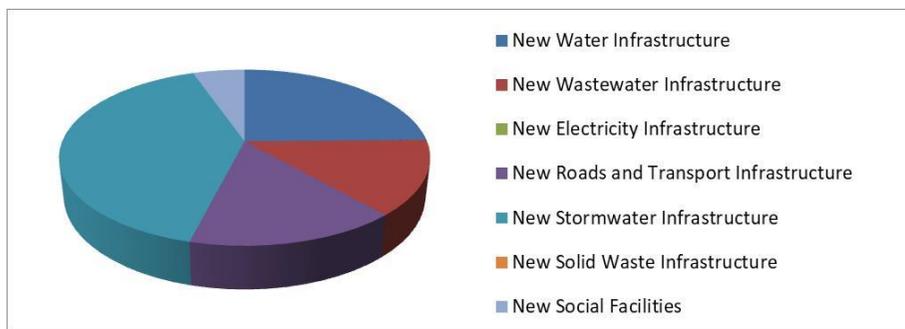


Figure 14.9: Botrivier: Required Engineering and Social Infrastructure for the 10-year Period

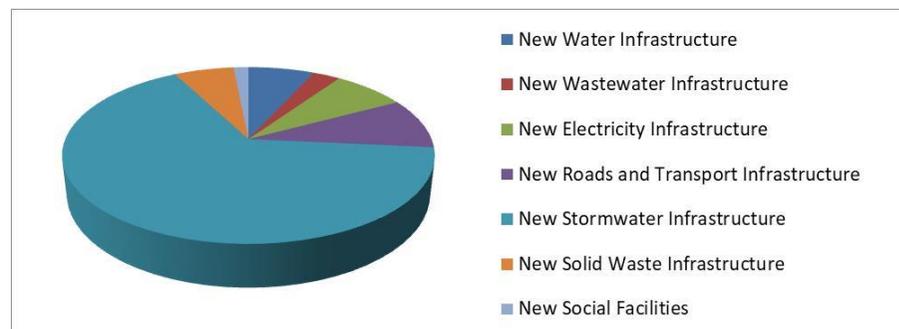


Figure 14.11: Greyton: Required Engineering and Social Infrastructure for the 10-year Period

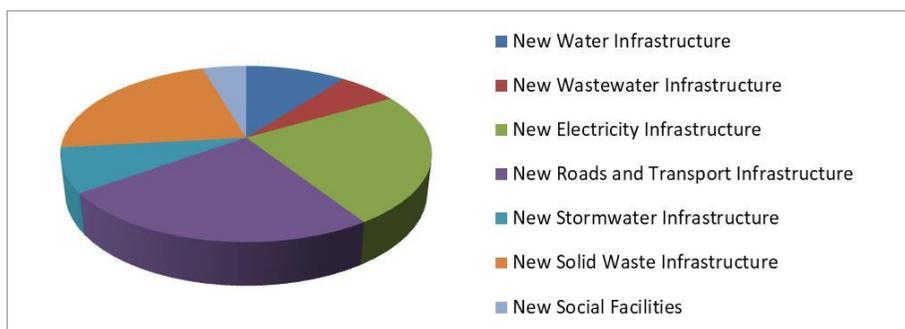


Figure 14.10: Riviersonderend: Required Engineering and Social Infrastructure for the 10-year Period

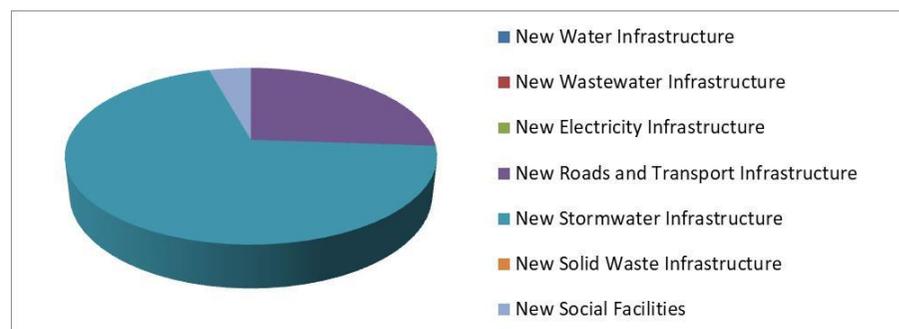


Figure 14.12: Genadendal: Required Engineering and Social Infrastructure for the 10-year Period

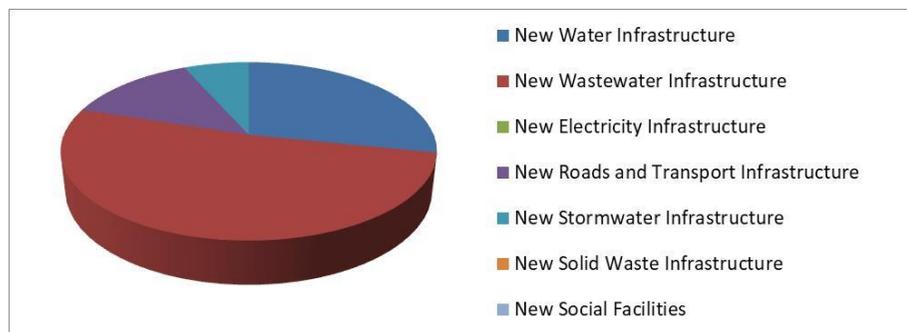


Figure 14.13: Tessaarsdal: Required Engineering and Social Infrastructure for the 10-year Period

14.5.8 Budget Gap/Surplus

The total available Capital Expenditure (affordability envelope) to TWKM for the period 2018/2019 to 2027/2028 is R1 192 million. However, based on available data on the estimated costs of the required engineering infrastructure and social facilities for the same period presented in **subsection 14.5.7**, R1 811 million is required. It is therefore estimated that the TWKM will have a shortfall of approximately R620 million over the 10-year period (a 34% shortfall). The breakdown of the total available capital expenditure, infrastructure and social facilities costs and the shortfall/surplus for the TWKM area is presented in **Table 14.15**. (Refer to **Annexure 2** which includes the breakdown of infrastructure per Functional Area).

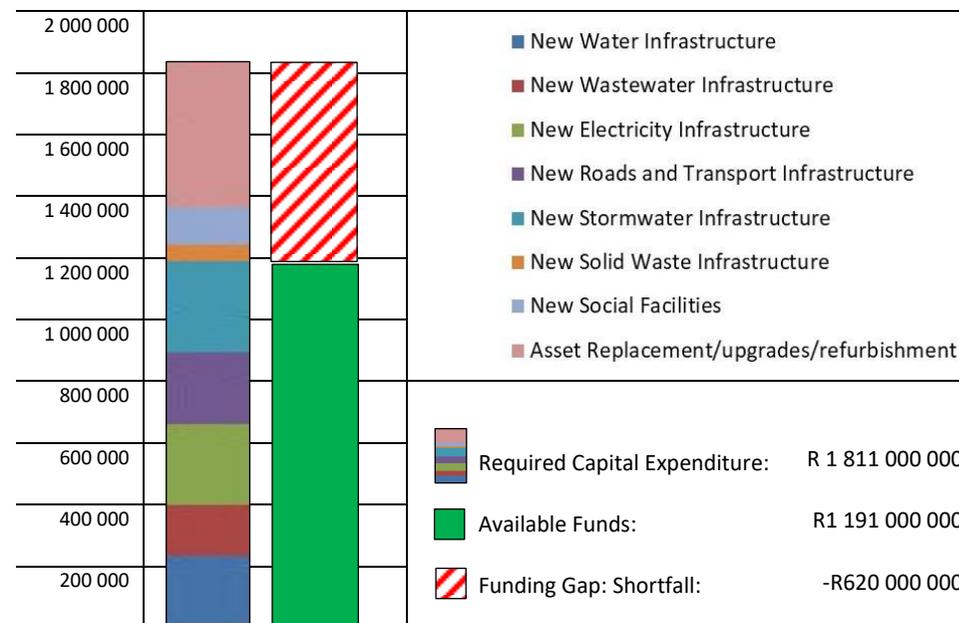


Figure 14.14: TKWM Budget Shortfall for the 10-year Period

**Table 14.15: Capital Expenditure, Engineering and Social Infrastructure
Costs and Funding Gaps**

SECTOR	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
New Water Infrastructure	20 352 545	20 352 545	22 117 001	24 207 326	23 884 369	24 629 669	25 673 469	23 738 219	25 694 919	21 376 519
New Wastewater Infrastructure	13 838 284	17 119 209	17 119 209	17 119 209	17 557 309	15 620 359	15 620 359	15 620 359	16 975 584	15 631 609
New Electricity Infrastructure	25 724 000	25 724 000	25 724 000	25 724 000	25 724 000	25 724 000	25 724 000	25 724 000	25 724 000	25 724 000
New Roads and Transport Infrastructure	22 680 000	22 680 000	22 680 000	22 680 000	22 680 000	22 680 000	22 680 000	22 680 000	22 680 000	22 680 000
New Stormwater Infrastructure	29 360 000	29 360 000	29 360 000	29 360 000	29 360 000	29 360 000	29 360 000	29 360 000	29 360 000	29 360 000
New Solid Waste Infrastructure	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000	5 200 000
New Social Facilities	11 800 000	11 800 000	11 800 000	11 800 000	11 800 000	11 800 000	11 800 000	11 800 000	11 800 000	11 800 000
New Housing	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Asset Replacement/upgrades/refurbishment	38 600 000	38 600 000	38 600 000	38 600 000	38 600 000	38 600 000	38 600 000	77 100 000	83 500 000	38 600 000
Sector total:	167 554 830	170 835 755	172 600 210	174 690 535	174 805 678	173 614 028	174 657 828	211 222 578	220 934 503	170 372 128
Capital Expenditure / Infrastructure Affordability Envelope	73 000 000	131 000 000	65 000 000	99 000 000	107 000 000	117 000 000	129 000 000	142 000 000	156 000 000	172 000 000
Funding Gaps (shortfall/surplus)	-94 554 830	-39 835 755	-107 600 210	-75 690 535	-67 805 678	-56 614 028	-45 657 828	-69 222 578	-64 934 503	1 627 872

14.5.9 Outstanding Information and Future Work

The current CEF contains certain gaps and outstanding information that was not included in this SDF revision. The gaps and outstanding information is a result of limited engineering data, which have not been prioritised into programmes and projects over the 10-year period. Additional consultants experienced in the field of municipal finance and grant funding mechanisms were also not appointed during the current SDF review.

The following items and actions would need to be addressed and performed in the next revision of the SDF and CEF:

- A higher level of cooperation is needed between the different technical departments, the municipal treasury and the planners. This is required to share and integrate the various skill sets and available data;
- The compilation of the CEF, LTFP and medium term municipal budget should be closer aligned;
- Accurate and consistently used demographic data are required to formulate the current socio-economic profile and to make more informed projections of the future population growth;
- An economic study is required to provide more accurate demand figures for future commercial and industrial development to inform the land budget per Functional Area.
- The number of non-residential users need to be determined;
- Accurate information on the number of households that do not have access to basic services is required;
- More detailed information is required on engineering infrastructure, e.g. status and condition of existing infrastructure, remaining usable life, length of tarred roads, length of gravel roads;
- More detailed information is required on the condition and backlog of social facilities;

- Required infrastructure should be structured into programmes per Functional Area. Existing infrastructure projects must be fitted into these programmes and new projects must be conceived in terms of these programmes;
- The readiness status of existing and planned projects need to be determined and need to be considered in terms of the MTREF budgeting cycle;
- The total engineering infrastructure costs are currently divided equally between the projected 10-year timeframe. More accurate timing and prioritisation of each engineering service is required;
- Municipal expenditure on future subsidised housing needs to be included.

14.6 CONCLUSION AND RECOMMENDATION

The current CEF is not complete and represents the best effort with the available data to date. The items and actions listed above under **subsection 14.5.9** should be undertaken during the next review of the LTFP and IDP to ensure greater alignment with the SDF. The TWKM engineering Master Plans should also be updated to include prioritised and detailed programmes and projects, in order to allocate the required funding for each estimated implementation year.

Work and input into the CEF is an on-going and iterative process and cooperation and integration of all municipal departments is therefore required.