



**Western Cape  
Government**

**BETTER TOGETHER.**

**DEPARTMENT OF LOCAL GOVERNMENT**

**CITY OF CAPE TOWN**

**REGIONAL MONITORING TEAMS**

**MUNICIPAL GOVERNANCE REPORTS FOR THE PERIOD ENDED JUNE 2012**

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## **1 Introduction and Purpose**

The key objective of this report is to maintain a central source of information centred on the municipalities' operations across directorates and to make that information readily accessible on an on-going basis, with a view to monitoring municipalities and identifying areas of support or intervention.

In addition, it should be used as a tool to encourage, facilitate and structure interactions between directorates on qualitative issues that are related to the municipality.

## **2 Departmental Diagnostic Report**

This section contains the review of the overall municipal governance performance of the Municipality from the Department of Local Governments perspective. Each directorate has provided context to their identified indicators followed by findings, appropriate support and/or recommendations, based on the period under review.

### **2.1 Municipal Governance: Analysis of Indicators**

The political composition of the Municipal Council is made up as follows: DA – 135, ANC – 73, AMP – 1, ALJAMA – 1, CMC – 1, COPE – 3, NPSA – 1, PAC – 1, UDM – 1, VPPLUS – 1 and ACDP – 3. The majority of seats are comfortably held by one political party and therefore the Municipality is politically stable. Administrative stability has been achieved by the re-employment of the Municipal Manager and finalising the employment of all Executive Directors before the end of 2011.

The Municipality held two (2) Council meetings for the quarter under review which is in line with the requirement of at least one Council meeting in a quarter. The Municipality has a System of Delegation and a Roles and Responsibilities Framework, which had been adopted by Council. None of the councillors were fined for non- attendance or failing to remain in attendance at council meetings.

The Municipality indicated that all councillors submitted the declaration of interest form. No councillors at the Municipality are in arrears with rates and service charges for longer than three months.

In terms of the Code of Conduct for Councillors, at least 10 breaches of the Code are being investigated and the Code of Conduct provides that the Speaker must authorise an investigation into an alleged breach and upon completion of the investigation, no matter what the outcome, a report must be submitted to the MEC for Local Government. To date no reports have been received. Five allegations of fraud and corruption were reported to the SAPS in accordance with section 32(6) of the MFMA during the period under review.

The City reported that it was currently involved in forty eight (48) litigation matters. Thirty (30) thereof is made up of public liability claims. Five (5) matters are related to Supply Chain Management. Given the procurement budget of the City, the five matters could be regarded as relatively low. However, depending on the rand value of the awards, litigation always has the potential to delay service delivery and cause under expenditure on capital projects.

## **Additional Relevant Information**

On 29 June 2012 the Notice by the MEC designating 15 Section 79 Committee chairpersons as full time councillors was published.

## **Support Initiatives**

During April 2012 a meeting was held with the Speakers Office to discuss the Rules of Order project. The City of Cape Town has not promulgated its Rules of Order. It was agreed that upon completion of the provincial draft it will be work-shopped with the Speakers office for suggested amendments and possible promulgation in the City.

## **2.2 Integrated Development Planning**

### **Analysis of Key Development Priorities**

On submission of the draft 5-Year IDP for the City of Cape Town, and through the analysis process that followed during the month of April 2012, certain key development priorities and challenges that face the City over the 2012 – 2017 planning period emerged.

The IDP for the City of Cape Town reflects clearly on the strong focus placed on creating a more inclusive society by working towards greater economic freedom for all people of the City. This requires an increase in opportunities by creating an economically enabling environment in which investment could grow and jobs could be created.

The key priorities highlighted in the IDP are therefore centred on the creation of an enabling environment to attract investment and to support and generate economic growth and job creation.

The strategy followed by the City to achieve its objectives is based on infrastructure led economic growth, hence the emphasis that exists in the IDP is on the provision and maintenance of economic and social infrastructure to leverage the City's assets to drive economic growth and ultimately achieve sustainable development. The City sets out to do this by building all its strategies and programmes on five strategic focus areas referred to as the pillars of the IDP, or the opportunity City, the safe City, the caring City, the inclusive City, and the well-run or efficient City.

## **Key Challenges/Additional relevant information**

During the IDP Analysis process some key development challenges were identified, most notably is the stakeholder participation process followed by the City during the IDP preparation process. The IDP highlights the City's strategic approach to the IDP Public Engagement Process. Although a comprehensive strategy was adopted to obtain input from the general public, it is noted that very few members of the public attended public meetings. The enhanced incorporation of Ward Committees in future in this process can only add value to the entire drive to reach as many people as possible.

The City is responsible for economic development in its area of jurisdiction. However, it does not have control over many key levers that affects its ability to compete economically. Of particular importance is the lack of control and/or influences over State Owned Enterprises (SOE's). The implications of this have a double effect.

Firstly, one of the IDP objectives is to ensure mobility and access through the implementation of an effective public transport system. The challenge lies for example with rail, as the major transport source for the majority of people, which is underserved and lacks capacity, and the City has little power to effect change directly. Secondly, the City has little or no say over key access points in Cape Town. Both the harbour and the airport are controlled by SOEs, and tariffs decrease the potential for trying to create a favourable climate for producers looking for a competitive transport hub. This situation is compounded by the fact that the main access roads in the form of the N1, N2 and N7 routes are also all controlled by a SOE.

Although Cape Town is the metro with the second-largest economy, and is the second-biggest contributor to South African economic output, and coupled with the fact that Cape Town's economy has a number of key positives on which to build such as for example its solid economic infrastructure and a good service base with which to attract international and national industry, the City has limited influence on the national divisions of revenue or financial policy. Due to current national policy provisions that favour symmetrical development, Cape Town does not benefit from all of the revenue that it generates.

The Cape Town economy is progressively shifting towards services industries, with the largest areas of growth being finance, business services, trade, catering, accommodation, tourism, transport and communication. It is paramount for the City to harness increased availability of bandwidth which will benefit Cape Town's growing knowledge-based economy, and can help attract foreign investment, which in turn raises the potential for major economic and social benefits. Close collaboration with relevant provincial sector departments are required in this regard to optimise the opportunities that may exist in this regard.

Cape Town is vulnerable both to environmental effects of climate change (like rising sea levels and changes in rainfall patterns) and the issue of resource depletion (such as water scarcity and the depletion of oil reserves). This may bring about a number of development and social challenges that will face the city in future relating to water and energy security, urban growth potential and urban form, and conflicting property development and environmental interests that will require mitigation.

The City's response to all of these challenges are outlined in the IDP, and specific focus is drawn to the need for a development path for Cape Town that promotes economic growth, reduces

poverty and social marginalisation, and builds residents' engagement in making the City more resilient in terms of its economy, natural and cultural landscapes, at household and community levels, and in terms of its ecosystem. The City acknowledges in the IDP that Cape Town is a highly integrated City, and it requires integrated solutions. All strategies and approaches should be focussed on this mandate, and the IDP aims to achieve exactly that. Having said this, the IDP has to reflect all of these sector-specific influences in a more holistic manner, and to this extent, there is a need to see the integration between the various sector plans and the IDP more clearly.

Support initiatives provided to municipalities:

The recent support that has been provided to the City of Cape Town has mainly been in the form of:

- The IDP Analysis process conducted during the month of April 2012, followed by an engagement between sector departments and City officials on the results of the analysis of the City's draft 5-year IDP held on 16 April 2012.
- The final analysis results were then presented to the Executive Management Team of the City of Cape Town on 25 April 2012.
- The provincial IDP Directorate also hosted the quarterly IDP Managers' Forum where knowledge and good practices are shared on 8 June 2012 in Laingsburg. The City of Cape Town's IDP Directorate attended the meeting.

## **2.3 Municipal Infrastructure**

### **2.3.1 USDG Projects and Expenditure**

The Urban Settlements Development Grant (USDG) is an innovative financial instrument of national government – driven by the National Department of Human Settlements and National Treasury available to metropolitan authorities for the purpose of supplementing their capital investment programs to improve the performance of the built environment and thus contribute to the development of sustainable cities. The USDG takes the form of a direct grant from national government.

The USDG allocation to the City of Cape Town is very significant. Indicative provisions to the City (as published in terms of the Division of Revenue Bill in Government Gazette No. 35022 of 7 February 2012) for 2012/13, 2013/14 and 2014/15 amounts to R971,980,000, R1 193,497,000 and R1,386,611,000. In the 2011/12 financial year the USDG allocation amounted to R824,030,000.

The following table indicates projects being implemented during the 2011/2012 financial year up to 30 June 2012.

DEPARTMENTS	APPROVED BUDGET 2011_2012	EXECUTIVE DIRECTOR ESTIMATES 2011/12	Anticipated 2011/12 Exp
Electricity Services	77,482,920	92%	71,284,286
Solid Waste Services	43,630,000	92%	40,139,600
Water Services	204,108,048	92%	187,779,404
Parks	26,135,458	96%	25,090,040
Sport, Recreation & Amenities	33,876,992	99%	33,538,222
Roads & Stormwater	226,665,437	88%	199,465,585
Transport	964,920	100%	964,920
Health Services	6,210,000	95%	5,899,500
Existing Settlements	32,509,480	85%	27,633,058
New Settlements	128,763,298	70%	90,134,309
Land & Forward Planning	9,210,530	70%	6,447,371
Informal Settlements	1,000,000	72%	720,000
Development Services	138,470	85%	117,700
Urbanisation	6,000,000	72%	4,320,000
Social Development, Arts & Culture	3,000,000	95%	2,850,000
<b>Total Capital</b>	<b>799,695,553</b>	<b>87%</b>	<b>696,383,994</b>
<b>Pawc Allocation</b>	<b>11,500,000</b>	<b>0%</b>	<b>4,000,000</b>
<b>Total Operating</b>	<b>12,834,447</b>	<b>100%</b>	<b>12,834,447</b>
<b>GRAND TOTAL</b>	<b>824,030,000.00</b>	<b>87%</b>	<b>713,218,441</b>

## Key Findings

The City achieved a higher than 90% expenditure of the total USDG allocation for the 2011/12 financial year according to Deputy City Manager.

The City noted that they have made structural changes to their budget cycle where they have now moved from a one to a three year cycle in order to ease the roll out of projects and improve on expenditure. A new SAP module has also been introduced to assist in project planning an overall improvement of project management.

## Recommendation

It is recommended that the City improves on its project planning and project management capacity.

### 2.3.2 Water Source

(Source: Water Services Development Plan: May 2012)

The Western Cape Water Supply System (WCWSS), comprising raw water storage and conveyance infrastructure, supplies water to Cape Town, surrounding towns, urban areas and agriculture. The various components of the WCWSS are owned and operated by the CoCT, DWA and Eskom.

The major raw water supply schemes of the WCWSS are the Riviersonderend, Voelvlei and Berg River Schemes, owned and operated by DWA, and the Wemmershoek and Steenbras, owned and operated by the CoCT.

The annual yield of the WCWSS is 556 million kl per annum. The CoCT's allocation of water from the WCWSS is 398 million kl per annum. Including the Berg River scheme, the CoCT obtains 74% of its allocated water from DWA owned sources, with the balance of 27% from CoCT owned sources. The CoCT produced/treated on average 27.5 million kl of potable water per month or 330 million kl in the 2011/12 financial year.

The WCWSS Reconciliation Strategy included recommendations of interventions that need to be implemented or studied further to ensure that potential schemes could be implemented in future. The TMG groundwater aquifer, Pilot desalination plant and Water Re-use projects are in feasibility study stage.

However, none of the potential water augmentation schemes can start delivering additional water before 2019 at the earliest. Should any of the studies have to be fast-tracked, that could also have a serious cost-implication.

All of the above options will be extremely expensive to develop, operate and maintain – and these costs will have to be borne by the users of water. This means that water tariffs will increase as and when these new options come on stream. On the other hand, curbing water use by using water more effectively (whether you are a resident, industry, municipality, farmer or other property owner) will be much more beneficial to your pocket than wasting water or using water inefficiently and soon have to pay much more for this scarce but vital natural resource.

### **Key Findings**

Consideration of the preferred augmentation option should have been done at a strategic meeting in March 2012 (with stakeholders like Drakenstein; Stellenbosch; Cape Winelands; Agriculture; Cape Nature; CoCT and DWA). The consultant appointment was not extended and therefore the above did not take place. The consultant organised the meetings and also performed detail technical work.

### **Recommendations**

The issue with regard to the discontinuation of the Strategy Steering Committee operations and work conducted by the Administrative and Technical Support Group was raised with DWA and must continue to be taken up with them until resolved.

Uncertainties concerning the future water consumption predictions and actual impact of water demand management on these future demand forecast must be resolved before finalising the timeframes for any augmentation programmes.

### **Water Services**

#### **Water Supply**

(Source: Blue Drop report: 2012)

The Municipality achieved a Blue Drop Score of 98.14% which is an excellent achievement which places the Municipality in 1<sup>st</sup> place in the Western Cape. The Municipality demonstrates a consistent improvement in performance over the past three years. The Blue Drop Score decreased from 98.2% in 2010 to 97.61% in 2011 and increased to 98.14% in 2012.

## Key Findings

(Source: 5 Year Plan –IDP –Jan 2012)

The bulk water system has 12 dams and 13 water treatment works. Uncoordinated growth, development, inappropriate spatial and town planning, lack of co-ordination between departments, inadequate identification of development growth to specific areas poses a risk to the City.

The City plans to upgrade and replace 300km of water reticulation mains and to construct the Contermanskloof, Parklands, Steenbras and Helderberg reservoirs as well as the Muldersvlei treatment Works.

The bulk water system in the northern areas of the City is under stress during peak periods due to rapid growth in that area and further development must be accompanied by infrastructure upgrade and extension. The northwest corridor infrastructure also needs upgrading.

## Waste Water

(Source: 2011 Green Drop assessment Report & 2012 Green Drop Progress Report)

The Municipality achieved an overall Green Drop Score of 86.8%, which is considered as an excellent performance. This score places municipality in 7<sup>th</sup> place in the Western Cape.

The table below presents Green Drop scores, design capacity, operational capacity and effluent quality compliance for wastewater treatment plants in the municipal area:

System	Green Drop Score (%)	Plant Design Capacity (Ml/day)	Plant Utilisation (%)	Effluent quality compliance (%)	Waste Water Risk Rating (%)
	<b>2011 Green Drop report</b>	<b>2012 Green Drop Progress Report</b>			
Athlone	89.8	105	106.5	73.8	70.3
Bellville	84.9	54.6	100.4	57.6	68.8
Borcherd's Quarry	86.2	35	103.4	78.1	66.7
Camps Bay Outfall	91.8	5.5	38.2	NM	59.1
Cape Flats	80.3	200	68.9	93.6	54.1
Gordon's Bay	92.9	3.1	106.5	93.9	41.2
Green Point Outfall	91.8	40	69	NM	37
Groot Springfontein (Dover)	41.4	0.03	66.7	NM	47.1
Hout Bay	91.3	9.8	54.1	NM	72.7
Klipheuwel	90.9	5.7	0	92.2	63.6
Kraaifontein	80.9	17.5	153.7	85.4	68.2
Llandudno	92.8	0.6	33.3	96	17.6
Macassar (Strand)	96.8	57	52.6	98.8	40.6
Melkbosstarnd	92.9	5.4	70.4	97	31.8
Millers Point	77.7	0.06	NM	96.8	35.3
Mitchells Plain	84.7	45	72.9	61.9	55.6
Oudekraal	78.9	0.03	No inflow meter	93.1	35.3
Parow	82.4	1.25	72	86.9	47.1

Philadelphia	81.9	0.086	NM	0	41.2
Potsdam ( Milnerton)	85.7	47	93.8	91.5	48.1
Scottsdene	83.3	12.5	78.4	97.2	31.8
Simons Town	81.5	4	45	78	47.1
Wesfleur (Atlantis)	92.8	8	80	98.7	40.9
Wesfleur (Industrial)	88.4	6	53.3	88.2	54.5
Wildevoevllei	96.3	14	67.1	94.9	40.9
Zandvliet	91.8	72	101.4	93.4	56.3

11 of the 26 Waste Water treatment works received a green drop score in the 2011 green drop assessment.

The City has clear objectives based on a sound baseline and knowledge of their processes and technologies. The application of risk management and abatement is an integral part of the wastewater business. The risk trend is overall encouraging with 19 of the 26 plants showing improved risk ratings. The remainder of 7 plants shows declined risk positions.

The City displays a strong commitment to wastewater and Green Drop and has a very good understanding of the CRR baseline and its approach, which they use in internal performance reviews. Management continues to impress with their readiness and dedication to participate and strives to continuous improvement.

### **Key findings**

According to the City's IDP, all of the City's WTWs have to be upgraded to meet the DWA's requirements. A number of works, including Borchards Quarry and Kraifontein are operating over their design hydraulic and load capacity. A considerable number of works such as Athlone, Bellville, Gordons Bay, Potsdam and Zandvliet are fast approaching their design capacity.

The following major projects , among others, will be undertaken during the period 2014/15 to 2016/17:

- Athlone WWTW – 15 ML/day capacity extension
- Wesfleur WWTP – increase capacity
- Infrastructure replacement/refurbishment
- Macassar WWTW extension
- Cape Flats WWTW refurbishment
- Potsdam WWTW extension
- Zandvliet extension

### **2.3.3 Solid Waste Management**

(Source: 5 Year Plan –IDP –Jan 2012)

Limited airspace is available at the City's three operating landfill sites. It is accepted that at least 15 years airspace "in the bank" is the norm for a City like Cape Town. Following an extensive technical process and a subsequent scoping and EIA on two shortlisted sites a ROD was issued in 2007 in favour of the site south of Atlantis. The regional landfill must be able to receive waste by 2015. The first cell will be finalised by 2013.

### **Electricity Infrastructure**

#### **Bulk Electricity Supply Point**

(Source: 5 Year Plan –IDP –Jan 2012)

Investigations in conjunction with Eskom indicate that a new major bulk intake point in the vicinity of Mitchells Plain will be required to relieve the load on the Philippi intake point and to meet the demand from extensive prospective developments in the Philippi horticultural area.

### **Low Voltage and Medium Voltage Distribution Network**

(Source: 5 Year Plan –IDP –Jan 2012)

Investment in the MV distribution network is also required and a new voltage level is being considered to improve efficiencies. Over the next five years, existing substations, underground cables and overhead power lines across the metropolitan area will be upgraded and refurbished as part of a 15-year network development programme. A programme to replace ageing low voltage overhead reticulation with underground networks has commenced and will continue over at least the next 5 years.

### **Management of Legacy Medium Voltage Switchgear**

(Source: 5 Year Plan –IDP –Jan 2012)

The City faces serious challenges in the management and maintenance of equipment on the medium voltage distribution system due mainly to ageing infrastructure. This applies to all types of MV switchgear on the system. A 30 year programme has been initiated through which all obsolescent MV switchgear will be replaced with equipment complying with modern best practice specifications thereby improving safety and security of supply, and reducing the maintenance required.

#### **2.3.4 Level of Capital Expenditure**

Discussion with the Deputy City Manager provided the following percentage expenditure figures as at the end of June 2012.

	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Expenditure (up to June 2012) %</b>
<b>Total Budget</b>	<b>5,089,867</b>	<b>4,561,212</b>	<b>91.6%</b>
<b>Governance and Administration</b>	<b>386,458</b>	<b>367,985</b>	<b>96%</b>
<b>Community and Public Safety</b>	<b>1,032,477</b>	<b>924,215</b>	<b>97%</b>
<b>Economic and Environmental Services</b>	<b>1,885,548</b>	<b>1,465,516</b>	
Planning and Development	<b>36,995</b>	<b>26,455</b>	
Road Transport	<b>1,821,203</b>	<b>1,420,119</b>	87%
Environmental Protection	<b>27,350</b>	<b>18,942</b>	
<b>Trading Services (Total)</b>	<b>1,783,335</b>	<b>1,799,036</b>	<b>95%</b>
Electricity	804,650	915,008	
Water	316,913	273,212	
Waste Management Water	377,502	380,163	
Waste Management	284,271	230,653	

## Key Findings

The low expenditure on Roads and Storm Water was due to a shortage in the supply of Bitumen and technical problems experienced on the M5 route upgrade project. Low expenditure on the transport vote was due to an initial dispute between the Department of Transport and the City. The overall expenditure on the capital programme was excellent and the City must be commended for the exceptional performance.

### 2.3.5 Repairs and Maintenance

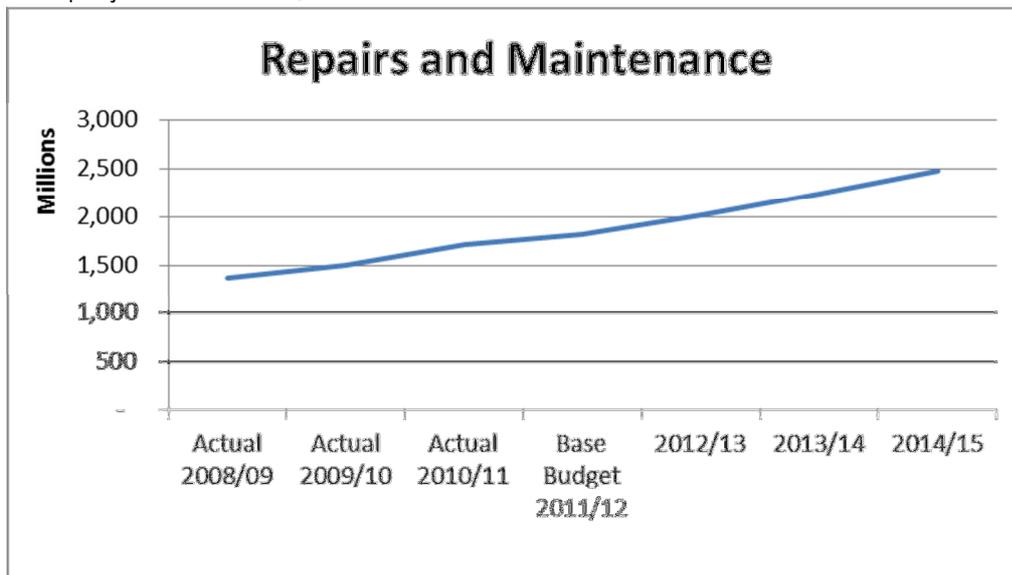
(Source: 5 Year Plan –IDP –Jan 2012)

Due to budget constraints, general expenses increases by 4.4% (CPI less 1%) for 2012/13, although ad hoc provision at above CPI levels were made for selected items which are subjected to above-inflation pressure. Examples of these are items consistently being overspent, committed items and items which are externally funded. General expenses increase by CPI in the outer years.

The National Treasury Medium Term Budget Policy Statement (MTBPS) highlighted the under spending on repairs and maintenance by municipalities. NT Circular 54, 55 and 58 stresses the importance of securing the health of a municipality's asset base by increasing spending on repairs and maintenance. NT circular 58 of 2011 further highlights this by indicating that 'allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritized'.

In this regard, repairs and maintenance was budgeted at 3% above CPI over the MTREF.

The graph below shows the increasing expenditure trend on repairs and maintenance from 2008/09 and projected to 2014/15.



## Key Findings

The increasing trend of the repairs and maintenance expenditure is commendable.

### Recommendation

The Municipality should prioritise sufficient funding on repairs and maintenance.

### 2.3.6 Unaccounted for water

(Source: City's Unaccounted for water reporting spreadsheet)

The unaccounted for water for the overall supply system from Bulk Water Treated to end consumer is 18.8 % for the 2011/12 financial year.

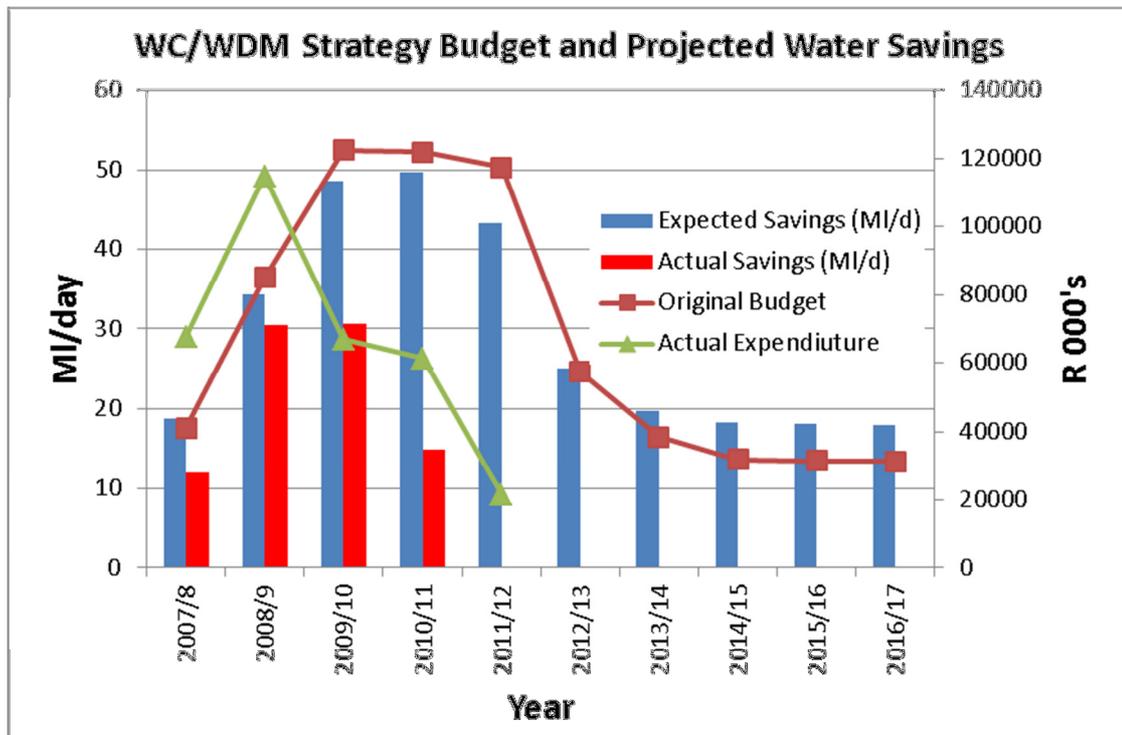
The Municipality is embarking on the following projects to future reduce water demand:

- Water leaks repair programme
- Pressure management
- Installation of water management devices
- Treated-effluent reuse programme
- Education and awareness programme
- Improved water balance calculation

### Key Findings

(Source: 5 Year Plan –IDP –Jan 2012)

The approved WC/WDM budget for the 2011/12 financial year is also approximately half that of what is required in terms of the approved Strategy. Figure 1 below shows the original budget, amended budgets, the anticipated savings associated with the budgetary allocations and the actual savings achieved. It must be noted that the actual expenditure figure excludes pipe replacement expenditure and the actual expenditure given is therefore understated.



The CCT's comprehensive 10-year WC/WDM Strategy and programme was approved by the Mayoral Committee in May 2007. The WC/WDM Strategy targeted water savings of approximately 90 million m<sup>3</sup>/a by 2016/2017. Since 2009 when the impact of the WC/WDM strategy was monitored, it has been evident that either the growth in actual water requirement was greater than that assumed in the High Water Requirement Curve, or that the CCT's WC/WDM strategy was not achieving the targeted savings, or that a combination of these two factors was being experienced. The timing of the bulk water infrastructure required is dependent on the growth in water demand and the effectiveness of the WDM strategy being implemented. In the light of this, the CCT in 2011 started reviewing their WC/WDM savings targets for the next 10 years, as well as the associated budgetary requirements.

## Recommendations

The study to review the assumptions contained in the development of the High Water Requirement Curve as well as the review of the WC/WDM savings targets for the next 10 years is crucial. The CoCT must make sufficient budget provision for the implementation of the WC/WDM strategy.

### 2.3.7 Basic Services

#### Water and Sanitation

(Source: Water Services Development Plan – May 2012)

Following on a 2012 review of available data on the current (January 2012) number of informal settlements and the total households estimated in the City, the estimates for both these household figures have now been evaluated significantly higher. The better informal settlement count was obtained by door-to-door surveys found necessary by the Solid Waste Department, replacing the previous aerial photo count which failed to identify the actual number of households residing under one visible roof.

The table below provides the re-adjusted base information.

Sanitation		Water	
No of toilets in informal settlements	33,677	No of taps in informal settlements	7,176
Avg toilets servicing ratio, informal settlements	3.37	Servicing ratio applied	25
-	-	Potential informal settlements HH serviced	179,400
HH serviced in informal settlements	113,587	Informal Settlements HH serviced	179,400
Avg HH per toilet, informal settlements	5.76	Avg HH per tap, informal settlements	27.03
Backlog in informal settlements	80,364	Backlog in informal settlements	14,551
Formal HH serviced	909,231	Formal HH serviced	909,231
Total HH serviced	1,022,818	Total HH serviced	1,088,631
Total backlog	80,364	Total backlog	14,551
% all HH serviced	93%	% all HH serviced	99%
% Informal settlements HH serviced	59%	% Informal settlements HH serviced	92%
% Poor HH serviced	87%	% Poor HH serviced	98%

#### Key Findings

Applying a service ratio of 3.37 households per toilet it is estimated that approximately 80,364 (as at January 2012) households still needs a better sanitation service. At the maximum ratio of 25 informal households per tap, a backlog of approximately 14,551 is indicated at January 2012. The % of households serviced is back at 98.7% while 19.73% of all households in the City are supplied from standpipes.

The total capital requirement over the next 5 years to primary cover sanitation backlog eradication is estimated at R152.5 million including allowing for a 5% household growth. Part of the funding is also required for replacement of the black buckets as well as to cater for additional service

demand growth in informal settlements due to influx of people. R11.0 million is required to resolve the basic services water backlog and provide for the anticipated growth in demand.

### **Refuse collection**

(Source: 5 Year Plan –IDP –Jan 2012)

All informal settlements are serviced and receive a door to door refuse collection and on-going area cleaning (litter picking and illegal dumping removal). All residents receive at least two free plastic bags per week in which to contain their refuse. The filled bags are taken to a shipping container where they are stored until transported to landfill site. All containers will be serviced at least twice a week.

### **Electrification**

(Source: 5 Year Plan –IDP –Jan 2012)

Electrification entails the provision of electricity to qualifying low cost housing developments and informal settlements within the Metro. This function covers the provision of infrastructure to enable electrification of these qualifying sites, utilising a range of funding from both Municipal and National resources. The Metro electricity supply area is divided between Eskom and the City of Cape Town (CoCT) and both entities have programs for Electrification. These Electrification programs are aligned with that of the Directorate of Human Settlements.

#### **2.3.8 Project Finance**

The CoCT will continue to invest in infrastructure to ensure that the City has the capacity to support development.

Over the next five years, the City will be investing in a number of major infrastructure projects. These include:

- Landfill space and other strategic infrastructure to support waste management
- Additional funding of the Cape Town International Convention Centre for expansion
- Backyarder service programme extending municipal services to backyarders
- Upgrading services in Informal Settlements
- Redevelopment of the Bellville Velodrome
- Broadband infrastructure project for Cape Metro are network
- Rehabilitation and reconstruction of metro roads
- Extension of the MyCiti service as part of the Integrated Rapid Transport (IRT) system
- Upgrading and refurbishment of electrical services
- Infrastructure programme for bulk water resources
- Waste Water Treatment capacity upgrades at Zandvliet, Bellvile and Potsdam

The City further acknowledges that it can no longer disregard the urgent need for infrastructure maintenance and upgrading in its older urban areas, especially its economic areas. Into the future a great balance between investment in infrastructure supporting greenfield development and existing infrastructure maintenance and upgrading will be needed.

The total capital budget included for the 3-year MTREF period is as follows:

Capital funding	Draft 2012/13	Draft 2013/14	Draft 2014/15
	Rm	Rm	Rm
Conditional Grants	2,926.0	1,899.5	1,435.6
Capital Replacement Reserve	685.3	449.2	390.8
Revenue	18.2	15.3	15.7
External Financing Fund	1,695.3	1,862.3	1,824.1
<b>TOTAL</b>	<b>5,325.0</b>	<b>4,226.5</b>	<b>3,666.3</b>

Grants from Provincial and National Government remain a significant funding source for the 2012/13 to 2014/15 Capital Budget, with 2014/15 reflecting a lower than borrowing amount. The EFF targets for the 3-year MTREF were set at R1.69bn, R1.86bn and R1.82bn for 2012/13 to 2014/15.

### **Key Findings**

The City aims to formalise a 20 year plan for coordinated development and investment, stricter enforcement of regulations and engineering standards and to set up co-ordinated forums with business units such as Human Settlements and re-enforce intergovernmental relationship between the City and the Provincial Government.

The following challenges have been noted in the City's IDP impacting on its competitive advantages:

The City does not have control over State Owned Enterprises (SOE's). This is particularly effecting in two ways. The first in the major transport source for the majority of the people, rail, is under serviced and lacks capacity and the City has little power to effect change directly. The second relates to the key access points in Cape Town. Both the harbour and the airport are controlled by SOEs and unrealistic tariffs decrease the potential for trying to create a favourable climate for producers looking for a competitive transport hub. The large tracks of unproductive land currently covered with containers are pointed out as well as its huge future expansion opportunities and possibilities for the CBD.

A meeting with City Officials also highlighted the need for broader regional planning, looking at the role of the City and the neighbouring local municipalities in the future vision for the greater region.

### **Recommendations**

It is recommended that the Provincial Department facilitates a process whereby various stakeholders including SOE's , the City, local municipalities and relevant Government Departments align priorities towards achievement of a common vision for the greater region and its citizens.

## 2.4 Performance Monitoring

Total number of:			
Households	Indigent Households		
1 103 182	554 315		
Total number of households with access to each basic service:			
Water	Electricity	Sanitation	Refuse Removal
1 093 756	1 064 063	1 025 399	1 103 182
Total number of households receiving each Free Basic Service:			
FBS Water	FBS Electricity	FBS Sanitation	FBS Refuse Removal
978 508	386 461	910 151	493484 which consist of : 299, 533 Solid Waste formal property accounts 193, 951 Solid Waste informal dwellings
General Comments for clarification or additional information such as additional services			
Reporting based on Total estimated City households count consisting of formal dwellings, informal dwellings in yard and informal dwellings in settlements (2011) - provided by SDI&GIS. Water & Sanitation backlog - households not receiving access in terms of the City's minimum standards.			

City of Cape Town renders both basic and free basic services. The Municipality has a total number of 1 103 182 households of which 1 093 756 households have access to basic water, 1 064 063 have access to basic electricity, 1 025 399 have access to basic sanitation and 1 103 182 have access to basic refuse removal.

This Municipality has an Indigent Policy and Indigent Register. The register lists 554 315 indigent households 978 508 households have access to free basic water, 386 461 have access to free basic electricity and 910 151 have access to free basic sanitation. 299, 533 formal households have access to solid waste removal, 193, 951 informal dwellings have access to solid waste removal.

The City of Cape Town households statistics are based on formal dwellings, informal dwellings in yard and informal dwellings in settlements (2011) provided by Service Delivery Implementation & Geographic Implementation Systems.

## 2.5 Service Delivery Integration

### Atlantis Thusong Service Centre

The Atlantis Thusong Service Centre has been taken over by the City of Cape Town from the 1st July 2012. A critical recommendation is that the City of Cape Town appoints a Thusong Service Centre Manager at the Atlantis Thusong Service Centre to manage the centre on a daily basis.

The Bonteheuwel Thusong Service Centre is currently being managed by a NGO, however the Department made a recommendation to the City of Cape Town to take over the operational and infrastructural management of the centre.

The four anchor departments namely Home Affairs, Labour, SASSA and the Social Development and the Municipality are rendering services at the Thusong Service Centres on a permanent or scheduled basis. The tables below indicate the service offering at the Thusong Service Centres, status of lease agreements and rental revenue generated. The information contained in table below was verified by the previous Atlantis Thusong Service Centre manager during the month of June 2012. The information contained in the table below has been verified by the Bonteheuwel Thusong Service Centre Managers during the month of July 2012.

**Status of lease agreements at Atlantis Thusong Service Centre**

Tenants	Space Allocation	Rate Per Square metre	Monthly Rental	Annual Rental	Update on lease agreement
<b>Permanent Office Space</b>					
Dept. of Home Affairs (DoL)			R 7 340.00	R 88 080.00	In process
SASSA			R 0.00	R 0.00	Concluded
Tele-Communication Centre (NGO)			R 0.00	R 0.00	Not Concluded
Motibi Driving School			R 550.00	R 6 600.00	Concluded
Elizabeth Sewing Shop			R 400.00	R 4 800.00	Concluded
Luberon Crèche			R 0.00	R 0.00	Not Concluded
Dessie's Bridal Shop			R 550.00	R 6 600.00	Concluded
Ruth Kiosk			R 300.00	R 3 600.00	Concluded
South African Democratic Teachers Union (SADTU)			R 550.00	R 6 600.00	Concluded
Dept. of Local Government (CDW)			R 0.00	R 0.00	Not Concluded
<b>Total monthly and yearly rental income</b>			<b>R 9 690.00</b>	<b>R 116 280.00</b>	
<b>Temporary Office Space</b>					
Shekeni Church			R 540.00	R 6 480	Concluded
Voorspoedige Pinkster			R 200.00	R 2 400	Concluded
New Message Church			R 540.00	R 6 480	Concluded
Home Based Care			R 0.00	R 0	Not Concluded
<b>Total monthly and yearly rental income</b>			<b>R 1 280.00</b>	<b>R 15 360</b>	
<b>Projected monthly and yearly rental income</b>			<b>R 10 970.00</b>	<b>R 131 640.00</b>	

**Status of Lease Agreements at Bonteheuwel Thusong Service Centre**

Tenants	Space Allocation	Rate Per Square metre	Monthly Rental	Annual Rental	Update on lease agreement
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<b>Permanent Office Space</b>					
Bonteheuwel Paralegal	15		R 500.00	R 6 000.00	<b>Concluded</b>
South African Police Service(SAPS)	81		R 3 000.00	R 36 000.00	<b>Concluded</b>
Bonteheuwel Taxi Ass.	15		R 2 000.00	R 24 000.00	<b>Concluded</b>
Tele-Centre(NGO)	105		R0.00	R0.00	<b>Exempted from paying rental</b>
<b>Total monthly and yearly rental income</b>			<b>R 5 500.00</b>	<b>R 66 000.00</b>	
<b>Temporary Office Space</b>					
Dept. of Social Development	12		R 0.00	R 0.00	<b>Not Concluded</b>
SASSA	377		R 0.00	R 0.00	<b>Not Concluded</b>
Dept. of Correctional Services	12		R 0.00	R 0.00	<b>Not Concluded</b>
WP Blood Transfusion	169		R 66.00	R 792.00	<b>Concluded</b>
New Birth Church	169		R 200.00	R 2 400.00	<b>Concluded</b>
Table Tennis	377		R 200.00	R 2 400.00	<b>Concluded</b>
Karate Club	377		R 250.00	R 3 000.00	<b>Concluded</b>
JCI Church	377		R 900.00	R 10 800.00	<b>Concluded</b>
Narc.Annon	377		R 100.00	R 1 200.00	<b>Concluded</b>
Alchol.Annon	377		R 100.00	R 1 200.00	<b>Concluded</b>
Ashley's Driving School	169		R 200.00	R 2 400.00	<b>Concluded</b>
Klawerjas (SPKU)	169		R 100.00	R 1 200.00	<b>Concluded</b>
Mathlink	169		R 500.00	R 6000.00	<b>Concluded</b>
<b>Total monthly and yearly rental income</b>			<b>R 2 616.00</b>	<b>R 31 400.00</b>	
<b>Available Office Space</b>					
Available Office	12				
<b>Total monthly and yearly rental income</b>			<b>R 8 116.00</b>	<b>R97 400.00</b>	
<b>Projected monthly and yearly rental income</b>			<b>R 8 116.00</b>	<b>R97 400.00</b>	

The Thusong Service Centres are not included in the Municipal Integrated Developmental Plan (IDP) and has also not been included in the municipal annual budget. However, a key recommendation is that the Municipality budgets for the Thusong Programme holistically, including the outreach components (i.e. Thusong Mobiles and Thusong Extensions).

In order to ensure that a 100% of the municipal population has access to the Thusong Services, it is critical that the Municipality plans and budgets accordingly. Furthermore, the Municipality has not submitted the Thusong Service Centre Business Plan for Atlantis Thusong Service Centre for 2012/13. The NGO submitted the Thusong Service Centre Business Plan for Bonteheuwel Thusong Service Centre. The Municipality and the NGO have failed to submit their first quarterly narrative reports.

### **Thusong Mobiles**

No Thusong Mobiles took place in the Metro during the first quarter. A mobile is planned for the third quarter. The specific location for the mobile has to be determined still.

## **2.6 Community Development Workers**

### **Introduction**

This report covers the City of Cape Town and its sub-councils (Metro 1 & 2 regions) for the period 1 April 2012 to 31 June 2012. The report provides information based on indicators submitted by the CDWP directorate. It provides the current status of the CDWP within the City of Cape Town. It reflects the activities and working relations with each sub council in the City of Cape Town. Subsequently, key findings and recommendations will be made.

### **Background**

The City of Cape Town together with the Provincial Administration of the Western Cape, signed an agreement protocol for the deployment of Community Development Workers (CDW's) with effect from 1st April 2011 for a period of twelve (12) months. Based on the agreement protocol, City of Cape Town only accommodated a total number of 33 Community Development Workers. A total number of 23 CDW's were left outside of the agreement, although they are operating within municipal boundaries of the City.

### ***Number of CDW's deployed in the Municipality***

Based on the agreement protocol, City of Cape Town only accommodated a total number of 33 Community Development Workers. A total number of 23 CDW's were left outside of the agreement, although they are operating within municipal boundaries of the City. The number of Community Development Workers in the protocol agreement is accommodated at municipal premises.

CDW's at Sub Council 12 & 23 are currently based at Lenteguur swimming pool which is not conducive as space is very limited and there's no privacy when they deal with citizens, no resources e.g. telephone, copy machine, they still need to make use of resources at the regional office. CDW's at Sub Council 1 are not yet accommodated. They still utilizing the Dura Youth Centre which is not conducive and also don't have any resources, CDW's are also buying electricity out of their pockets. Metro 1 regional office has been provided with an office in Khayelitsha.

NOTE: Currently no new formal working agreement has been signed with the City of Cape Town. The CDW Programme is operating informally as still awaiting feedback from the Municipality. The Council will only sit in August 2012, to review the working relations with CDW Programme

## **Operational Expenditure Report on CDW Grant**

The expenditure report was submitted in April 2012.

CDW Socio Economic Projects and ward based support linked to IDP, LED Projects City of Cape Town economic development department will embarked on a survey to identify all community groups to be trained in various skills e.g. sewing, baking and arts and crafts and have requested the assistance of CDW's to conduct the survey in various sub councils.

### **Number of community projects supported**

- *Supported Amadlelo Aluhlaza farming project in Delft.*
- *Supported the established Women Support Group against Substance Abuse against Abuse based on the increasing number of substance abuse cases in Mfuleni.*
- *Assisted Jameel Poverty Action Lab (J-PAL) project by identifying participants for a childcare research workshop.*
- *Initiated Seniors Club project and supported the project by applying for donation.*

### **Case referrals to government services**

The total number of 1025 Cases was referred to relevant government departments.

The number of Cases referred relate to ID documents, Indigent grants, Housing, Fire Disaster, Domestic Violence, Water Leakage, Youth, Labour, Justice, Eviction, Electricity, Provident Fund, Tax Clearance, Employment Issue, Child Problems, Enquiry on Provident Fund, Municipal Account, Pension Fund, UIF, Policy Enquiry, Maintenance Money, Disability Review, etc.

### **Information Sessions facilitated on Government services.**

The total number of 37 information sessions was facilitated by CDW's in the Metro region. The information sessions facilitated were based on the following topics: Social Grants, Substance Abuse, Economic Opportunities, etc.

### **Key Findings**

Currently no new formal working agreement has been signed with the City of Cape Town. The CDW Programme is operating informally, as still awaiting feedback from the Municipality. The Council will only sit in August 2012, to review the working relations with CDW Programme.

- A total number of 23 CDW's were left outside of the agreement, although they are operating within municipal boundaries of the City.

### **Recommendations**

- New formal working agreement need be signed with the City of Cape Town.
- Total number of 23 CDW's that were left outside of the agreement should also be accommodated in the new agreement to be signed with the City of Cape Town.
- Joint planning of programmes and projects with the City need to strengthen.
- Khayalitsha CDWP Regional office needs an upgrade.

## **2.7 Disaster Management Risk Reduction**

### **Is the Districts disaster risk and vulnerability profile current?**

Reviews and updates of risk assessments should be done annually to maintain a credible risk profile. During the 2011/12 FY the PDMC in collaboration with the respective District Municipality and Metro has reviewed all the district/metro level risk assessments in the province as per the criteria listed in

the Provincial Disaster Management Framework. As part of the process the PDMC in collaboration with disaster management stakeholders has developed a best practice risk assessment methodology that will be implemented in the province. During the review process the City of Cape Town risk assessment was deemed to be current and credible as it was completed in 2010.

#### **Key Challenges/Additional relevant information**

Due to the importance of having a current and accurate risk profile, the PDMC has committed to assisting the District Municipalities and Metro in updating and maintaining their risk assessments.

#### **Support initiatives provided to municipalities**

The PDMC has committed to providing support to the City of Cape Town during the 2013/14 FY in the updating and maintaining the risk assessment of the city. The PDMC has committed to providing technical and project support services during the process.

### **2.8 Disaster Management Disaster Operations**

#### **Does the District/City have a functional Disaster Management Centre**

In terms of the Disaster Management Act each District Municipality is required to establish Disaster Management Centre. These centres provide the physical environment where all disaster management activities can be managed in a coordinated and integrated approach.

#### **Key Challenges/Additional relevant information**

The City of Cape Town has a fully functional Disaster Management Centre relevant to human capacity as well as ICT. The Provincial Disaster Management Centre is has improved their own functionality by procuring a video wall and is currently investigating options and means to bring in the video feeds from the Transport Management Centre into the PDMC.

#### **Support initiatives provided to municipalities**

None

#### **Does the District/City have an active Disaster Management Advisory Forum that meets regularly**

In terms of the Disaster Management Act, section 51 each District and metropolitan may establish a disaster management advisory forum. However in order for the municipality to coordinate disaster management activities it is imperative that the municipality establish an advisory forum.

#### **Key Challenges/Additional relevant information**

The City has an active Advisory forum which meets quarterly. The City also attends the Provincial Disaster Management Advisory Forum which is held on a quarterly basis at the Provincial Disaster Management Centre.

#### **Support initiatives provided to municipalities**

The Provincial Disaster Management Centre will provide continuous support to the functionality of the City of Cape Town Advisory Forum.

#### **Disaster Management Framework which has been approved by its council**

#### **Analysis of indicators (interpret and analyse findings and make recommendations)**

In terms of the Disaster Management Act, Section 42 each Metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area. The district framework must be in line with the Provincial Framework.

**Key Challenges/Additional relevant information**

The City of Cape Town has a draft disaster management framework in place. The Disaster Management Act is under review and all projects under this indicator are put on hold at district municipalities, pending the adoption/formulation of the reviewed/ revised DMA.

**Support initiatives provided to municipalities**

The Disaster Management Act is currently under review and support initiatives will be provided after the adoption/ formulation of the reviewed/ revised DMA.

**Does the District/Metro have relevant contingency plans**

In terms of the Disaster Management Act Sections 52 & 53 municipalities must develop disaster management plans which also contain contingency plans and emergency procedures in the event of a disaster.

**Key Challenges/Additional relevant information**

The City has contingency plans for prioritised risks furthermore they have been meeting bi-weekly regarding their Flood and Storms Contingency plan and have been proactive in terms of their Koeberg Contingency plan as the necessary workgroups together with the Emergency Planning Committee have met during the first quarter.

**Support initiatives provided to municipalities**

The Provincial Disaster Management Centre will provide support to the City in updating and reviewing their plans should the need arise during 2012/13. The Provincial Disaster Management Centre has been playing an active role in the Flood and Storms Contingency Plan meeting and the workgroups emanating from the Koeberg Emergency Planning Committee.

**Does the District/Metro coordinate any major incident/disaster recovery incidents**

In terms of ensuring an effective and efficient rapid reconstruction and rehabilitation phase, it is imperative that all municipalities have a response procedure for disaster recovery operations.

**Key Challenges/Additional relevant information**

The City has no on-going disaster recovery projects. The Provincial Disaster Management Centre has circulated guidelines to all Districts and the City relevant to the disaster assessments. During the first quarter the City of Cape dealt with various flooding incidents within their area and with the running aground of MV Eihatsu Maru at First Beach, Clifton, Cape Town. During the mentioned maritime incident, officials of the City of Cape Town's Disaster Management Centre (DMC), monitored the situation and supported SAMSA where it was required. The Head of the Provincial Centre, officially requested a SANDF helicopter which assisted with rescue and relief activities,

**Support initiatives provided to municipalities**

The Provincial Disaster Management Centre will provide support to the City should the need arise.

## **2.9 Disaster Management Fire Services**

In terms of the Fire Brigade Services act the City of Cape Town Fire and Rescue Service is designated to provide the function within the entire metropolitan area.

### **Key Findings**

The City of Cape Town has a fully functional Fire Brigade Service as contemplated in the act and measured in terms of the SANS 10090:2003 Community Protection against fire Code of Practise. The Fire Service does however not comply with all criteria of the code, more notably the "weight of response" performance indicator.

The overall performance of the Fire Service is however of a high standard and could be considered optimal within the current confines pertaining to staff and other resources.

### **Recommendations**

That the Provincial Chief Directorate Disaster Management and Fire Brigade Services provide support to the City of Cape Town on needs basis.