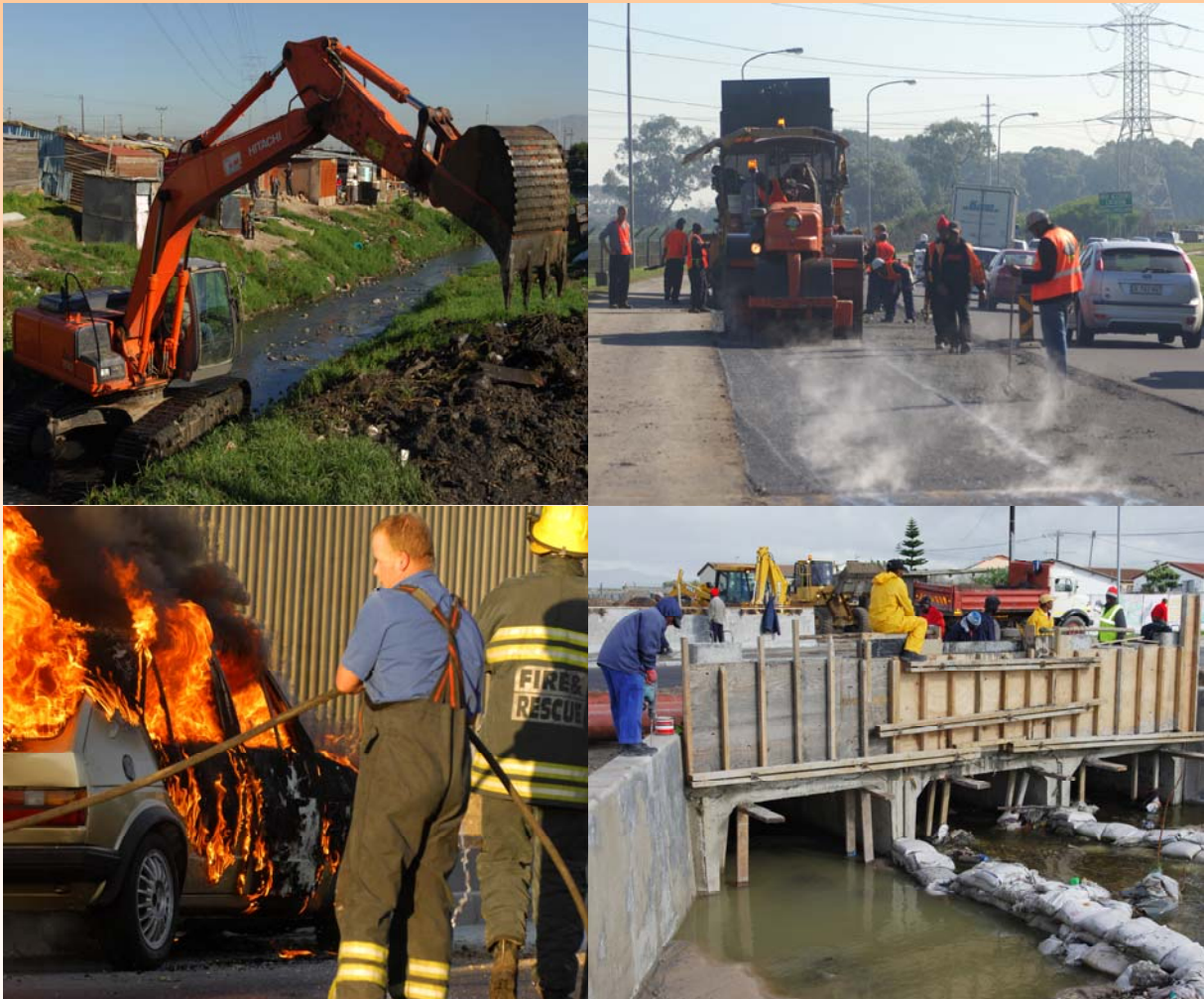


# CONSOLIDATED ANNUAL MUNICIPAL PERFORMANCE REPORT FOR THE PROVINCE OF THE WESTERN CAPE 2006/07

PERIOD ENDING JUNE 2007



Department of **Local Government and Housing**  
Isebe **looRhulumente boMmandla nezeZindlu**  
Departement van **Plaaslike Regering en Behuising**

**CONSOLIDATED ANNUAL MUNICIPAL  
PERFORMANCE REPORT FOR THE  
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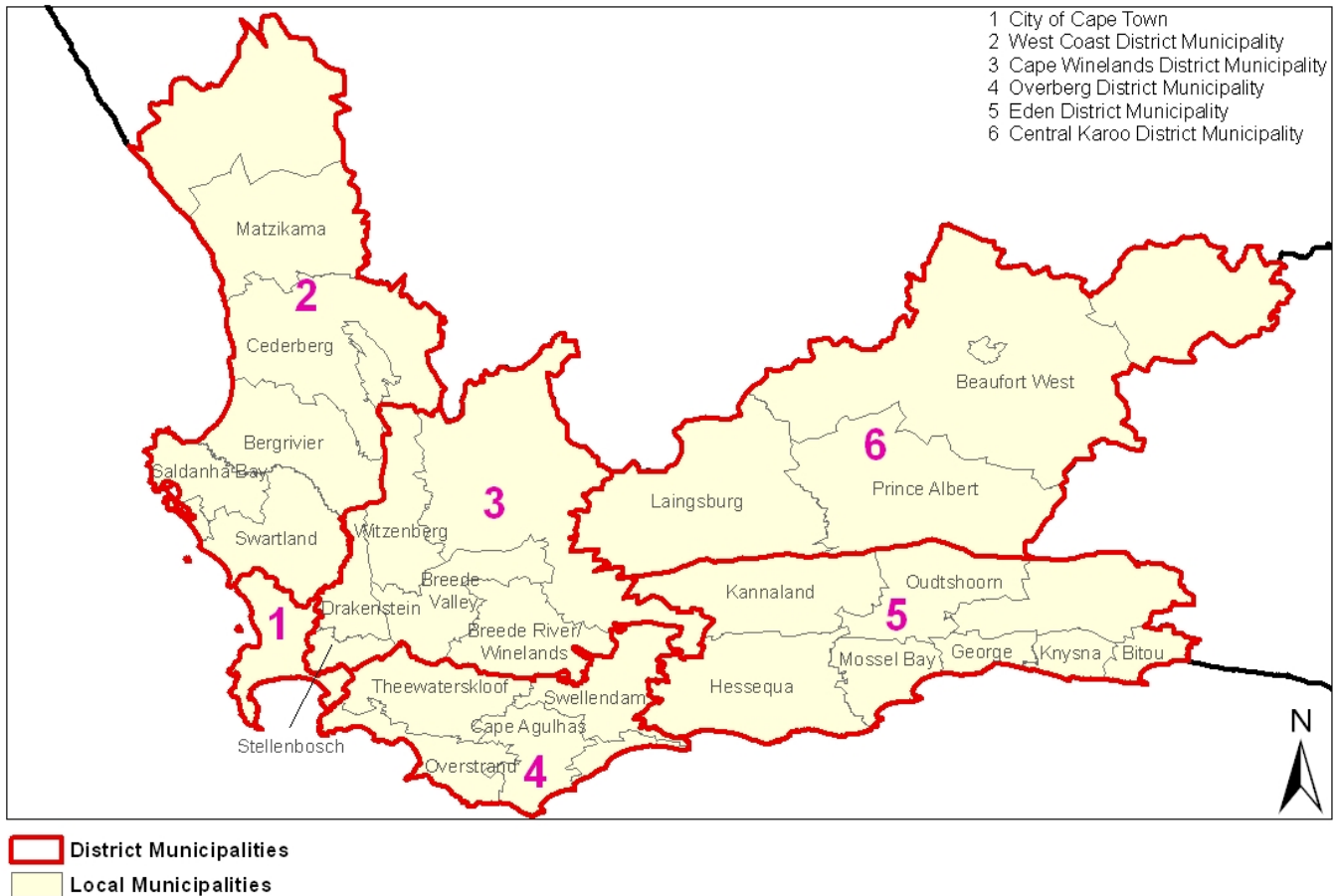
## MAP OF THE WESTERN CAPE

### WESTERN CAPE MUNICIPALITIES

The municipalities in the Western Cape consist of:

- One metro
- Five district municipalities
- Twenty four local municipalities

### Western Cape Local Municipalities



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|       |  |
|-------|--|
| ANC   | African National Congress                                    |
| ACDP  | African Christian Democratic Party                           |
| AG    | Auditor-General  |
| AMP   | African Muslim Party   |
| BO    | Breede Vallei Onafhanlikke                                   |
| DA    | Democratic Alliance  |
| DBSA  | Development Bank of Southern Africa                          |
| DEDAT | Department of Economic Development and Tourism               |
| DEADP | Department of Environmental Affairs and Development Planning |
| DLG&H | Department of Local Government and Housing                   |
| DM    | District Municipality  |
| DPLG  | Department of Provincial and Local Government                |
| EE    | Employment Equity  |
| FCPSA | First Communal Party of South Africa                         |
| FF+   | Freedom Front Plus   |
| GAMAP | Generally Accepted Municipal Accounting Practice             |
| GRAP  | Generally Recognised Accounting Practice                     |
| GDP   | Gross Domestic Product                                       |
| HR    | Human Resources  |
| ICOSA | Independent Civics of South Africa                           |
| ID    | Independent Democrats  |
| IDP   | Integrated Development Plan                                  |
| IFRS  | International Financial Reporting Standards                  |
| IDEP. | Independent  |
| KCF   | Knysna Community Forum                                       |
| KPA   | Key Performance Area   |
| KPI   | Key Performance Indicator                                    |
| LED   | Local Economic Development                                   |
| MEC   | Member of the Executive Council                              |
| MFMA  | Municipal Finance Management Act No. 56 of 2003              |
| MIG   | Municipal Infrastructure Grant                               |
| MM    | Municipal Manager  |
| MSA   | Municipal Systems Act No. 32 of 2000                         |
| NSDP  | National Spatial Development Perspective                     |
| NPP   | National People's Party                                      |
| NT    | National Treasury  |
| OCA   | Oudtshoorn Civic Association                                 |



|              |   |
|--------------|---|
| <b>PAC</b>   | Pan African Congress                            |
| <b>PDM</b>   | People Democratic Movement                      |
| <b>PMS</b>   | Performance Management System                   |
| <b>PT</b>    | Provincial Treasury                             |
| <b>SAFPA</b> | South African Federal Political Alliance        |
| <b>SDBIP</b> | Service Delivery and Budget Implementation Plan |
| <b>SCM</b>   | Supply Chain Management                         |
| <b>SDF</b>   | Spatial Development Framework                   |
| <b>SDP</b>   | Social Democratic Party                         |
| <b>UDM</b>   | United Democratic Movement                      |
| <b>UIF</b>   | United Independent Front                        |
| <b>UP</b>    | United Party                                    |
| <b>WCC</b>   | Western Cape Community                          |



It gives me great pleasure to submit the Consolidated Municipal Performance Report of the Municipalities of the Western Cape for the period 1 July 2006 – 30 June 2007 in compliance with the legislative obligations placed on the MEC for Local Government in Section 47 of the Municipal Systems Act 32 of 2000.

As this is the first Section 47 report for the current local government term of 2006-2011, it is an extremely important source of data for our mid-term and eventual five year review. It also begins to give operational meaning and impetus to the spirit of S155 of the Constitution of South Africa Act 108/1996 which requires that Provincial Government monitors (and supports) local government.

This report furthermore completes a very detailed legislative monitoring and reporting framework for local government that begins with the submission of annual financial statements to the Auditor General by municipalities one month after the end of the financial year and culminates in the submission of the annual reports nine months after the end of the financial year.

In addition, it attempts to address the performance of municipalities measuring it in respect of its core legislative and institutional obligations.

The compilation of the report was however not without its legislative, policy, process and resource challenges which broadly include:

- Legislative inconsistencies, anomalies and silence in respect of the monitoring and

reporting framework for local government. Notably in this regard it becomes extremely challenging to give impetus to S47 (2b) of the legislation *i.e. to recommend remedial action* since this report can only be drafted, at the earliest one year after the end of the financial year. A second challenge in this regard is the existence of the Five Year Local Government Strategic Agenda which only has a draft key performance indicator framework. At the same time the Planning and Performance Management Regulations No R 796 which was gazetted in 2001 remain in tact, hence requiring that the latter indicators be used;

- The lack of integrated systems and processes to collect, collate and report upon the information required as per existing legislation and policy: and
- The lack of resources to address the systems transformation – added to a perception by local government that reporting is overly regulated and legislated, leading to reporting fatigue by local government practitioners.

Nevertheless, the report begins to highlight some of the key successes of our municipalities as well as the institutional and resource challenges which remain. It also points out interventions by the provincial government in support of municipalities.

Overall, there is an incremental improvement in the state of municipalities

and in particular its institutional and administrative environment with special reference to the five key performance areas i.e. Institutional Transformation, Good Governance and Public Participation, Service Delivery, Financial Viability and Local Economic Development. Most municipalities have once again complied in terms of its core legislative functions in respect of service delivery. However, the report reveals that whilst much progress has been made in changing the paradigm of local government to focus on Local Economic Development, this has happened mainly at a policy interface level. The challenge now is for municipalities with the support of national and provincial government to give practical meaning and institutionalise this important key performance area in its operational plans.

When considering the performance of municipalities for the year under review cognizance must be taken of a number of external factors (political and environmental).

Firstly, the period covered in the report coincides with a new political term for local

government bringing with it many new political leaders, with little or no prior local government experience. Secondly, the fluid political landscape in the Western Cape resulted in an election outcome in which only four municipalities delivered an outright majority. This outcome created a number of inherent tensions and challenges for the twin principals of co-operative governance and inter-governmental relations. Finally, the (environmental) challenge presented by the growing demand for service delivery and free basic services exacerbated by the ongoing population inflow into areas such as the Cape Metro, Southern Cape and Cape Winelands District.

It is against this background and with due regard to the ever complex task of transforming local government, that most municipalities have succeeded in laying the foundation to meet the challenges of sustainable and developmental local government.

I thank you.

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## EXECUTIVE SUMMARY

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*"Although competencies are divided among National, Provincial and Local Government, it is important for all three spheres to realise that they serve the same customer, the South African citizen. Situations still exist whereby national government will, for example, implement a project without understanding the plans of provincial and local government. This creates confusion and sometimes duplication and wastage. Provinces are guilty of this. We need to realise that all development is, in the end, local". - Former Mpumalanga premier, Matthews Phosa<sup>1</sup>.*

The 2007 General Household Survey (GHS), which was released by Statistics SA on 10 July 2007, confirms the positive trends in terms of service delivery and the general living conditions of South African households that have been observed since 2002. However, the percentages of households living in informal dwellings increased in the Western Cape, where rapid urbanisation makes the elimination of service provision backlogs difficult. Clearly current day South Africa has many years of service delivery backlogs inherited from apartheid discrimination and politics of degradation. The GHS however confirms that there has been a sustained increase in the general economic growth that took place in South Africa during this time period.

The period under review (2006/7) was marked by rapid political changes (March 2006 elections and September 2007 floor crossing periods). It therefore has witnessed a number of changes in council leadership, changes in administrative municipal management and leadership and a slowdown in capital projects spending in most instances. Sound and co-operative intergovernmental relations as envisaged by the Constitution have also experienced significant challenges during the period under review as the 2006 elections resulted in the formation of numerous coalitions in the Metro and local municipalities. The coalitions within local municipalities do not follow classical political patterns but rather emphasis is placed on leadership and personalities. There are currently only four municipalities in the Western Cape with outright single majorities.

All major political parties and role-players at a local government level are in agreement that service delivery and infrastructural development is crucial to developing sustainable local governance. However, the idea of a developmental and sustainable local

government was and remains contested terrain, and played itself out in various forms at a municipal level i.e. forms of public participation, indigent policies, pro-poor budget development and processes, housing delivery and social exclusion and inclusion etc.

The 2006 elections had an impact on the political leadership within the Western Cape, with 40% of municipalities experiencing changes at this level. This created a challenge of administrative continuity and organisational memory. The changes in political leadership often resulted in the removal of senior and experienced skilled personnel from municipalities.

The average number of years spent by Municipal Managers in the same municipality was and is less than two years. The appointment of Municipal Managers and other Section 57 appointees displayed features of political appointments. Only three Municipal Managers in the Western Cape held the MM posts for longer than five years. Municipal Managers and other Section 57 appointees were often been suspended for months resulting in organisational paralysis, low staff morale and breakdown of governance at a municipal level. The Auditor – General has repeatedly raised this issue as a major issue affecting good governance and oversight. There is an urgent need to increase the capacity of local municipalities to manage these senior appointments without impacting negatively on service delivery.

The visionary statements of the respective municipalities remained, almost without exception, similar to that of the 05/06 planning cycle. This situation is commendable and allows for stability in the delivery of services.

All municipalities developed a 2006/2007 Integrated Development Plan (IDP) which included the core components as cited in Section 26 of the MSA (32 of 2000). The IDPs were, given a few exceptions, all formulated and prepared within pre-determined timeframes and included prioritising community needs. This is a clear indication of local government's efforts to deliver on its constitutional mandate in the context of the developmental state. The LGMTEC process between the Provincial Departments and municipalities to align strategic thinking, budgets and projects, underpinned the approach to cooperative governance, albeit that certain municipalities indicated (during 2006/2007)

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<sup>1</sup> Phosa 1999: p 56.

a less than expected impact on local government processes and products.

23 Municipalities indicated that they have implemented performance management systems in line with the Department of Provincial and Local Government (DPLG) guidelines and recommendations. Further interrogation and analysis of their systems has however revealed that whilst policy and systems are in place it is primarily being implemented at a Section 57 (MSA) appointee level. Performance measurement is not being used as a means of enhancing overall municipal performance but rather as an instrument for municipal compliance.

As in the previous financial year, almost all municipalities indicated that a lack of funding for bulk services is hampering their delivery in respect of basic services, especially with regard to the provision of housing. An analysis of municipal financial statements indicates that municipalities are very reliant on capital grants to fund their capital expenditure. This gives an indication that the revenue base of municipalities is insufficient to generate enough funding for provision and maintenance of basic infrastructure. Capital expenditure includes addressing backlogs and municipalities normally do not have sufficient 'own funds' to address these capital expenditure.

Although the average percentage of capital budget spent for the Province has improved from approximately 66.56% in 2005/06 to 73.63% in 2006/07, it is not sufficient if all the Provincial service delivery challenges in the various municipal areas are taken into account. The main reason cited by municipalities for under spending their capital budgets (both financial years) is the lack of capacity/technical skills in their Engineering/Technical Departments.

All municipalities responsible for the provision of basic services provide the nationally required free basic services to their indigent households where the households are linked to the grid. They have indigent registers that are updated regularly when community members visit municipal offices. The challenge however is for municipalities to actively register indigents through developmental public participation programmes. A few municipalities also provide a certain amount of free basic services to their non-indigent households, i.e. electricity and water. The number of indigent households receiving free basic services increases slightly annually as new houses are being built and households are linked to the grid. Municipalities

finance free basic services with their equitable share grant from the national government.

The average percentage spent on the MIG grant is almost 100% for both financial years. This is probably due to the dedicated monitoring and support that is provided by the DLG&H to municipalities in this regard.

A worrying trend is that municipalities are relying more on external grants to finance their capital expenditure due to ever increasing operating expenditure and revenue bases that remain constant or are declining. The average performance with regard to the spending of the housing grant by municipalities is good. Most municipalities have appointed private sector construction companies as their housing implementation agents. Almost all municipalities indicated that a lack of funding for bulk services is hampering their delivery on housing. The challenge is however not to allow these private companies to fully supplant government and the communities role in housing development.

Most municipalities submitted their financial statements on time. There has been a slight improvement in the audit outcomes for the 2006/07 municipal financial year - no adverse opinions, one less disclaimer than in the 2005/06 financial year. Technical issues relating to non compliance with accounting standards, i.e. asset management, debtor control and financial statement issues contributed to a number of qualifications.

The Constitution places a responsibility on local government to facilitate local economic development (LED) in partnership with other spheres of government. All municipalities had an approved Local Economic Development Plan to inform the 06/07 Integrated Development Plan and without exception these plans were deemed to be the result of a transparent formulation process. Implementation and subsequent impact was however limited due to a shortfall in available funds, co-operation between stakeholders, low economic development potential and capacity. Despite the obvious need to create jobs and alleviate poverty, it has become apparent that local municipalities did not consider (or mainstream) their LED Plans in strategic planning and budgeting processes. This lead to LED proposals not being integrated into the business plans of municipal departments and indicates a lack of internal communication, non-ownership of products, change management and the complexity of proposals to understand and implement.

The trends indicate that various interventions by Departments such as the Department of Local Government and Housing, Provincial Treasury and the National Department of Provincial and Local Government, DBSA etc had a positive impact on the overall performance of most municipalities. The

interventions by Provincial Government included amongst others advisory on planning matters, workshops and support on matters impacting on the environment, LED, introduction of community based planning, leadership training for female councillors, financial and good governance training.

## BACKGROUND AND LEGISLATIVE OVERVIEW

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“In South Africa, the legacy of colonialism and apartheid largely determine its characteristic as a developmental state. Policies to drive sustainable development in South Africa are influenced both by the global agenda and by specific social and economic trends discernible since the democratic transition. These trends include shifting demographics, the persistence of the dual economy and prevailing social exclusion. The state as a developmental ‘actor’ in addressing these challenges is located as the driving force for interventions in the economy and society that are intended to overcome the legacies of apartheid and underdevelopment.” – Sheila Hughes, 2001, IGR in SA

The status of local government has involved incrementally since 2001. Local government is a sphere of government; its powers are derived from the Constitution and are no longer delegated from the national or provincial government. The by-laws of a municipal council are legislative acts and, therefore, not reviewable in terms of administrative law. In Chapter 7 of the Constitution, Section 151 (3) states that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution.

The initial assessment of Project Consolidate at the end of 2006 pointed to the need to institutionalise the lessons learned from this initiative within government generally. These lessons directly contributed to the adoption of the 5 Year Local Government Strategic Agenda (2006 – 2011), which focus on three strategic priorities:

- Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability;
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
- Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures.

Good governance and public participation are the basis of developmental local government. This key performance area for municipalities includes such matters as the deployment of Community Development Workers (CDWs), the establishment of ward committees, the functioning of IGR structures, and public participation processes.

South Africa’s Constitution establishes the framework of inter and intra governmental relations. It sets out the principles for co-operative governance and the application of these in the relations between national, provincial and local government. This framework highlights that all three spheres of government (national, provincial and local), as well as the private sector and communities have a role to play in service delivery.

### *Status of municipalities*

- The executive and legislative authority of a municipality is vested in its Municipal Council;
- A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution; and
- The national or a provincial government may not compromise or impede a municipality’s ability or right to exercise its powers or perform its functions.

### *The objects of local government include -*

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

*The Local Government Municipal Systems Act, 2000*, established a framework for planning, performance-management systems, effective use of resources and organisational change in a business context. The Act also established a system for municipalities to report on their performance, and gives an opportunity to residents to compare this performance with others.

*The Local Government Municipal Finance Management Act, 2003(Act 56 of 2003)* is aimed at modernising municipal budgeting and financial management. It facilitates the development of a long-term municipal lending/bond market. It also introduces a governance framework for separate entities created by municipalities. The Act is a critical element in the overall transformation of local government in South Africa. It fosters transparency at the local government sphere through budget planning and reporting requirements.



In terms of the *Local Government Municipal Systems Act, 2000 (Act 32 of 2000)*, all municipalities are required to prepare IDPs. Integrated development planning is a process by which municipalities prepare five-year strategic plans that are reviewed annually in consultation with communities and stakeholders. The aim is to achieve service delivery and development goals for municipal areas in an effective and sustainable way. National and provincial-sector departments, development agencies, private-sector bodies, non-governmental organisations and communities all have a key role to play in the preparation and implementation of municipal IDPs.

**The Public Finance Management Act (PFMA)** and the implementation of the **Medium Term Strategic Framework (MTSF)** and **Medium Term Expenditure Frameworks (MTEF)** have made it necessary to define and align activities and spending around clearly defined objectives. These reforms have led to major improvements in planning and implementation, and encouraged a focus on service delivery quality and impact.

There is an increasing realisation that not only policy outputs should be measured, but also developmental outcomes that are sustainable in the long term, and not only improve conditions in the short term (Cloete 2003). This realisation has resulted in the development of the most appropriate sustainability indicators in addition to traditional sectoral output indicators (Bell & Morse 2000, Hart 1999, OECD 2000, SCN 2002, SM 2002, RMC 2002).

Each local municipality further has its own contextualised developmental needs, problems, objectives and resource constraints. This means that policy impact indicators must be adapted to include these context-specific issues. The South African Government has adopted an implementation plan to establish a Government-Wide Monitoring and Evaluation System (GWM&ES) (SA-PCAS 2005). The GWM&ES strives to coordinate a systematic programme of policy monitoring, evaluation and reporting throughout the public sector in South Africa, aimed at improving general public management (SAPCAS 2005:5).

This report is submitted in compliance with the legislative obligations placed on the MEC for Local Government in terms of Section 47 of the *Municipal Systems Act, 2000*.

47. (1) *The MEC for local government must annually compile and submit to the provincial legislatures and the Minister a consolidated report on the performance of municipalities in the province.*
- (2) *The report must –*
  - (a) *identify municipalities that underperformed during the year;*
  - (b) *propose remedial action to be taken; and*
  - (c) *be published in the Provincial Gazette.*
- (3) *The MEC for local government must submit a copy of the report to the National Council of Provinces.*

In terms of the *Municipal Finance Management Act 2003 (MFMA)*, all municipalities are obliged to submit annual reports. These annual reports form an integral part of the performance reports. For the financial period ending June 2007, only municipalities classified as high and medium capacity municipalities were obliged to submit annual reports.

This is the second section 47 Report submitted by the Western Cape. It addresses the performance of municipalities in the Western Cape in respect of its core legislative obligations. A municipality's performance is primarily assessed in terms of its development priorities and the objectives cited in its Integrated Development Plan (IDP). In keeping with the legislative prescripts, municipalities were probed on all legislative aspects related to its developmental priorities and the objectives of its IDP. It was compiled with information collected from the 30 municipalities by means of a comprehensive questionnaire, annual reports, audit reports, integrated development plans, financial statements and departmental and provincial treasury databases.

The Section 47 Report is submitted almost one year after the reporting cut-off date of June 2007. The completion of this report is dependant on the AG reports 2006/07 (due November 2007) and the submission of municipal annual reports (due April 2008).

The report of the MEC therefore consummates the annual reporting process of municipalities which commences with the submission of annual financial statements to the Auditor General. The annual reporting process of municipalities is represented schematically in the table below.

| <b>REPORT</b>  | <b>APPLICABLE LEGISLATION</b> | <b>RESPONSIBLE ENTITY/ PERSON</b>                 | <b>BY WHEN</b>   |
|--|-------------------------------|---|--|
| Submission of financial statements   | MFMA section 126(1)           | Municipalities                                    | 31 August (two months after the end of a financial year)   |
| Auditor-General to audit financial statements and submit report  | MFMA section 126 (4)          | Auditor-General                                   | 30 November (within 3 months after receiving financial statements)   |
| Draft Annual Report to be prepared   | MFMA section 121 (1)          | Municipal Manager                                 | 31 December (within 6 month after the end of the financial year)   |
| Tabling of municipal annual report to council  | MFMA section 127 (3)          | Mayor   | 31 January (Within 7 months after the end of the financial year)   |
| Make annual report public and invite the local community to make representations   | MFMA section 127 (5)          | Accounting Officer of municipality                | After tabling  |
| Submit annual report to PT and MEC for Local Government  | MFMA section 127 (5)          | Mayor   | After tabling  |
| Adopt an oversight report containing the council's comments  | MFMA section 129 (1)          | Council   | By no later than 31 March (Within two months after the tabling)  |
| Copies of minutes of the council meeting during which the annual report was adopted and the oversight report must be submitted to the AG, PT and the MEC | MFMA section 129 (2)          | Accounting Officer of municipality                | Within 7 days after the meeting during which the oversight report was adopted  |
| Submit oversight report and annual report to the Provincial Legislature  | MFMA section 132 (1)          | Accounting Officer of municipality                | Within 7 days after the meeting during which the oversight report was adopted  |
| Monitor submission process of municipal annual reports to the Provincial Legislature   | MFMA section 132 (3)          | MEC for Local Government                          | From 1 February to mid April   |
| Drafting of Consolidated Municipal Performance Report and submission by MEC to Provincial Legislature  | MSA section 47                | Head of Department (Local Government and Housing) | No timeframe in legislation - Only possible after receipt of all AG reports, municipal annual reports and municipal oversight reports -                |
| Submit consolidated municipal performance report to Provincial Legislature and Minister of Provincial and Local Government Gazette Report                | MSA section 47                | MEC for Local Government                          | As soon as possible after receipt of all municipal annual reports, including municipal performance reports and the oversight reports of the councils - |

Table 1: Annual reporting process of municipalities

## RESEARCH METHODOLOGY

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The report was completed after an intense data collection exercise involving municipalities in the Western Cape, Provincial Treasury and the Western Cape Provincial Departments. The information was categorised and analysed in accordance with the Five National Key Performance Areas in order to report on the compliance.

- **KPA 1: Municipal transformation and organizational development**  
*Integrated development planning, spatial development, municipal transformation, human resource development, performance management, etc.*
- **KPA 2: Basic service delivery**  
*Households with access to basic services; status of indigent households; provision of free basic services; provision and status of housing; status of sector plans, etc.*
- **KPA 3: Municipal financial viability and management**  
*Status of municipal compliance measured by Audit and Financial reporting; status of the alignment of projects with associated planning and budgeting tools; budgets, financial viability, debt management, etc.*
- **KPA 4: Good governance and public participation**  
*Status of Ward Committees; status of Community Development Workers; status of public participation; status of development and implementation of anti-corruption policies; Status of IGR; etc.*
- **KPA 5: Local economic development**  
*Development and implementation of LED and poverty alleviation strategies. etc.*

The following points describe the methodology applied and also refer to matters that need to be considered when perusing the report:

1. This is the second report of this nature and no national standardised reporting formats for provincial reports are currently available;
2. A concise questionnaire that covered service delivery, political transformation and the Integrated Development Plan was subsequently provided to the municipality for completion;
3. The quality of data provided by municipalities still remains a challenge in compiling this report. The quality of municipal data is a challenge for all other departments and is currently being addressed at a broader provincial governmental level;
4. A detailed comparison of the 05/06 reporting information with the 06/07 reporting information is not possible in all areas of compliance i.e. the 05/06 Report relied on current information with regard to organisational transformation and political governance. Comparisons will therefore only be done with regard to financial oversight and viability, basic services, capital budgets, free basic services and coalitions.
5. This report is based on key sources of information, namely completed questionnaires from the municipalities, information submitted to the provincial departments, integrated development plans, audited financial statements, municipal audit reports, municipal annual reports (where available), *Gaffney's: Local Government in SA 2007-8 Official Yearbook*) and 2007 General Households Surveys of Statistics South Africa. The report is therefore underpinned by a qualitative assessment of performance that is reflected in a consolidated report;
6. The report covers the five key performance areas in separate chapters;
7. The support provided by Provincial Departments is summarised in Chapter 8 of the report;
8. This Report creates the opportunity to deduct a time-series analysis, albeit still insufficient, of indicators to determine annual trends and benchmarking of institutional performance against baseline data where possible;
9. Where reference is made to a District Municipality it includes the component of the respective District Management Areas;
10. In certain instances the information reflects the current status and not the status as at 30 June 2007 (indicated where applicable) due to the unavailability of data both by provincial and local government.

# CHAPTER 1: GEOGRAPHIC, DEMOGRAPHIC AND SOCIO ECONOMIC PROFILES OF MUNICIPALITIES

## 1.1 Introduction

The purpose of this chapter is to set the scene, provide the background and to understand the landscape of the province. The physical dimensions of the municipal

areas have not changed since the first report but the social and economic circumstances, as reflected by data, are considered as indicators within a time series.

## 1.2 Geographic information per municipality

| MUNICIPALITY      | DEMAR-CATION CODE | MUNICIPAL AREA (Km <sup>2</sup> ) | TOWNS AND AREAS WITHIN THE BOUNDARIES  |
|-------------------|-------------------|-----------------------------------|--|
| City of Cape Town | Metro WC000       | 2460,13                           | Atlantis, Bakoven, Bantry Bay, Bellville, Bellville South, Bishop Lavis, Blackheath, Bloubergstrand, Blue Downs, Bothasig, Brackenfell, Bridgetown, Camps Bay, Cape Town, Clifton, Clovelly, Constantia, Da Gama Park, Dagbreek, Delft, Dieprivier, Durbanville, Edgemoed, Elsiesrivier, Epping Industrial, Faure, Firgrove, Fish Hoek, Glencairn, Goodwood, Gordon's Bay, Grassy Park, Green Point, Heideveld, Hout Bay, Kalk Bay, Kenilworth, Kensington, Khayelitsha, Klipheuwel, Kommetjie, Kuilsrivier, Landsdowne, Langa, Llandudno, Lwandle, Macassar, Maitland, Mamre, Mandalay, Melkbosstrand, Mfuleni, Milnerton, Mitchells Plain, Montague Gardens, Muizenberg, Noordhoek, Nyanga, Ocean View, Ottery, Parow, Pella, Philadelphia, Philippi, Pinelands, Plumstead, Retreat, Rondebosch, San Michele, Scarborough, Sea Point, Simon's Town, Sir Lowry's Pass, Somerset West, St James, Steelwater, Strand, Strandfontein, Sun Valley, Table View, Tokai, Tyger Valley, Welgemoed, Westlake, Woodstock, Wynberg, Charlseville, Bonteheuwel, Montana, Matroosfontein, Netreg |
| Matzikama         | WC011             | 5 549.42                          | Doring Bay, Grootdrif, Klaver, Koekenaap, Landplaas, Lutzville, Papendorp, Spruitdrif, Strandfontein, Trawal, Vanrhynsdorp, Vredendal, Ebenhaezer  |
| Cederberg         | WC012             | 7338.50                           | Citrusdal, Clanwilliam, Elands Bay, Graafwater, Heerenlogement, Lamberts Bay, Leipoldtville, Paleisheuwel, Ratelfontein, Sandberg, Uitspankraal, Wolfhuis, Wuppertal   |
| Bergriver         | WC013             | 4407,04                           | Aurora, De Hoek, Dwarskersbos, Eendekuil, Goedverwacht, Het Kruis, Laaiplek, Noordkuil, Piketberg, Pools, Port Owen, Porterville, Redelinghuys, Sauer, Velddrif, Wittewater  |
| Saldanha Bay      | WC014             | 1 765.91                          | Hopefield, Langebaan, Langebaanweg, Paternoster, Saldanha, St Helena Bay, Stompneus Bay, Vredenburg  |
| Swartland         | WC015             | 3 692.18                          | Abbotsdale, Darling, Chatsworth, Riverlands, Kalbaskraal, Koringberg, Malmesbury, Moorreesburg, Ongegund, Oupos, Platteklip, Riebeek Kasteel, Riebeek-Wes, Ruststasie, Yzerfontein   |
| West Coast DM     | DC1               | 31 103.51                         | Bergrivier, Cederberg, Matzikama, Saldanha Bay and Swartland   |
| Witzenberg        | WC022             | 2 851.25                          | Bokfontein, Ceres, Enduli, La Plaisante, Prince Alfred Hamlet, Romansrivier, Skoonvlei, Tulbagh, Wolseley  |
| Drakenstein       | WC023             | 1 537.66                          | Blouville, Goedehoop, Gouda, Hermon, Paarl, Simondium, Soetendal, Suider Paarl, Voëlvlei, Wellington, Windmill   |
| Stellenbosch      | WC024             | 831.05                            | Franschhoek, Groot Drakenstein, Kylemore, Lynedoch, Pniel, Stellenbosch, Steynsrust  |
| Breede Valley     | WC025             | 2 994.38                          | De Doorns, De Wet, Hammanshof, Moordkuil, Nuy, Rawsonville, Stettyn, Touws River, Voorsorg, Wilgerboomsrivier, Worcester   |

|                          |            |                  |   |
|--------------------------|------------|------------------|---|
| Breede River/Winelands   | WC026      | 3 331.69         | Ashton, Bonnievale, Goree, Klaas Voogdsrivier, Koo, Le Chasseur, McGregor, Montagu, Pietersfontein, Robertson, Sandvliet, Scheepersrus, Sewefontein, Wakkerstroom   |
| <b>Cape Winelands DM</b> | <b>DC2</b> | <b>22 308.78</b> | Breede River Winelands, Breede Valley, Drakenstein, Stellenbosch, Witzenberg.   |
| Theewaterskloof          | WC031      | 3248.34          | Albertyn, Bereaiville, Botrivier, Caledon, Drayton, Eerstehoop, Elgin, Genadendal, Goudini, Grabouw, Greyton, Jongensklip, Krige, Langkuil, Lindeshof, Oukraal, Rietpoel, Riviersonderend, Skilpadsklouf, Teslaarsdal, Villiersdorp, Vredendal, Vyeboom   |
| Overstrand               | WC032      | 1 707.51         | Baardskeedersbos, Betty's Bay, Die Dam, Die Kelders, Fisherhaven, Franskraal Strand, Gans Bay, Hangklip, Hawston, Hermanus, Houhoek, Kleinbaai, Kleinmond, Mosselrivier, Onrus, Papiessvlei, Pearly Beach, Pringle Bay, Ratelrivier, Rooiels Bay, Sandy's Glen, Silversands, Stanford, Strands Kloof, Sunny Seas Estate, Vermont, Viljoenshof |
| Cape Agulhas             | WC033      | 2 841.40         | Arniston, Asfontein, Bredasdorp, Die Mond, Elim, Fairfield, Hotagterklip, Klipdale, Kykoedie, L'Agulhas, Molshoop, Napier, Protém, Soutkuil, Struis Bay, Vogellvlei, Waenhuiskrans  |
| Swellendam               | WC034      | 2 998.88         | Akkerboom, Barrydale, Buffeljagsrivier, Infanta-on-River, Malgas, Ouplaas, Stormsvlei, Suurbraak, Swellendam, Vleiplaas, Wydgeleë   |
| <b>Overberg DM</b>       | <b>DC3</b> | <b>11 404.63</b> | Cape Agulhas, Overstrand, Swellendam and Theewaterskloof  |
| Kannaland                | WC041      | 4 758.08         | Calitzdorp, Groenfontein, Hondewater, Kareevlakte, Kruisrivier, Ladismith, Matjiesvlei, Oosgam, Plathuis, Van Wyksdorp, Zoar  |
| Hessequa                 | WC042      | 5 733.54         | Albertinia, Brandrivier, Droëvlakte, Gouritsmond, Groot Jongensfontein, Heidelberg, Langeberg, Niekerkshek, Port Beaufort, Riethuiskraal, Riversdale, Still Bay East, Still Bay West, Slangrivier, Strawberry Hill, Vermaaklikheid, Vleidam, Witsand  |
| Mossel Bay               | WC043      | 2 010.83         | Brandwag, Dana Bay, Groot Brakrivier, Hartenbos, Herbertsdale, Johnson's Post, Klein Brakrivier, Mossel Bay, Ruitersbos, Vlees Bay  |
| George                   | WC044      | 1 071.59         | Bergplaas, Blanco, George, Herold, Herolds Bay, Kleinplaat, Pacaltsdorp, Rondevlei, Sinksbrug, Victoria Bay, Wilderness   |
| Oudtshoorn               | WC045      | 3 537.07         | De Rust, Dysselsdorp, Grootkraal, Hoopvol, Matjiesrivier, Oudtshoorn, Schoemanshoek, Volmoed  |
| Bitou                    | WC047      | 991.86           | Beacon Island, Nature's Valley, Plettenberg Bay, The Craggs, Wittedrif  |
| Knysna                   | WC048      | 1 058.86         | Barrington, Karatara, Knysna, Sedgfield   |
| <b>Eden DM</b>           | <b>DC4</b> | <b>23 331.16</b> | Bitou, Knysna, George, Langeberg, Mossel Bay, Kannaland and Oudtshoorn, Uniondale, Haarlem and Avontuur   |
| Laingsburg               | WC051      | 8 784.48         | Anysberg, Bantams, Baviaan, Die Draai, Ezelsfontein, Geelbek, Hilandale, Konstabel, Koringplaas, Koup, Laingsburg, Matjiesfontein, Perdefontein, Pieter Meintjies, Rouxpos, Seweweekspoort, Tweeside, Viskuil, Vleifontein, Vleiland, Whitehill   |
| Prince Albert            | WC052      | 8 152.9          | Dwyka, Klaarstroom, Kommandokraal, Kruidfontein, Leeu-Gamka, Prince Albert, Prince Albert Road, Seekoegat   |
| Beaufort West            | WC053      | 16 330.10        | Beaufort West, Droërivier, Hillcrest, Letjiesbos, Merweville, Nelspoort, Renosterkop, Restvale, Rosedene, Wiegnaarspoort  |
| <b>Central Karoo DM</b>  | <b>DC5</b> | <b>38 853.99</b> | Beaufort West, Laingsburg and Prince Albert, Murraysburg  |

Table 2: Geographic information per municipality

Source: *Gaffney's: Local Government in South Africa 2007-2008 –Official yearbook*

### 1.3 Demographic information per municipality

| Municipality             | Number of Households | Total Population | African | Coloured  | Indian | White   |
|--------------------------|----------------------|------------------|---------|-----------|--------|---------|
| <b>City of Cape Town</b> | 778 237              | 2 892 243        | 916 458 | 1 391 855 | 41 483 | 542 447 |
| Matzikama                | 14 497               | 50 208           | 2 800   | 38 215    | 64     | 9 125   |
| Cederberg                | 11 220               | 39 326           | 3 131   | 30 765    | 26     | 5 404   |
| Bergriver                | 13 362               | 46 324           | 2 334   | 35 011    | 64     | 8 917   |
| Saldanha Bay             | 18 923               | 70 442           | 11 953  | 44 829    | 335    | 13 325  |
| Swartland                | 18 758               | 72 114           | 7 497   | 52 161    | 296    | 12 160  |
| <b>West Coast DM</b>     | 77 947               | 282 672          |         |           |        |         |
| Witzenberg               | 20 459               | 83 568           | 16 605  | 59 190    | 116    | 7 655   |
| Drakenstein              | 46 266               | 194 416          | 41 508  | 123 963   | 596    | 28 353  |
| Stellenbosch             | 35 124               | 118 710          | 24 247  | 68 320    | 238    | 25 903  |
| Breede Valley            | 35 096               | 146 028          | 29 390  | 95 817    | 473    | 20 351  |
| Breede River/Winelands   | 21 215               | 81 271           | 11 826  | 57 730    | 58     | 11 654  |
| <b>Cape Winelands DM</b> | 160 100              | 630 493          |         |           |        |         |
| Theewaterskloof          | 24 363               | 93 275           | 21 277  | 61 404    | 136    | 10 459  |
| Overstrand               | 19 020               | 55 452           | 15 065  | 20 565    | 45     | 19 777  |
| Cape Agulhas             | 7 653                | 26 468           | 1 484   | 18 212    | 37     | 6 734   |
| Swellendam               | 7 619                | 28 077           | 2 553   | 20 212    | 59     | 5 252   |
| <b>Overberg DM</b>       | 58 738               | 203 521          |         |           |        |         |
| Kannaland                | 6 156                | 23 972           | 597     | 20 253    | 19     | 3 103   |
| Hessequa(Langeberg)      | 12 664               | 44 112           | 1 784   | 30 946    | 43     | 11 343  |
| Mossel Bay               | 20 258               | 71 494           | 16 208  | 34 678    | 259    | 20 349  |
| George                   | 36 191               | 135 409          | 36 935  | 68 219    | 352    | 29 902  |
| Oudtshoorn               | 18 413               | 84 691           | 6 841   | 64 802    | 85     | 12 964  |
| Bitou                    | 8 944                | 29 183           | 11 068  | 11 738    | 95     | 6 283   |
| Knysna                   | 14 972               | 51 468           | 16 422  | 22 715    | 73     | 12 256  |
| <b>Eden DM</b>           | 121 156              | 454 922          |         |           |        |         |
| Laingsburg               | 1 945                | 6 681            | 150     | 5 539     | 8      | 984     |
| Prince Albert            | 2 614                | 10 512           | 172     | 9 137     | 11     | 1 192   |
| Beaufort West            | 9 103                | 37 107           | 5 864   | 27 164    | 45     | 4 033   |
| <b>Central Karoo DM</b>  | 24 363               | 60 484           |         |           |        |         |

Table 3: Demographic information per municipality

Source: Gaffney's: Local Government in South Africa 2007-2008 –Official yearbook

Note: DM totals include District management Areas

### 1.4 Socio- economic information per municipality

| Municipality             | Average pass rate for numeracy and literacy (%): Grade 6 | Indigent households (*DMA) | Unemployment rate (%) | % of district population (*% of Western Cape) | Proportion of youth and children (%) | HIV/AIDS prevalence 2005 (%) | Total number of reported crimes (2007) | Urban/Rural household split (%) |
|--------------------------|--|----------------------------|-----------------------|---|--------------------------------------|------------------------------|--|---------------------------------|
| <b>City of Cape Town</b> | 29   | 184 032                    | 23                    | *64.7   | 61.9                                 | 15.9                         | 304 044                                | NA                              |
| Matzikama                | 31   | 1 168                      | 29                    | 18.4  | 60.3                                 | 2.6                          | 2 767                                  | 60.7/ 39.3                      |

|                              |            |               |             |             |             |            |               |                     |
|------------------------------|------------|---------------|-------------|-------------|-------------|------------|---------------|---------------------|
| Cederberg                    | 33         | 624           | 33          | 14          | 62.2        | 3.0        | 2 333         | 48.8/ 51.2          |
| Bergriver                    | 34         | -             | -           | 17.1        | 60.7        | 2.6        | 1 220         | 60.7/ 39.3          |
| Saldanha Bay                 | 39         | 4 714         | -           | 25.4        | 64.3        | 4.3        | 5 882         | 94.4/ 5.6           |
| Swartland                    | 28         | 3 188         | -           | 23.4        | 61.9        | 3.1        | 4 719         | 71.2/ 28.8          |
| <b>West Coast DM</b>         | <b>16#</b> | <b>*1332</b>  | <b>15.7</b> | <b>*6.5</b> | <b>62.9</b> | <b>3.2</b> | <b>18 298</b> | <b>69.9/ 30.1</b>   |
| Witzenberg                   | 26         | 5 440         | -           | 14          | 29.2        | 4.2        | -             | 58.5/ 41.5          |
| Drakenstein                  | 33         | 10 308        | -           | 29.7        | 63.2        | 5.4        | 13 749        | 81.72/<br>18.28     |
| Stellenbosch                 | 31         | 8 399         | -           | 18          | 29          | 4.0        | -             | 71.7/ 28.3          |
| Breede Valley                | 20         | 5 440         | -           | 23.8        | 29.2        | 3.7        | -             | 68.1/ 31.9          |
| Breede<br>River/Winelands    | 22         | 4 332         | -           | 14.6        | 29.4        | 3.2        | -             | 63.5/ 36.5          |
| <b>Cape/Winelands<br/>DM</b> | <b>26</b>  | <b>29 545</b> | <b>-</b>    | <b>*14</b>  | <b>36</b>   | <b>3.8</b> | <b>45 128</b> | <b>70.28/ 29.72</b> |
| Theewaterskloof              | 27         | 8 059         | -           | 43.5        | 55.6        | 4.7        | 4 981         | 64.2/ 35.8          |
| Overstrand                   | 37         | 3 754         | -           | 30.7        | 51.8        | 4.5        | 4 572         | 91.2/ 8.8           |
| Cape Agulhas                 | 29         | 1 620         | -           | 12.7        | 52.3        | 2.1        | 1 665         | 83.2/ 16.8          |
| Swellendam                   | 31         | 1 521         | -           | 12.8        | 54.6        | 2.9        | 2 083         | 65.2/ 34.8          |
| <b>Overberg DM</b>           | <b>30</b>  | <b>14 339</b> | <b>-</b>    | <b>*5</b>   | <b>-</b>    | <b>4.1</b> | <b>13 301</b> | <b>75.7/ 24.3</b>   |
| Kannaland                    | 28         | 1 013         | 60.6        | 5.2         | 59.3        | 2.1        | 1 562         | 53/ 37              |
| Hessequa                     | 29         | 3 850         | 55.7        | 9.7         | 55.1        | 1.9        | 3 212         | 70/ 30              |
| Mossel Bay                   | 34         | 5 229         | -           | 15.3        | 56.5        | 3.6        | 6 311         | 88/ 12              |
| George                       | 34         | 10 153        | -           | 30.5        | 63.1        | 4.5        | 12 532        | 92/ 8               |
| Oudtshoorn                   | 23         | 3 700         | -           | 17.3        | 28.6        | 2.6        | 4 770         | 88/ 12              |
| Bitou                        | 25         | 1 461         | -           | 7.4         | 46.4        | 6.0        | 3 583         | 85/ 15              |
| Knysna                       | 21         | 6 586         | -           | 11          | 27          | 4.9        | 4 442         | 90/ 10              |
| <b>Eden DM</b>               | <b>28</b>  | <b>32 422</b> | <b>-</b>    | <b>*10</b>  | <b>60.9</b> | <b>3.7</b> | <b>39 065</b> | <b>85/ 15</b>       |
| Laingsburg                   | 28         | 647           | 26.6        | 11.9        | 59.2        | 2          | 876           | 63/ 37              |
| Prince Albert                | 29         | 928           | -           | 18.1        | 61.8        | 2.1        | 593           | 65/ 35              |
| Beaufort West                | 25         | 3 337         | -           | 60.2        | 49.6        | 2.9        | 3 766         | 82/ 18              |
| <b>Central Karoo DM</b>      | <b>26</b>  | <b>*695</b>   | <b>50</b>   | <b>*1.2</b> | <b>47.4</b> | <b>2.7</b> | <b>5 181</b>  | <b>75/ 25</b>       |

Table 4: Socio-economic information per municipality

Source: PT: Socio Economic Profiles Local Government

\* Total include District Management Areas. As all the information submitted was not complete, percentages were not calculated. #: may represent a fault in the source data

## 1.5 Political composition of municipalities – June 2007

| Municipality         | ANC      | DA       | ID       | ACDP | AMP | UP | PAC | SDP | FF+ | UDM | SAFPA | INDEP. | OTHER            | MAIN COALITION    |
|----------------------|----------|----------|----------|------|-----|----|-----|-----|-----|-----|-------|--------|------------------|-------------------|
| City of Cape Town    | 81       | 94       | 17       | 7    | 2   | 1  | 1   | 1   | 1   | 1   |       |        | 4 NPP            | DA&ID - main      |
| Matzikama            | 6        | 3        | 4        |      |     |    |     |     |     |     |       |        |                  | DA&ID             |
| Cederberg            | 6        | 4        | 2        |      |     |    |     |     |     |     |       |        |                  | ANC& ID           |
| Bergriver            | 6        | 6        | 1        |      |     |    |     |     |     |     |       |        |                  | DA&ID             |
| Saldanha Bay         | 9        | 6        | 3        |      |     |    |     |     |     |     |       | 2      |                  | ANC, ID& INDEP.   |
| Swartland            | 6        | 12       | 1        | 1    |     |    |     |     |     |     |       |        |                  | DA                |
| <b>West Coast DM</b> | <b>7</b> | <b>9</b> | <b>3</b> |      |     |    |     |     |     |     |       |        |                  | <b>DA&amp;ID</b>  |
| Witzenberg           | 9        | 6        | 3        |      |     |    |     |     |     |     |       |        | 1 FCPSA<br>1 UIF | ANC/UIF/<br>FCPSA |
| Drakenstein          | 26       | 20       | 10       | 1    |     |    |     |     | 1   |     |       |        | 2 WCC            | ANC& ID           |
| Stellen-             | 16       | 15       | 2        |      |     |    |     |     |     | 1   |       |        | 1                | DA&ID             |

|                          |           |           |          |          |  |  |  |          |  |   |  |   |                      |                    |
|--------------------------|-----------|-----------|----------|----------|--|--|--|----------|--|---|--|---|----------------------|--------------------|
| bosch                    |           |           |          |          |  |  |  |          |  |   |  |   | KCA                  |                    |
| Breede Valley            | 18        | 13        | 5        |          |  |  |  | 1        |  |   |  | 1 | 1<br>BO              | ANC& DA            |
| Breede River/Winelands   | 9         | 6         | 3        |          |  |  |  |          |  |   |  |   | 1<br>WCC<br>1<br>PDM | ANC& DA            |
| <b>Cape/Winelands DM</b> | <b>17</b> | <b>13</b> | <b>5</b> |          |  |  |  | <b>1</b> |  |   |  |   |                      | <b>ANC&amp; ID</b> |
| Theewaters-kloof         | 10        | 9         | 2        | 1        |  |  |  |          |  | 1 |  |   |                      | DA&ID              |
| Overstrand               | 7         | 10        | 1        | 1        |  |  |  |          |  |   |  |   |                      | DA                 |
| Cape Agulhas             | 5         | 4         |          | 2        |  |  |  |          |  |   |  |   |                      | ANC&ID             |
| Swellendam               | 4         | 3         | 2        | 1        |  |  |  |          |  |   |  |   |                      | DA&ID              |
| <b>Overberg DM</b>       | <b>8</b>  | <b>8</b>  | <b>2</b> |          |  |  |  |          |  |   |  |   |                      | <b>ANC&amp; ID</b> |
| Kannaland                | 6         | 2         | 1        |          |  |  |  |          |  |   |  |   |                      | ANC                |
| Hessequa                 | 9         | 6         |          |          |  |  |  |          |  |   |  |   |                      | ANC                |
| Mossel Bay               | 8         | 10        | 1        | 1        |  |  |  |          |  |   |  |   | 3<br>ICOSA           | DA & ID            |
| George                   | 17        | 19        | 2        | 1        |  |  |  | 1        |  |   |  |   |                      | DA&ID              |
| Oudtshoorn               | 16        |           | 6        |          |  |  |  |          |  |   |  |   | 1<br>OCA             | ANC&OCA            |
| Bitou                    | 7         | 3         | 1        |          |  |  |  |          |  |   |  |   |                      | ANC                |
| Knysna                   | 7         | 5         | 2        |          |  |  |  |          |  |   |  |   | 2<br>KCF             | ANC&ID             |
| <b>Eden DM</b>           | <b>12</b> | <b>10</b> | <b>2</b> | <b>1</b> |  |  |  |          |  |   |  |   | 2<br>ICOSA           | <b>DA&amp;ID</b>   |
| Laingsburg               | 2         | 2         |          |          |  |  |  |          |  |   |  |   | 2<br>ICOSA           | LGP & NPP          |
| Prince Albert            | 3         | 3         |          |          |  |  |  |          |  |   |  |   |                      | ANC&DA             |
| Beaufort West            | 5         | 2         | 1        |          |  |  |  |          |  |   |  |   | 5<br>ICOSA           | ANC&DA             |
| <b>Central Karoo DM</b>  | <b>7</b>  | <b>3</b>  |          |          |  |  |  |          |  |   |  |   | 2<br>ICOSA           | <b>ANC&amp; DA</b> |

Table 5: Political composition of municipalities

Source: Database Department of Local Government and Housing

## 1.6 Classification of municipal capacity by the National Treasury

| Municipality             | Capacity Classification |
|--------------------------|-------------------------|
| <b>City of Cape Town</b> | <b>High</b>             |
| Matzikama                | Medium                  |
| Cederberg                | Low                     |
| Bergriver                | Medium                  |
| Saldanha Bay             | High                    |
| Swartland                | Medium                  |
| <b>West Coast DM</b>     | <b>Medium</b>           |
| Witzenberg               | Low                     |
| Drakenstein              | High                    |
| Stellenbosch             | High                    |
| Breede Valley            | High                    |
| Breede River/Winelands   | Medium                  |
| <b>Cape/Winelands DM</b> | <b>Medium</b>           |
| Theewaterskloof          | Medium                  |
| Overstrand               | High                    |
| Cape Agulhas             | Low                     |
| Swellendam               | Low                     |

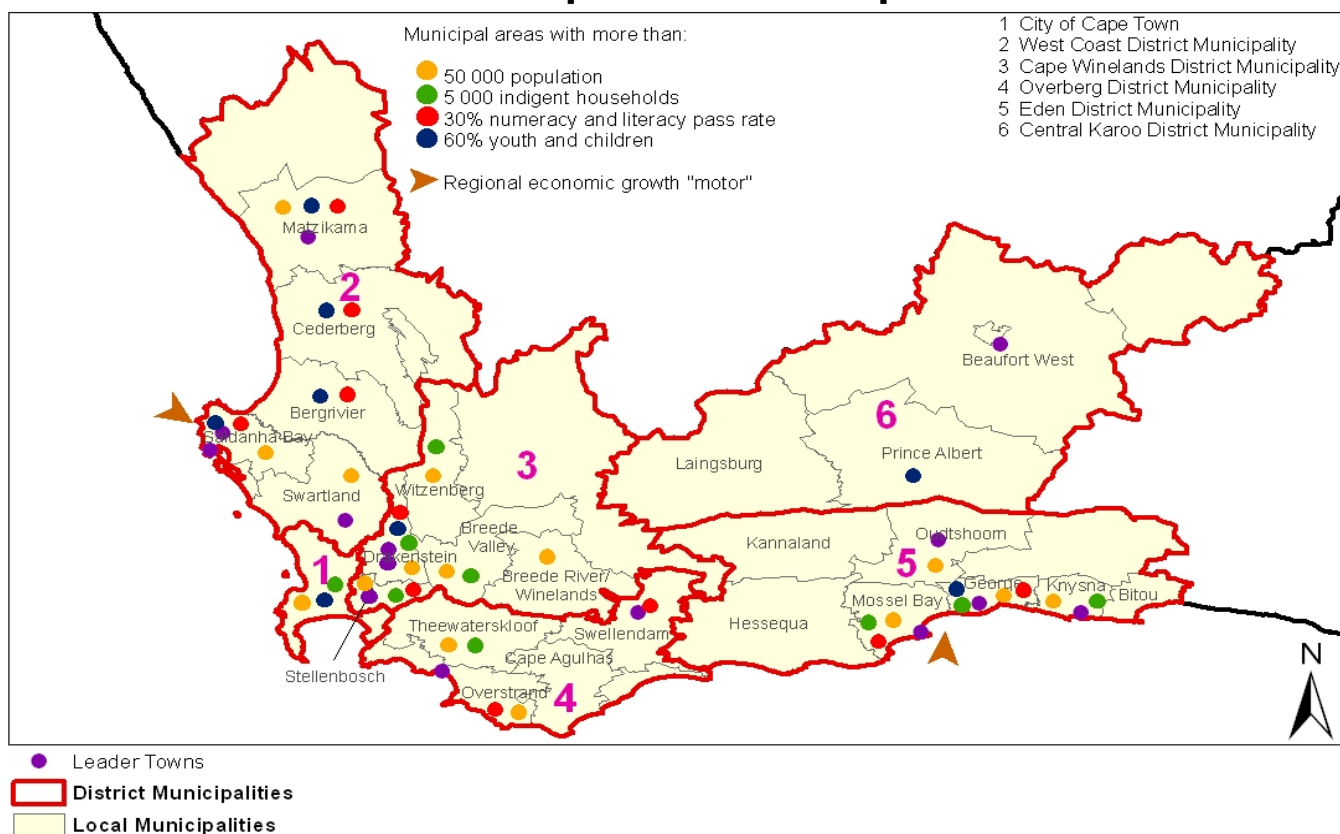


|                         |               |
|-------------------------|---------------|
| <b>Overberg DM</b>      | <b>Medium</b> |
| Kannaland               | Medium        |
| Hessequa                | Medium        |
| Mossel Bay              | High          |
| George                  | High          |
| Oudtshoorn              | Medium        |
| Bitou                   | Medium        |
| Knysna                  | Medium        |
| <b>Eden DM</b>          | <b>Medium</b> |
| Laingsburg              | Medium        |
| Prince Albert           | Medium        |
| Beaufort West           | Medium        |
| <b>Central Karoo DM</b> | <b>Medium</b> |

Table 6: Classification of municipal capacity by the National Treasury  
Source: National Government Gazette No. 26511 dated 1 July 2004

## 1.7 Assessment of the geographical and demographic data and the socio-economic profiles of municipalities

### Western Cape Local Municipalities



A world-wide phenomenon is that populations are ageing, growing and moving with the number of people residing in urban areas. The average urban/rural split for the Western Cape is 74,4% urban and 25,6% rural. The socio-economic status of the Western Cape communities reflect a concerning state of affairs that requires strategic and focused interventions in a cooperative way.

The following concise statements of the socio-economic profiles of municipalities and some reflect the outcome of certain critical interventions by government:

- About 20 % of all households are classified as "indigent households";
- The numeracy and literacy levels of Grade 6 pupils are alarmingly low;

- All municipal areas with higher than 30% pass rate for Grade 6 numeracy and literacy levels contain a leader town (except Cederberg and Bergrivier) ; and
- The number of reported crimes decreased dramatically from more than 600 000 (2005/06) to about 415 000 (2006/07) cases.

Another aspect of population growth would be to compare the cumulative population growth rate to the cumulative growth in the number of households. These two demographic indicators, however, do not correspond as the cumulative population growth rate for the Western Cape between 1997 and 2005 was about 14% with the number of households increasing in the same

timeframe at a rate of about 24% (source: Globalinsight)

The spatial depiction of socio-economic data illustrates the influential importance of the Cape Metropolitan Area as the economic centre of the province with resultant centrifugal forces dominant in shaping the composition of neighbouring areas and beyond (also see Chapter 6). By far the majority of people living in the Western Cape, resides within a radius of 100 kilometres of the City. The only exception is the Southern Cape area that constitutes the Garden Route towns and the Matzikama Municipality . The latter would be because of agricultural activities with Vredendal providing essential goods and services to the rural communities.

## CHAPTER 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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### 2.1 Introduction

Chapter 7 of the Constitution of the Republic of South Africa, 1996 identifies the following objectives for local government-

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

The Constitution further states that “a municipality must strive, within its financial and administrative capacity, to achieve the objectives of local government”. Local government has been entrusted with the role to perform crucial tasks in order to create a better society. It is therefore an imperative for local government to consider and plan “beyond boundaries” as components of development can be exogenous and not confined to a particular municipal area or the perceived responsibilities of local government.

The quality of life of the Western Cape’s communities and its future generations will most certainly depend on the ability of local government to first and foremost deliver on its constitutional mandate in the context of the developmental state. This ability of local government depends on the synergy and co-operation between the different spheres of government<sup>2</sup> and the ways and means adopted to ensure public participation<sup>3</sup>. The operations of a municipality should reflect a dualistic approach in that internal ability and external influence would define developmental output.

The 1998 White Paper on Local Government “sets out the vision for a new developmental local government system, which is committed to working with local citizens, groups and communities to improve the quality of life and to meet the social, material and economic needs of communities in a holistic way.

Four key elements characterise the new vision for developmental local government. These are:

- **Maximising social development and economic growth:** The powers and functions vested in local government create the conditions for it to play a key role in developing economic prosperity at the local level. Municipalities therefore need a clear vision for the local economy and to create the overall economic and social conditions conducive to the creation of employment opportunities. Essential municipal services such as water, sanitation, electricity, roads and street lighting are an important contribution of local government towards building a healthy and socially sustainable society.
- **Integrating and Co-ordinating:** Developmental local government must find creative ways of integrating and co-ordinating resources and investments from all key role players, including parastatals, trade unions, community groups and the private sector to meet development targets.
- **Democratising development:** Municipal Councils play a central role in promoting local democracy. To actively stimulate the participation of marginalised and excluded groups in local government initiatives and community processes, municipalities must adopt inclusive approaches, including strategies aimed at removing obstacles to their participation.
- **Leading and learning:** All communities, irrespective of whether they are located in the cities, towns or rural areas, will have to find within themselves ways of making their settlements more

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<sup>2</sup> as promoted in Section 41 of the Constitution

<sup>3</sup> according to Chapter 6 of the Municipal Systems Act, 2000 (Act 32 of 2000).

sustainable. To create the social conditions favourable to development, Municipalities must, amongst others, build the kind of political leadership that is able to bring together communities of different persuasions, raise awareness of human rights and environmental issues, targeting particularly marginalised groups and the youth”.

*(Extract from Volume 4 no.1 – Summary brief)*

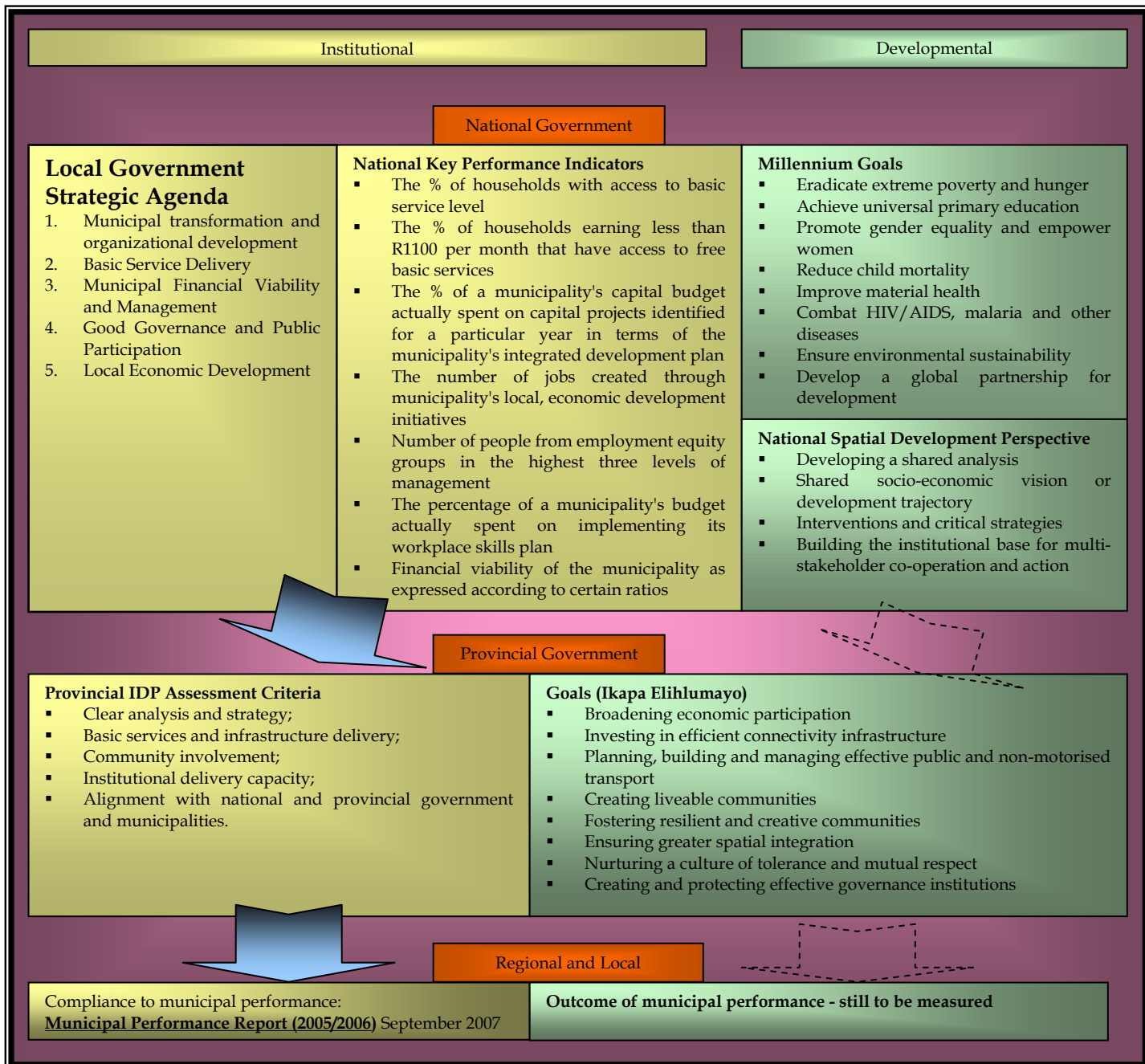
The White Paper also identifies three planning tools that can assist municipalities to become more developmental, namely:

- Integrated development planning and budgeting;
- Performance management; and
- Working with citizens and partners.

The essence of Local Government’s development planning must therefore be to deliver upon community-driven goals through the application of appropriate methods within a capacity framework originating from and created within available resources.

## 2.2 National and Provincial Key Performance Indicators

Diagram 1: Indicates the key performance indicators as identified at national and provincial levels:



## 2.3 Concise description of strategic vision of each municipality

| Municipality      | Vision:<br>Goals/ Objectives (Strategic Priorities)/ Themes/ Values   |
|-------------------|---|
| City of Cape Town | <p><b>“a sustainable City that offers a future to our children and their children; a dignified City that is tolerant, non-racist and non-sexist; an accessible City that extends the benefits of urban society to all and builds the capacity of its people; a credible City that is well governed and trusted by its people; a competent City with skills, capabilities and a competitive edge; a safe and caring City that cares for its citizens and value the safety and security of all who lives, work and play in it; a prosperous City known for its ability to compete globally in the 21<sup>st</sup> century and its commitment to tackling the challenges facing South Africa, the Southern African Development Community and the African continent; a City known for its leadership in Africa and the developing world”.</b></p> |
| Matzikama         | <p><b>“a safe, peaceful and affluent community”</b></p> <p>To provide the communities with effective, affordable and quality service through sustainable development</p>  |
| Cederberg         | <p><b>“A Visionary Municipality that works for <u>you</u>”</b></p> <p>through</p> <ul style="list-style-type: none"> <li>▪ Reliable, sustainable service delivery</li> <li>▪ Continuous service maintenance</li> <li>▪ Socially and environmentally responsible development</li> <li>▪ Effective planning and timeous implementation</li> <li>▪ Involving communities and continuous participation</li> <li>▪ Innovative Municipal services solutions</li> <li>▪ Providing an enabling environment</li> <li>▪ Prioritising the needs of the disadvantaged</li> <li>▪ Healthy inter-governmental relationships and cooperation</li> <li>▪ Ensuring financial viability and economic growth and sustainability</li> <li>▪ Visionary and competent management</li> <li>▪ Creating a safe environment</li> </ul>                                  |
| Bergriver         | <p>Supplying a responsible, duty-driven government to local communities/ provision of sustainable service delivery to communities/ promoting of social and economic development/ create a safe and healthy environment/ protect the natural environment/ involving communities and organizations in local authority matters.</p>  |
| Saldanha Bay      | <p><b>“to make this the preferred area of choice to live in, to do business in as well as for recreation”</b></p> <p>A natural choice for residence to live, work and relax in/ should have a safe, clean and beautiful residential areas with usable infrastructure/ business premises should be well planned and organised/ recreational facilities must be integrated with the residential and working environment/ the management of the region should be transparent and known for friendly service delivery.</p>  |
| Swartland         | <p><b>“to build sustainable partnerships with our people”</b></p> <p>To ensure social and economic stability and growth through sustainable service delivery of all primary and secondary services to all interested and effected parties.</p> <p>Objectives: housing; sound economic base; healthy and safe living environment; provision and exposure to the necessary training facilities; necessary sporting and recreation facilities.</p>   |
| West Coast DM     | <p><b>“a better quality of life for all”</b></p> <p>The purposeful improvement of the quality of life/ preservation of a safe environment/ pro-active and responsible stimulation of the regional economy/ pro-active cooperation.</p>  |
| Witzenberg        | <p><b>“A united, Integrated, Prosperous municipality, progressively free of poverty and dependency”</b></p> <p>To build a sustainable and environmentally sound Witzenberg that through efficient and effective utilization of its current resources establishes a platform for the progressive overcoming of poverty, underdevelopment and provides the basis for a prosperous life for all citizens</p>   |
| Drakenstein       | <p><b>“working together to create a place of opportunity”</b></p>   |

|                        |   |
|------------------------|---|
|                        | <p>Foster people's development/ develop a culture of participatory governance/ to exercise rights and duties within financial and administrative capacity/ to exercise rights and duties in a transparent and accountable fashion/ create sustainable and quality living environments/ effective and efficient administration.</p> <p>Six IDP strategic priorities: housing, LED and job creation; social infrastructure; community safety; quality living environment; institutional development.</p>  |
| Stellenbosch           | <p><b>"To be a professionally managed municipality that governs, leads and facilitates in a way that ensures -</b></p> <ul style="list-style-type: none"> <li>▪ An integrated, reconciled and united community, free from all forms of discrimination;</li> <li>▪ A harmonious, crime-free area - <ul style="list-style-type: none"> <li>○ With a vibrant economy;</li> <li>○ With a gratifying and sustainable lifestyle for all, visibly acknowledging its diverse socio-historical heritage while conserving its rich built, agricultural, rural and natural environment; and</li> <li>○ Whose hospitality, rich diversity, history and character make it a choice destination for tourists; and</li> </ul> </li> <li>▪ An acclaimed centre of learning, viticulture and sport"</li> </ul> |
| Breede Valley          | <p><b>"in the Valley of Hope we plan, work and grow in unity"</b></p> <p>Access to job opportunities/ access to land and housing/ improve health care/ improved infrastructure/ social and community facilities/ safe and secure communities</p>  |
| Breede River/Winelands | <p><b>"will strive to create a balanced and prosperous society by 2010";</b></p> <p>A transformed and fully integrated municipality/ a satisfied and well-trained workforce/ the effective and efficient facilitation and implementation of economic development initiatives and processes to ensure sustainable growth/ to provide a safe, healthy, attractive and well-maintained environment to live and work in/ to ensure a financially viable municipality/ to ensure service delivery in accordance with the Batho Pele principles and legislative requirements.</p>   |
| Cape Winelands DM      | <p><b>"establish a safe, prosperous and unified Cape Winelands, in which all its people enjoy a high standard of living";</b></p> <p>stimulating and growing the CWDM economy/ ensuring access to adequate land and affordable housing/ improving and expanding service provision to all CWDM communities/ promoting a safe environment/ Developing and maintaining the CWDM landscape and environment/ ensuring an institutional framework that fosters co-operative governance and the achievement of all CWDM objectives.</p>  |
| Theewaterskloof        | <p>Integrated sustainable communities/ developmental municipalities/ financial viability/ capacity development optimization and utilization/ local economic development/ improved customer care.</p>  |
| Overstrand             | <p><b>"to be the most desirable destination to visit, stay and do business"</b></p> <p>To facilitate and sustain an environment for the development of a world class tourism industry supported by environmentally sensitive development/ promotion of tourism and development/ provision and maintenance of municipal services/ creation and maintenance of a safe and healthy environment/ management and conservation of the natural environment/ provision of democratic and accountable development.</p>   |
| Cape Agulhas           | <p><b>"To render continuous, sustainable effective services to all inhabitants and visitors in the area in order to create a healthy and safe environment for happy communities"</b></p> <ul style="list-style-type: none"> <li>▪ To enhance service levels in whole area to the fullest</li> <li>▪ To enhance human development and wealth</li> <li>▪ Sustainable development</li> <li>▪ Effective financial management of municipal resources</li> <li>▪ Institutional transformation</li> </ul>  |
| Swellendam             | <p><b>"the youngberry mecca at the foot of the Langeberg, where historic past and beautiful natural environment meet to create a united and prosperous future for all inhabitants"</b></p> <p>To keep Swellendam and surrounding area as the youngberry mecca of the world/ continuous efforts to preserve and protect the historical and cultural past/ the preservation and balancing of sustainable utilization of the areas outstanding natural environmental resources/ the promotion of sustainable economic development/ the promotion of sustainable economic development/ the development and empowerment of human resources/ to create and provide basic services and infrastructure.</p>   |
| Overberg DM            | <p><b>"A prosperous, democratic, safe, stable and healthy paradise for its entire community, B-Municipalities and partners"</b></p>   |

|               |   |
|---------------|---|
| Kannaland     | <p><b>“to create the ideal environment in which the people of Kannaland would like to live and work. To be the place of choice”</b></p> <p>Encouraging self-reliance/ ensuring co-ordination and collaboration between stakeholders/ promote a healthy and vibrant community/ unlocking the development potential of the area/ ensuring that everyone will be active in the economy/ attracting and keeping a highly skilled workforce and ensuring that literacy and numeracy levels are above average/ enabling all communities to have access to basic services/ ensuring a safe, healthy and secure environment/ caring for our vulnerable communities/ being a government accountable to its communities.</p>  |
| Hessequa      | <p>A cooperative community where everyone reaps the fruit of a growing economy through sustainable development and utilization of our human potential and our natural resources</p>   |
| Mossel Bay    | <p><b>“to be a trend-setting, dynamic Municipality delivering quality services responsive to the demands and challenges of the community and our constitutional mandate, in which all stakeholders can participate in harmony and dignity”</b></p> <p>To render cost-effective and sustainable services, to have a motivated and representative municipal workforce, to apply good and transparent cooperative governance.</p>  |
| George        | <p><b>“to build on George’s status as the pace-setting destination in the region and utilising all resources available to us to the benefit of our Community in our growing and thriving City “</b></p>   |
| Oudtshoorn    | <p><b>“Peace and prosperity for all”</b></p> <p>Promote economic development / Provide appropriate physical infrastructure / Provide appropriate community infrastructure / promote and develop HIV/AIDS strategies / Provide adequate housing / Social development / Safety and Security</p>   |
| Bitou         | <p><b>“to be the best together”</b></p> <p>Effecting participative and accountable development Local Government and Governance/ fostering effective inter-governmental relations/ facilitating sustainable people-centred development and ensuring environmental integrity/ pro-actively identifying and securing suitable land for settlement/ facilitating housing delivery and land development/ provide effective basic services/ facilitate local economic development/ facilitating social upliftment and community integration/ adhering to the Batho Pele principles.</p>   |
| Knysna        | <p><b>“Knysna, the town that works for all”</b></p> <p>A caring and contented town / A successful and respected town / A attractive and sustainable town / A reliable functioning town / A financially sound town / A dynamic and welcoming town / A town prepared for the future</p>   |
| Eden DM       | <p><b>“a home and future for all”</b></p> <p>Good governance through institutional transformation, intergovernmental co-operation and public consultation/ develop appropriate regional economy/ create an enabling social environment that ensures safe, healthy and vibrant communities/ ensure an effective and affordable service and infrastructure delivery/ develop human and social capital/ sustain Eden environment through resource conservation, good land-use practices and people-centred planning.</p>   |
| Laingsburg    | <p><b>“The Laingsburg Municipality will be a desirable place to live, invest and visit, where all people may enjoy a sustainable quality of life by the year 2012”</b></p> <p>To create a people centred and economically viable municipality where all have equal access to basic social services, educational and skills enhancement programmes, entrepreneurial and job opportunities as well as, Enjoy a clean, sustainable environment embedded in safety and security, which is Governed by a participative, professional, transparent and accountable administration</p>   |
| Prince Albert | <p><b>“uplift the standard and quality of life of the people in the sphere of the Prince Albert Municipal area and the optimal use of the resources and the sustainable preservation thereof”</b></p> <p>The supply of services to and facilitating of development of the total community of Prince Albert/ community solidarity and co-operation/ affirmative action and eradicating historical imbalances/ supplying in the basic needs of residents/ facilitating job creation and stimulating the economy/ quality training and education for juveniles and adults/ transparent, effective and community-directed municipal management/ a culture of delivery/ sustainable and sensible management of natural resources/ facilitating democracy/ creating and maintaining an sturdy infrastructure.</p> |
| Beaufort West | <p><b>“Beaufort West, land of space in the Great Karoo, aims to improve the quality of life for all its residents, including Merweville and Nelspoort by being a sustainable, expanding and safe town”</b></p>  |



|                         |  |
|-------------------------|--|
|                         | To reflect the will of the South African people/ an effective municipal system/ to create affordable and sustainable infrastructure/ business initiatives and the hospitalisation of tourism/ empowerment of personnel, management and council members/ creating and maintaining an effective financial management system/ to develop the region as a sport and recreational mecca/ to create a crime free, safe and healthy environment/ agricultural businesses to improve job creation potential/ creation of employment/ to reduce poverty and to promote the empowerment of women/ involve HIV/ AIDS sufferers. |
| <b>Central Karoo DM</b> | <b>“optimal quality of life for all citizens”</b><br>Provide quality services for sustainable economic development and social stability through dynamic stakeholder partnerships and democratic involvement/ sustainable municipal service delivery/ improve the economy for sustainable growth/ accessible and affordable primary health care/ adequate access to land and housing/ appropriate infrastructure/ safe natural and build environment/ social development/ financially viable municipalities/ community participation/ institutional transformation and organisational development/.                   |

Table 7: Concise description of strategic vision of each municipality  
Source: *Municipal annual reports*

## 2.4 Alignment of visionary statements between spheres of government

The general perception portrayed by the universal vision statements of local government (as assumed to represent the community’s wishes) albeit with a slight difference in wording, indicates a desire to create a liveable area in which all can prosper. This is then dissected into more tangible components that correspond with the developmental goals of Ikapa Elihlumayo (see diagram 1, paragraph 2.2) but simultaneously allow for interpretation beyond the local government function and responsibility. These components represent the composite of present-day society and comprise a multitude of elements with different role players involved and require interventions and cooperation within which local government need to position their operations and planning strategically so as to ensure collaboration rather than fragmentation.

The visionary statements of the respective municipalities remained, almost without exception, similar to that of the 05/06 planning cycle. This situation is commendable and allows for stability in the delivery of services. However, the challenge which remains is whether the elected council (after the local government elections in March 2006) can positively impact development path for the specific municipalities.

The strategic focus of the City of Cape Town’s visionary statement has shifted to economic growth through infrastructure investment. This shift in approach to municipal governance would seem normal and should be welcomed. However, given the enormity of the City’s influence on its hinterland the quantitative and qualitative impact thereof should be closely monitored comprehensively and assessed as it may have some negative unintended consequences particularly for poorer communities and SMME’s. The subsequent outcome should guide and be entrenched in the planning methodology and frameworks of adjacent municipalities.

As a general concern it is crucial that key performance areas be aligned to the agreed upon visionary statement (at any given time) and must articulate the development path. The visionary statement should be interpreted as a collective device for government and communities to ensure delivery on constitutional obligations. The delivery of services is paramount in the performance of any local authority with strategic objectives to guide planning and implementation processes. These strategic objectives, without exception, necessitate operational ability that reaches “beyond boundaries”. As mentioned before the telling instrument has to be the concept of integrated development planning.

## 2.5 Integrated development planning per municipality

| Municipality           | IDP (06/07) approved by Council and implemented | Is the approved IDP seen as the single, inclusive and strategic plan for the municipality | Was the IDP prepared within set timeframes | Does the IDP include all core components (MSA) | Were community needs prioritised at ward level | Was the SDF approved (date) prior to IDP approval by Council | Did the LGMTEC engagements effect any changes in your draft IDP |
|------------------------|---|---|--|--|--|--|---|
| City of Cape Town      | yes   | yes   | yes  | yes  | yes  | yes  | no  |
| Matzikama              | yes   | yes   | yes  | yes  | yes  | no info  | no  |
| Cederberg              | yes   | yes   | yes  | yes  | yes  | May 2007   | yes   |
| Bergriver              | yes   | yes   | no   | yes  | yes  | 2002   | yes   |
| Saldanha Bay           | yes   | yes   | yes  | yes  | yes  | draft  | yes   |
| Swartland              | yes   | yes   | yes  | yes  | yes  | yes  | no  |
| West Coast DM          | yes   | no  | yes  | yes  | yes  | yes  | no  |
| Witzenberg             | yes   | no  | yes  | no   | no   | May 2007   | yes   |
| Drakenstein            | yes   | yes   | yes  | yes  | yes  | Aug 2007   | yes   |
| Stellenbosch           | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| Breede Valley          | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| Breede River/Winelands | yes   | yes   | yes  | yes  | yes  | 2001   | yes   |
| Cape Winelands DM      | yes   | yes   | yes  | yes  | NA   | yes  | yes   |
| Theewaterskloof        | yes   | yes   | yes  | yes  | yes  | no   | no  |
| Overstrand             | yes   | yes   | yes  | yes  | yes  | Jan 2007   | yes   |
| Cape Agulhas           | yes   | No info   | yes  | yes  | yes  | Feb 2006   | yes   |
| Swellendam             | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| Overberg DM            | yes   | yes   | no   | yes  | yes  | yes  | no  |
| Kannaland              | yes   | yes   | no   | yes  | yes  | May 2007   | no  |
| Hessequa               | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| Mossel Bay             | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| George                 | yes   | no  | yes  | yes  | yes  | draft  | yes   |
| Oudtshoorn             | yes   | yes   | yes  | yes  | yes  | no   | yes   |
| Bitou                  | yes   | yes   | yes  | yes  | yes  | yes  | no  |
| Knysna                 | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| Eden DM                | yes   | no  | yes  | yes  | yes  | 2003   | yes   |
| Laingsburg             | yes   | yes   | yes  | yes  | yes  | yes  | yes   |
| Prince Albert          | yes   | no  | yes  | yes  | yes  | 2006   | no  |
| Beaufort West          | yes   | yes   | yes  | yes  | yes  | May 2007   | yes   |
| Central Karoo DM       | yes   | yes   | yes  | yes  | yes  | yes  | no  |

Table 8: Integrated development planning per municipality  
Source: Questionnaire August 2007; additional questionnaire June 2008

## 2.6 Analysis of IDP processes at municipal level

All municipalities had a 2006/2007 Integrated Development Plan (IDP) which included the core components as cited in Section 26 of the MSA (32 of 2000). The indication is that not all District Municipalities prepared a framework for integrated development planning as required by Section 27 of the MSA (32 of 2000). The IDPs were, given a few exceptions, all formulated and prepared within pre-determined timeframes and include the prioritising of community needs.

This process in itself, however, did not guarantee success in service delivery and the optimum application of scarce resources. Beyond the compliance dimension, local government needs to partner with the different spheres of government to create synergy between them and find ways and means to ensure effective public participation, develop a shared analysis for generating informed consensus and build the institutional base for multi-stakeholder co-operation and action as prerequisites for development planning. The LGMTEC process as performed underpinned this approach to cooperative governance, albeit that certain municipalities indicated (during 2006/2007) a less than expected impact on local government processes and products.

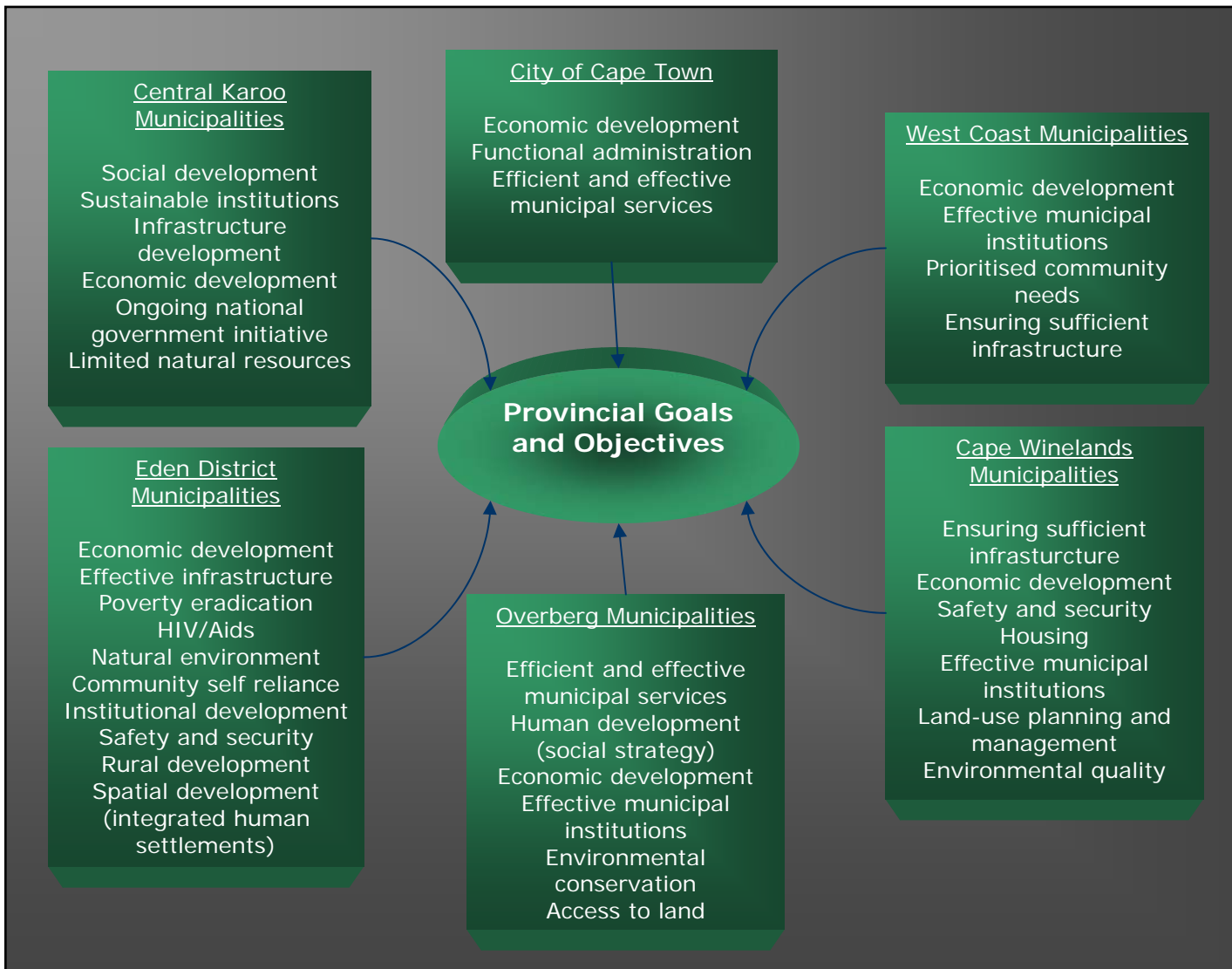
Challenges include the non-compliance in terms of Section 25 of the MSA (Act 32 of 2000); i.e. that the IDP is not deemed the single, inclusive and strategic plan for the development of the municipality. This

becomes apparent throughout this performance report in the non alignment and integration between and within the key performance areas as expected in terms of the “local government strategic agenda”. It was indicated that various IDP’s were amended during the 2006/2007 budget year, which pose the question of compliance with Section 34 (b) of the Municipal Systems Act, 2000.

The measured output of the IDP process and consequential product(s) as performance indicators of local government in the context of provincial requirements (see diagram 1), has improved

The output of the IDPs, in general, was characterised by effective preceding collation, analysis and assessment of data and statistics that inform processes to construct or formulate strategic interventions. Two critical elements that need to be addressed are the constant use of statistical data that dates back as far as 2001 (SA Stats Census data) and the lack of representative samples for rural areas. A concerning omission from most of the IDPs is reference to previous achievements and/or failures as the outcome of measurement of “past” key performance indicators.

Provincial Government Western Cape completed a comprehensive analysis of the IDPs of the respective municipalities. The diagram below refers to the IDP priorities identified within the respective IDPs, namely:



## 2.7 Institutional development and transformation

### 2.7.1 Introduction

It is important that the necessary organisational structures are in place at municipalities, posts are filled and key policies, plans and procedures to guide transformation and ensure appropriate capacity are developed and adopted by the Municipal Councils. A municipality must organise itself to meet the various objectives cited in Section 51 of the Municipal Systems Act, 2000. These objectives relate primarily to the particular needs of the municipality and other objectives cited in its Integrated Development Plan. The Municipal Manager approves the staff establishment of a municipality and further approves varying job descriptions and other conditions of service for each staff member. Staff establishments and conditions of services are subject to evaluations and review by the

Municipal Manager. The organisational structures of municipalities were not always aligned with the Integrated Development Plans of municipalities. As municipalities were and are currently in the process of reviewing the macro and micro structures it was not possible to report on the alignment per municipality.

A municipality should also ensure that its recruitment, employment and career development practices are aligned to the objectives of the Employment Equity act. These obligations are encompassed in section 67(1) of the Municipal Systems Act, 2000;

*67 (1) a municipality, in accordance with the Employment Equity Act 1998, must develop*

*and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration...*

The broad objective of the Employment Equity Act, 1998 are cited in section 2 thereof reads as follows;

*“Purpose of the Act*

*The purpose of this Act is to achieve equity in the workplace by –*

- (a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and*
- (b) implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all*

*occupational categories and levels in the workforce”*

Human Resources management is broadly aimed at building the capacity of municipalities to achieve its various service delivery objectives. To this end the Municipal Systems Act, 2000 speaks to capacity building issues.

68. (1) *A municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).*

## 2.7.2 Municipal Organisational Structure

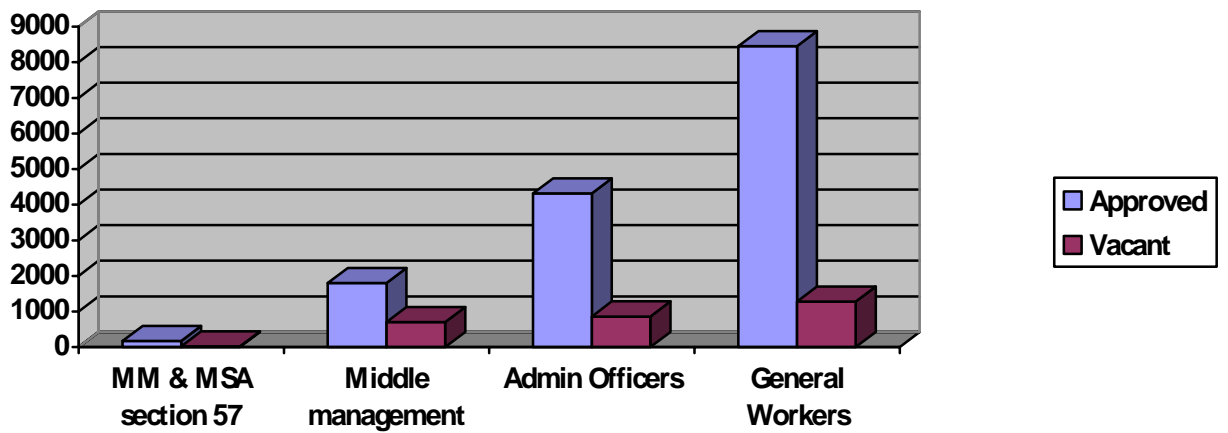
### 2.7.2.1 Filling of posts, transformation and HR policies and systems

#### 2.7.2.1.1 Number of approved and vacant posts per municipality

| Municipality             | Approved posts                   |                   |                |                 | Vacant posts        |                   |                |                 |
|--------------------------|----------------------------------|-------------------|----------------|-----------------|---------------------|-------------------|----------------|-----------------|
|                          | MM & MSA section 57              | Middle management | Admin Officers | General Workers | MM & MSA section 57 | Middle management | Admin Officers | General Workers |
| <b>City of Cape Town</b> | <b>13</b>                        | <b>1 012</b>      | <b>741</b>     | <b>4 323</b>    | <b>0</b>            | <b>298</b>        | <b>60</b>      | <b>0</b>        |
| Matzikama                | 5                                | 33                | 79             | 223             | 1                   | 2                 | 28             | 27              |
| Cederberg                | 4                                | 17                | 37             | 142             | 1                   | No info           | No info        | No info         |
| Bergriver                | 6                                | 40                | 62             | 235             | 0                   | 4                 | 4              | 24              |
| Saldanha Bay             | 5                                | 146               | 145            | 402             | 0                   | 11                | 16             | 29              |
| Swartland                | 7                                | 74                | 90             | 280             | 0                   | 8                 | 7              | 7               |
| <b>West Coast DM</b>     | <b>5</b>                         | <b>20</b>         | <b>46</b>      | <b>334</b>      | <b>0</b>            | <b>7</b>          | <b>16</b>      | <b>45</b>       |
| Witzenberg               | 3                                | No info           | 1              | No info         | 2                   | No info           | No info        | No info         |
| Drakenstein              | 8                                | 198               | 258            | 915             | 5                   | 59                | 63             | 189             |
| Stellenbosch             | 10                               | 113               | 460            | 486             | 0                   | 49                | 295            | 230             |
| Breede Valley            | 5                                | 24                | 332            | 465             | 1                   | 0                 | 13             | 43              |
| Breede River/Winelands   | 7                                | 106               | 68             | 301             | 0                   | 6                 | 3              | 14              |
| <b>Cape Winelands DM</b> | <b>7</b>                         | <b>334</b>        | <b>138</b>     | <b>462</b>      | <b>1</b>            | <b>123</b>        | <b>47</b>      | <b>187</b>      |
| Theewaterskloof          | 5                                | 43                | 173            | 368             | 0                   | 18                | 38             | 80              |
| Overstrand               | 7                                | 50                | 69             | 666             | 0                   | 9                 | 28             | 77              |
| Cape Agulhas             | 5                                | 24                | 54             | 147             | 1                   | No info           | No info        | No info         |
| Swellendam               | Incomplete information submitted |                   |                |                 |                     |                   |                |                 |
| <b>Overberg DM</b>       | <b>5</b>                         | <b>34</b>         | <b>2</b>       | <b>127</b>      | <b>0</b>            | <b>0</b>          | <b>0</b>       | <b>2</b>        |
| Kannaland                | 4                                |                   |                |                 | 3                   |                   |                |                 |
| Hessequa                 | 10                               | 117               | 86             | 230             | 2                   | 6                 | 11             | 30              |
| Mossel Bay               | Incomplete information submitted |                   |                |                 |                     |                   |                |                 |
| George                   | 9                                | 119               | 417            | 662             | 0                   | 33                | 94             | 121             |
| Oudtshoorn               | 4                                | 40                | 181            | 310             | 0                   | 9                 | 25             | 52              |
| Bitou                    | 5                                | 71                | 148            | 196             | 2                   | 16                | 12             | 14              |
| Knysna                   | 6                                | 85                | 314            | 375             | 1                   | 29                | 81             | 77              |
| <b>Eden DM</b>           | <b>13</b>                        | <b>49</b>         | <b>298</b>     | <b>331</b>      | <b>No info</b>      | <b>3</b>          | <b>No info</b> | <b>No info</b>  |
| Laingsburg               | 1                                | 3                 | 13             | 22              | 0                   | 0                 | 0              | 0               |
| Prince Albert            | 3                                | 2                 | 15             | 29              | 0                   | 0                 | 5              | 6               |
| Beaufort West            | 6                                | 37                | 65             | 234             | 1                   | 13                | 14             | 19              |
| <b>Central Karoo DM</b>  | <b>4</b>                         | <b>19</b>         | <b>25</b>      | <b>117</b>      | <b>0</b>            | <b>1</b>          | <b>1</b>       | <b>6</b>        |

Table 9: Number of approved and vacant posts per municipality  
Source: Questionnaires: August 2007

### Approved vs vacant posts



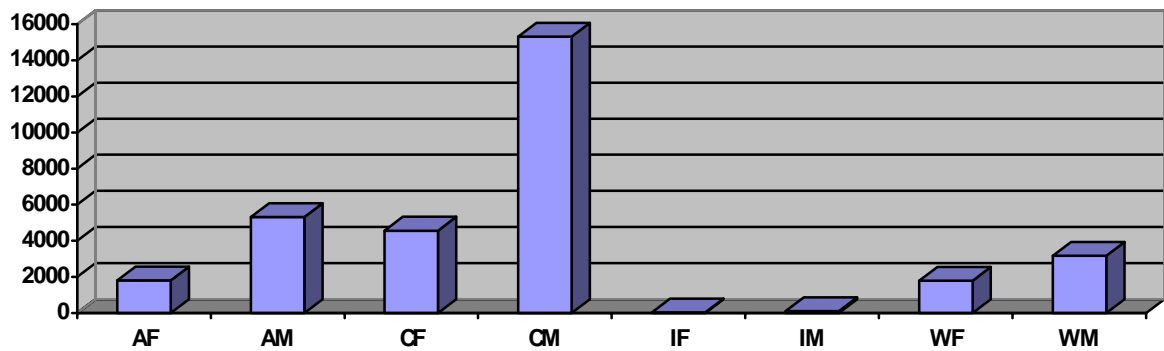
#### 2.7.2.1.2 Transformation statistics per municipality

| Municipality           | All levels                       |       |       |        |    |    |       |       |
|------------------------|----------------------------------|-------|-------|--------|----|----|-------|-------|
|                        | AF                               | AM    | CF    | CM     | IF | IM | WF    | WM    |
| City of Cape Town      | 1 280                            | 3 237 | 2 861 | 10 035 | 16 | 56 | 1 201 | 2 268 |
| Matzikama              | 2                                | 21    | 79    | 157    | 0  | 0  | 16    | 17    |
| Cederberg              | 2                                | 7     | 50    | 151    | 0  | 0  | 8     | 11    |
| Bergriver              | 2                                | 11    | 48    | 212    | 0  | 0  | 17    | 19    |
| Saldanha Bay           | 36                               | 116   | 136   | 395    | 0  | 0  | 36    | 48    |
| Swartland              | 5                                | 57    | 76    | 287    | 0  | 0  | 36    | 41    |
| West Coast DM          | 1                                | 24    | 55    | 268    | 0  | 0  | 13    | 44    |
| Witzenberg             | 24                               | 96    | 95    | 279    | 0  | 0  | 10    | 14    |
| Drakenstein            | Incomplete information submitted |       |       |        |    |    |       |       |
| Stellenbosch           | 97                               | 242   | 150   | 459    | 0  | 0  | 46    | 76    |
| Breede Valley          | 51                               | 177   | 110   | 400    | 0  | 1  | 30    | 57    |
| Breede River/Winelands | 17                               | 84    | 56    | 230    | 0  | 0  | 40    | 45    |
| Cape Winelands DM      | 50                               | 115   | 102   | 162    | 0  | 2  | 42    | 96    |
| Theewaterskloof        | 19                               | 77    | 77    | 251    | 0  | 0  | 18    | 11    |
| Overstrand             | 24                               | 240   | 78    | 286    | 0  | 0  | 69    | 95    |
| Cape Augulhas          | 0                                | 10    | 51    | 126    | 0  | 0  | 8     | 21    |
| Swellendam             | No information submitted         |       |       |        |    |    |       |       |
| Overberg DM            | 5                                | 52    | 53    | 135    | 0  | 0  | 34    | 53    |
| Kannaland              | No information submitted         |       |       |        |    |    |       |       |
| Hessequa               | 5                                | 17    | 58    | 240    | 0  | 0  | 37    | 45    |
| Mossel Bay             | Incomplete information submitted |       |       |        |    |    |       |       |
| George                 | 72                               | 231   | 177   | 336    | 2  | 2  | 47    | 80    |
| Oudtshoorn             | No information submitted         |       |       |        |    |    |       |       |

|                         |           |           |           |            |          |          |           |           |
|-------------------------|-----------|-----------|-----------|------------|----------|----------|-----------|-----------|
| Bitou                   | 37        | 136       | 41        | 105        | 1        | 1        | 6         | 21        |
| Knysna                  | 38        | 215       | 49        | 216        | 0        | 0        | 32        | 42        |
| <b>Eden DM</b>          | <b>16</b> | <b>61</b> | <b>96</b> | <b>264</b> | <b>0</b> | <b>0</b> | <b>30</b> | <b>83</b> |
| Laingsburg              | 1         | 1         | 13        | 15         | 0        | 0        | 4         | 1         |
| Prince Albert           | 0         | 0         | 5         | 34         | 0        | 0        | 2         | 3         |
| Beaufort West           | 10        | 60        | 27        | 178        | 0        | 0        | 16        | 14        |
| <b>Central Karoo DM</b> | <b>7</b>  | <b>29</b> | <b>19</b> | <b>91</b>  | <b>0</b> | <b>1</b> | <b>9</b>  | <b>9</b>  |

Table 10: Transformation statistics per municipality  
Source: Questionnaires August 2007

### Transformation statistics



#### 2.7.2.1.3 Municipal employees per race category expressed as a percentage compared with the demography of the municipal area

| Municipality      | African  | Coloured | Indian | White |
|-------------------|--|----------|--------|-------|
|                   | Demography (%) of municipality per race category |          |        |       |
|                   | Municipal employees (%) per race category        |          |        |       |
| City of Cape Town | 31.6   | 48.1     | 1.4    | 18.7  |
|                   | 21.5   | 61.5     | 0.3    | 16.5  |
| Matzikama         | 5.57   | 76.11    | 0.1    | 18.1  |
|                   | 7.8  | 80.8     | 0      | 11.3  |
| Cederberg         | 7.9  | 78.2     | 0.06   | 13.7  |
|                   | 3.9  | 87.7     | 0      | 8.2   |
| Bergriver         | 5  | 75.5     | 0.1    | 19.2  |
|                   | 3.7  | 75.8     | 0      | 10.4  |
| Saldanha Bay      | 16.9   | 63.6     | 0.4    | 18.9  |
|                   | 19.8   | 69.2     | 0      | 10.9  |
| Swartland         | 10.3   | 72.3     | 0.4    | 16.8  |
|                   | 12.3   | 72.3     | 0      | 15.3  |
| West Coast DM     | 10   | 72       | 0      | 18    |
|                   | 6  | 80       | 0      | 14    |
| Witzenberg        | 19.8   | 70.8     | 0.1    | 9.1   |
|                   | 23.1   | 72.2     | 0      | 4.6   |
| Drakenstein       | Incomplete information submitted                 |          |        |       |
| Stellenbosch      | 20.4   | 57.5     | 2      | 21.8  |
|                   | 31.7   | 56.9     | 0      | 11.4  |
| Breede Valley     | 20.1   | 65.6     | 0.3    | 13.9  |
|                   | 27.6   | 61.7     | 0.1    | 10.5  |



|                          |                                  |             |            |              |
|--------------------------|----------------------------------|-------------|------------|--------------|
| Breede River/Winelands   | 14.5                             | 71          | 0.7        | 14.3         |
|                          | 20.9                             | 59.3        | 0          | 17.6         |
| <b>Cape Winelands DM</b> | <b>19.5</b>                      | <b>64.3</b> | <b>0.2</b> | <b>8.5</b>   |
|                          | <b>28.9</b>                      | <b>46.3</b> | <b>0.3</b> | <b>24.25</b> |
| Theewaterskloof          | 22.8                             | 65.8        | 0.1        | 11.2         |
|                          | 21.1                             | 72.4        | 0          | 6.4          |
| Overstrand               | 27.1                             | 37          | 0.08       | 35.6         |
|                          | 33.3                             | 45.9        | 0          | 20.7         |
| Cape Agulhas             | 5.6                              | 68.8        | 0.1        | 25.5         |
|                          | 4.6                              | 81.9        | 0          | 13.5         |
| Swellendam               | No information submitted         |             |            |              |
| <b>Overberg DM</b>       | <b>No information available</b>  |             |            |              |
|                          | <b>17.2</b>                      | <b>56.6</b> | <b>0</b>   | <b>26.2</b>  |
| Kannaland                | No information submitted         |             |            |              |
| Hessequa                 | 4.4                              | 70.1        | 0.09       | 25.7         |
|                          | 4.9                              | 67.2        | 0          | 18.5         |
| Mossel Bay               | Incomplete information submitted |             |            |              |
| George                   | 27.2                             | 50.3        | 0.2        | 22           |
|                          | 31.9                             | 54.1        | 0.4        | 13.4         |
| Oudtshoorn               | No information submitted         |             |            |              |
| Bitou                    | 37.9                             | 40.2        | 0.3        | 21.5         |
|                          | 49.7                             | 41.9        | 0.5        | 7.7          |
| Knysna                   | 31.9                             | 44.1        | 0.1        | 23.8         |
|                          | 42.7                             | 44.7        | 0          | 12.5         |
| <b>Eden DM</b>           | <b>19.7</b>                      | <b>55.6</b> | <b>0.2</b> | <b>21.1</b>  |
|                          | <b>11.1</b>                      | <b>52.1</b> | <b>0</b>   | <b>16.3</b>  |
| Laingsburg               | 2.2                              | 82.9        | 0.11       | 14.7         |
|                          | 7.3                              | 63.4        | 0          | 12.1         |
| Prince Albert            | 1.6                              | 86.9        | 0.1        | 11.3         |
|                          | 0                                | 79.5        | 0          | 10.2         |
| Beaufort West            | 15.8                             | 73.2        | 0.12       | 10.8         |
|                          | 22.9                             | 67.2        | 0          | 9.8          |
| <b>Central Karoo DM</b>  | <b>10.2</b>                      | <b>69.1</b> | <b>0.1</b> | <b>10.2</b>  |
|                          | <b>21.8</b>                      | <b>66.6</b> | <b>0.6</b> | <b>10.9</b>  |

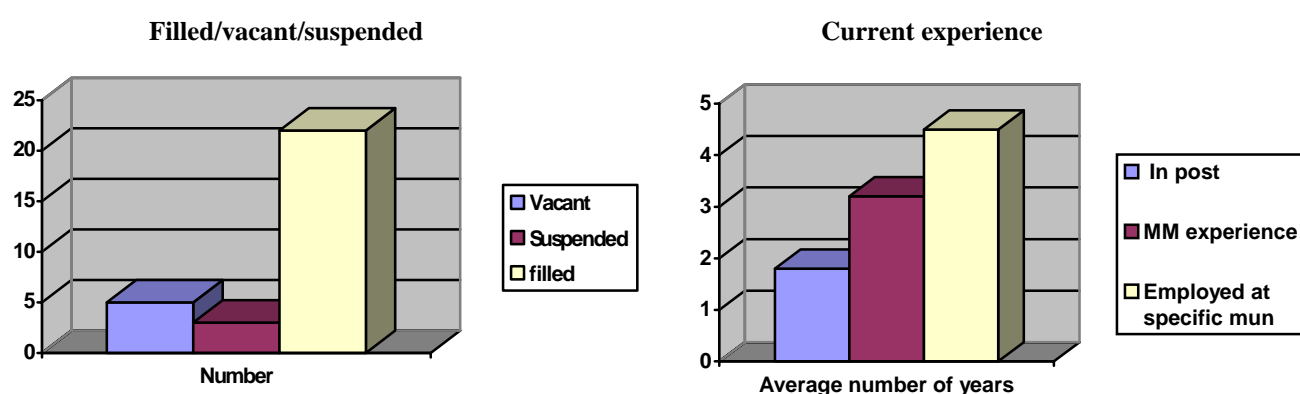
Table 11: Municipal employees per race category expressed as a percentage of the demography of the municipality  
Source: Questionnaires August 2007

#### 2.7.2.1.4 Municipal Manager Positions (Position as at 1 July 2008)

| Municipality      | Position filled (1 July 2008) | Name               | Years in position at municipality | Years municipal manager experience | Years employed by specific municipality |
|-------------------|-------------------------------|--------------------|-----------------------------------|------------------------------------|---|
| City of Cape Town | Yes                           | A Ebrahim          | 2.2                               | 2.2                                | 24                                      |
| Matzikama         | Yes                           | D O'Neill          | 4                                 | 4                                  | 12                                      |
| Cederberg         | Yes                           | G Matthyse         | 2                                 | 2                                  | 2                                       |
| Bergriver         | Vacant                        | D Daniels (Acting) | 0                                 | 5                                  | 0                                       |
| Saldanha Bay      | Suspended                     | H Snyders          | 1                                 | 1                                  | 4                                       |

|                              |                    |                         |         |     |                       |
|------------------------------|--------------------|-------------------------|---------|-----|-----------------------|
| Swartland                    | Yes                | JJ Scholtz              | 1       | 1   | 10                    |
| <b>West Coast DM</b>         | Yes                | W Rabbets               | 7       | 7   | 9                     |
| Witzenberg                   | Vacant             | D Nasson<br>(Acting)    | 0       | 0   | 2                     |
| Drakenstein                  | Yes                | ST Kabanyane            | 2       | 2   | 2                     |
| Stellenbosch                 | Suspended          | D Daniels               | 2       | 5   | 2                     |
| Breede Valley                | Yes                | A Paulse                | 8       | 8   | 8                     |
| Breede<br>River/Winlands     | Yes                | T Carstens              | 1       | 1   | 1                     |
| <b>Cape Winelands<br/>DM</b> | Yes                | M Mgajo                 | 1       | 1   | 5                     |
| Theewaterskloof              | Yes                | S Wallace               | 2       | 2   | 2                     |
| Overstrand                   | Yes                | W Zybrants              | 0       | 12  | 0                     |
| Cape Augulhas                | Vacant             | S Mngewa                | 0       | 0   | 6 months              |
| Swellendam                   | Yes                | W Hendricks             | 1.5     | 1.5 | 1.5                   |
| <b>Overberg DM</b>           | Suspended          | GW Hermanus<br>(Acting) | 6 month | 2.5 | 1                     |
| Kannaland                    | Yes                | K de Lange              | 2       | 7   | 2                     |
| Hessequa                     | Yes                | J Jacobs                | 4       | 4   | 14                    |
| Mossel Bay                   | Yes - ends July 08 | K Nicol                 | 2       | 14  | 2                     |
| George                       | Yes                | C Africa                | 2       | 2   | 5                     |
| Oudtshoorn                   | Yes                | Rev Pietersen           | 1       | 1   | 1                     |
| Bitou                        | Yes                | L Ngoqo                 | New     | 0   | 0                     |
| Knysna                       | Yes                | J Douglas               | 1.5     | 1.5 | 1.5                   |
| <b>Eden DM</b>               | Yes                | G Louw                  | New     | 2   | 0                     |
| Laingsburg                   | Yes                | P Williams              | 7       | 7   | 7                     |
| Prince Albert                | Vacant             | D Rossouw (Acting)      | 0       | 0   | 0<br>(Previous mayor) |
| Beaufort West                | Yes                | J Booysen               | 1       | 3   | 9                     |
| <b>Central Karoo DM</b>      | Vacant             | S Jooste (Acting)       | 0       | 0   | 7                     |

Table 12: Municipal Manager Positions  
Source: Survey July 2008



### 2.7.2.1. Analysis of Institutional development and transformation

The status of the Municipal Manager positions filled, positions vacant and experience are indicated in the table above. The Western Cape Municipalities have a fairly new team of Municipal Managers and the statistics (including vacant and

suspended positions) can be summarised as follows:

- The average amount of years that current Municipal Managers were in their positions amount to 1 year and 10 months. Nine of the Municipal

Managers were less than 1 year in the current position.

- The average years of Municipal Manager experience is 3.28 years, while five have less than 1 year and 17 have less than 4 years Municipal Manager experience.
- The institutional knowledge of Municipal Managers currently employed averages 4,48 years.
- 17 Municipal Managers have less than 4 years experience at a specific municipality.
- Three Municipal Managers were suspended while five positions were vacant on 1 July 2008.

The current system of local government allows for political appointments to the post of Municipal Manager (Sect 82 of Municipal Systems Act) and other senior municipal managers (Sect 57 of Municipal Systems Act). This is often cited as one of the primary reasons for the high turnover of Municipal Managers and section 57 appointees. – A number of examples are evident including the City of Cape Town where they have had five new Municipal Managers in the last ten years,

1. 1996 – ANC relieved the City Manager, Mr K Nicol, and appointed Mr A Boraine
2. 2000 – DA relieved the City Manager, Mr A Boraine, and appointed Mr R Maydon
3. 2002 – ANC reclaimed Council and dismissed the City Manager, Mr R Maydon, and appointed Advocate W Mgoqi
4. 2006 – DA won 2006 elections and relieved the City Manager, Advocate W Mgoqi, and appointed Mr A Ebrahim

This has also happened in other municipalities including Stellenbosch, Eden, Saldanha, Witzenberg, Overberg, Theewaterskloof etc. The issue of political appointments is not disputed as political parties are often required to negotiate a number of competing community/political/economic and social interests in meeting their governance objectives. This requires that they have a professional, sound, flexible, effective and constructive working relationship with the implementers (managers) of their decisions.

The matters of concern however relates to organisational memory and continuity, huge packages and settlements that normally accompany these dismissals, organisational stability and morale. In most cases, municipalities use and are often expected to function and operate with acting appointments without the necessary authority and delegations. A case in point was the Witzenberg Municipality and Overberg District Municipality – Witzenberg has only one section 57 appointee currently serving as the acting Municipal Manager and Overberg has had a number (3) of acting Municipal Managers since the suspension of the incumbent in 2007.

High and medium capacity municipalities have reported large numbers of vacant posts in their middle management structures, which average about 30%. The primary drivers and implementers of policy and organisational decisions, private or public, have always been middle managers and supervisors. This group possess the technical skills and expertise to ensure service delivery and infrastructure delivery.

Most municipalities indicated that they had huge skills shortages and disparities at this level which in turn affected effective implementation of service delivery and infrastructural development. One of the reasons the City of Cape Town was able to increase its capital spending was a result of reducing middle management level vacancies (LGMTEC Reports). A key trend was that municipalities with fewer vacancies at a middle management level (comparatively) were better organised to meet their service delivery and infrastructural demands e.g. Hessequa, Cape Agulhas, George, Knysna, Mossel Bay, Swartland, Breede River Winelands, Overstrand etc

In respect of administrative posts, proportionately and comparatively fewer posts were vacant. Municipalities also report proportionately and comparatively fewer vacancies in respect of general workers. This should not impact hugely on municipal performance but viewed collectively it will impact negatively on the overall achievement of peculiar municipal objectives for which the staff establishments was initially approved

### 2.7.3 Development and Implementation of specific HR policies and systems per municipality

The Human Resources Development Strategy (HRDS) of South Africa has as its key mission to maximise the potential of our people, through knowledge and skills acquisition, to improved livelihoods - (HRDS SA 2001).

The HRD Strategy consists of 5 strategic objectives, namely

1. Improving the foundation for human development;

2. Developing high quality skills that are more responsive to our developmental needs;
3. Improving and increasing employer participation in life long learning;
4. Supporting employment growth through creative innovation and policies; and
5. Ensuring that the four objectives above are linked.

| Municipality             | Recruitment and selection policy        | Skills Development Plan | EE Plan    | HRM and HRD Policies |
|--------------------------|---|-------------------------|------------|----------------------|
| <b>City of Cape Town</b> | yes                                     | yes                     | yes        | yes                  |
| Matzikama                | no                                      | no                      | no         | no                   |
| Cederberg                | yes                                     | yes                     | yes        | yes                  |
| Bergriver                | no                                      | yes                     | yes        | no                   |
| Saldanha Bay             | yes                                     | yes                     | yes        | yes                  |
| Swartland                | yes                                     | yes                     | yes        | yes                  |
| <b>West Coast DM</b>     | <b>Incomplete information submitted</b> |                         |            |                      |
| Witzenberg               | yes                                     | yes                     | yes        | yes                  |
| Drakenstein              | yes                                     | yes                     | yes        | yes                  |
| Stellenbosch             | yes                                     | yes                     | yes        | yes                  |
| Breede Valley            | yes                                     | yes                     | yes        | no                   |
| Breede River/Winelands   | yes                                     | yes                     | yes        | yes                  |
| <b>Cape Winelands DM</b> | <b>yes</b>                              | <b>yes</b>              | <b>yes</b> | <b>yes</b>           |
| Theewaterskloof          | yes                                     | yes                     | yes        | yes                  |
| Overstrand               | yes                                     | yes                     | yes        | yes                  |
| Cape Agulhas             | yes                                     | yes                     | yes        | no                   |
| Swellendam               | yes                                     | yes                     | yes        | yes                  |
| <b>Overberg DM</b>       | <b>yes</b>                              | <b>yes</b>              | <b>yes</b> | <b>yes</b>           |
| Kannaland                | yes                                     | yes                     | yes        | no                   |
| Hessequa                 | yes                                     | yes                     | yes        | no                   |
| Mossel Bay               | yes                                     | yes                     | yes        | no                   |
| George                   | yes                                     | yes                     | yes        | yes                  |
| Oudtshoorn               | yes                                     | yes                     | yes        | yes                  |
| Bitou                    | no                                      | yes                     | yes        | no                   |
| Knysna                   | yes                                     | yes                     | yes        | yes                  |
| <b>Eden DM</b>           | <b>yes</b>                              | <b>Yes</b>              | <b>yes</b> | <b>yes</b>           |
| Laingsburg               | yes                                     | yes                     | yes        | yes                  |
| Prince Albert            | no                                      | yes                     | yes        | no                   |
| Beaufort West            | yes                                     | yes                     | yes        | yes                  |
| <b>Central Karoo DM</b>  | <b>yes</b>                              | <b>yes</b>              | <b>yes</b> | <b>yes</b>           |

Table 13: Development and Implementation of specific HR policies and systems per municipality

Source: Questionnaires August 2007

## 2.7.4 Municipal capacity and skills development initiatives

| Municipality           | Capacity and skills development initiatives  |
|------------------------|--|
| City of Cape Town      | WPSP, Business Improvement Programme, Individual Performance Management, Staff Wellness Programmes, EAP Programme, Bursaries for Technikon and University Students among staff |
| Matzikama              | Train i.r.o. Skills Development Plan, Ongoing professional training, Extension and revision of organogram.   |
| Cederberg              | Abet; Computer Literacy, Supervisor Training; Technical training and Financial Training  |
| Bergriver              | Formal training plan that contains training as identified by the HOD's of each department  |
| Saldanha Bay           | No information submitted   |
| Swartland              | Train i.r.o. Skills Development Plan, Ongoing professional training, Organisational development intervention, learnerships, ABET, management development, job-related training |
| West Coast DM          | Skills audit, various training courses   |
| Witzenberg             | No information submitted   |
| Drakenstein            | Internal and external bursaries, Various training courses, job-related training, learnerships  |
| Stellenbosch           | No information submitted   |
| Breede Valley          | No information submitted   |
| Breede River/Winelands | Various training courses   |
| Cape Winelands DM      | No information submitted   |
| Theewaterskloof        | Capacity building initiatives addressed in the new Skills Development Plan for 2008/2009. Water Learnership and Finance Learnership  |
| Overstrand             | Job-related training, learnerships, Skills programmes, Life skills, ABET, Management development and workshops   |
| Cape Agulhas           | Capacity building initiatives in line with skills development plan   |
| Swellendam             | No information submitted   |
| Overberg DM            | Job-related training, learnerships, Skills programmes, Life skills, ABET, Management development and workshops   |
| Kannaland              | Various hands-on capacity building initiatives   |
| Hessequa               | No information submitted   |
| Mossel Bay             | Various training courses   |
| George                 | Various training courses, bursaries and learnerships in the technical fields   |
| Oudtshoorn             | No information submitted   |
| Bitou                  | Job-related training, learnerships, Skills programmes, Life skills, ABET, Management development and workshops   |
| Knysna                 | Job-related training, learnerships, Skills programmes, Life skills, ABET, Management development and workshops   |
| Eden DM                | Job-related training, learnerships, Skills programmes, Life skills, ABET, Management development and workshops   |
| Laingsburg             | Various training courses   |
| Prince Albert          | Interns, Skills development plan, regular training courses   |
| Beaufort West          | Training courses and learnerships  |
| Central Karoo DM       | Various training courses   |

Table 14: Municipal capacity and skills development initiatives  
Source: Questionnaires August 2007 and May 2008 and municipal annual reports

## 2.7.5 Analysis of HR policies and systems

Human resources frameworks, incorporated in the various human resources policies are an integral part of managing the capacity of a municipality. Primarily it also ensures transparency, consistency and accountability of human resource practices.

All municipalities assessed reported that they had developed and implemented

human resources policies. Municipalities are required to annually assess skills of its personnel and to develop and submit a workplace skills plan. Although all the municipalities submitted skills development plans and most municipalities started to implement their skills development plans, barely 1% of municipal budgets in most municipalities were used to

actually develop the skills of their employees.

All municipalities agree that Human Resources in any organisation is essential for the successful implementation of any transformation process and that the recruitment of staff with appropriate skills should not “just make up numbers”.

Training is essentially a planned process to modify behaviour and attitude through learning experience so as to achieve effective performance in an activity – In the workplace its purpose is to develop the abilities of the individual and to satisfy current and future organisational needs.

Most municipalities only spent 1% of their budgets on training.

Human Resource Management that is developmental integrated and viewed as integral to the overall performance and development of Councils is almost non-existent in the Western Cape. The research questionnaires, surveys, one on interviews with municipalities, Auditor – General reports (06/07) etc have all indicated that municipalities all have human resource policies in place – See table 13 above. This signifies a real attempt by municipalities to comply with the basic legislative and organisational compliance requirements.

## **2.8 Performance management**

### **2.8.1 Service delivery budget implementation plans (SDBIP)**

In terms of section 69 of the MFMA, the Accounting Officer of a municipality must submit a draft SDBIP for the financial year to the Mayor not later than 14 days before the approval of the budget. It must be prepared as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan.

The Municipal Finance Management Act (MFMA) defines the “service delivery and budget implementation plan” as the detailed plan approved by the Mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget.

For the 2005/06 financial year only municipalities classified as high capacity municipalities had to submit and implement SDBIP’s and for the 2006/07 financial year high, as well as medium classified municipalities had to submit and implement SDBIP’s.

The SDBIP evaluation as per the table below was based on the following three criteria:

1. Monthly projections of revenue to be collected per source
2. Monthly projections of Expenditure and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators for each vote

| Municipality             | Capacity NT   | Submitted to PT       | Submitted to PT | Evaluation      |                 |                 |
|--------------------------|---------------|-----------------------|-----------------|-----------------|-----------------|-----------------|
|                          |               | 2005/06               | 2006/07         | Criteria 1<br>% | Criteria 2<br>% | Criteria 3<br>% |
| <b>City of Cape Town</b> | <b>High</b>   | yes                   | yes             | 40              | 75              | 100             |
| Matzikama                | Medium        | Not applicable        | yes             | 20              | 33              | 0               |
| Cederberg                | Low           | Not applicable        | yes             | 10              | 17              | 50              |
| Bergriver                | Medium        | Not applicable        | yes             | Not evaluated   |                 |                 |
| Saldanha Bay             | High          | yes                   | yes             | 40              | 83              | 17              |
| Swartland                | Medium        | Not applicable        | yes             | 40              | 100             | 100             |
| <b>West Coast DM</b>     | <b>Medium</b> | <b>yes</b>            | <b>yes</b>      | <b>30</b>       | <b>67</b>       | <b>33</b>       |
| Witzenberg               | Low           | Not applicable        | yes             | 30              | 0               | 67              |
| Drakenstein              | High          | yes                   | yes             | 40              | 83              | 50              |
| Stellenbosch             | High          | no                    | yes             | 60              | 17              | 33              |
| Breede Valley            | High          | yes                   | yes             | 0               | 0               | 50              |
| Breede River/Winlands    | Medium        | yes                   | yes             | 40              | 83              | 67              |
| <b>Cape Winelands DM</b> | <b>Medium</b> | <b>Not applicable</b> | <b>yes</b>      | <b>80</b>       | <b>67</b>       | <b>17</b>       |
| Theewaterskloof          | Medium        | yes                   | yes             | 50              | 83              | 83              |
| Overstrand               | High          | yes                   | yes             | 0               | 17              | 100             |
| Cape Agulhas             | Low           | Not applicable        | yes             | 50              | 100             | 100             |
| Swellendam               | Low           | Not applicable        | yes             | 40              | 17              | 17              |
| <b>Overberg DM</b>       | <b>Medium</b> | <b>Not applicable</b> | <b>yes</b>      | <b>30</b>       | <b>17</b>       | <b>17</b>       |
| Kannaland                | Medium        | Not applicable        | yes             | 40              | 6               | 0               |
| Hessequa                 | Medium        | Not applicable        | yes             | Not evaluated   |                 |                 |
| Mossel Bay               | High          | yes                   | yes             | 60              | 83              | 33              |
| George                   | High          | yes                   | yes             | 80              | 83              | 67              |
| Oudtshoorn               | Medium        | Not applicable        | no              | Not evaluated   |                 |                 |
| Bitou                    | Medium        | yes                   | yes             | 20              | 83              | 17              |
| Knysna                   | Medium        | yes                   | yes             | 60              | 100             | 67              |
| <b>Eden DM</b>           | <b>Medium</b> | <b>yes</b>            | <b>yes</b>      | <b>50</b>       | <b>83</b>       | <b>0</b>        |
| Laingsburg               | Medium        | Not applicable        | yes             | 60              | 0               | 33              |
| Prince Albert            | Medium        | Not applicable        | yes             | 40              | 67              | 100             |
| Beaufort West            | Medium        | Not applicable        | yes             | 40              | 0               | 67              |
| <b>Central Karoo DM</b>  | <b>Medium</b> | <b>yes</b>            | <b>yes</b>      | <b>60</b>       | <b>33</b>       | <b>17</b>       |

Table 15: Service delivery and budget implementation plans  
Source: Database Provincial Treasury

## 2.8.2 Performance management systems of municipalities

The Local Government: Municipal Systems Act (2000) states that:

*A municipality through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.*<sup>4</sup>

The Act requires that a municipality:

- develops a performance management system (PMS);
- sets targets and indicators and monitors and reviews performance based on those Indicators;
- publishes an annual report on performance for the councillors, the staff, the public and other spheres of government;

- conducts an internal audit on performance before tabling the above report;
- has the annual performance report audited by the Auditor General;
- includes in their PMS the General Key Performance Indicators (KPIs) prescribed by the Minister and reports on these indicators;
- involves the community in setting indicators and targets and reviewing municipal performance.

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<sup>4</sup> Section 42



### 2.8.2.1 Implementation of performance management systems

| Municipality           | Policy and framework | Performance Management Committee | Annual Performance Report |             |                             |                     |
|------------------------|----------------------|----------------------------------|---------------------------|-------------|-----------------------------|---------------------|
|                        |                      |                                  | Performance               | Comparisons | Service delivery priorities | Performance targets |
| City of Cape Town      | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Matzikama              | no                   | no                               | no                        | no          | no                          | no                  |
| Cederberg              | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Bergriver              | yes                  | no                               | yes                       | yes         | yes                         | yes                 |
| Saldanha Bay           | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Swartland              | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| West Coast DM          | yes                  | no                               | yes                       | no          | yes                         | yes                 |
| Witzenberg             | yes                  | no                               | yes                       | no          | yes                         | yes                 |
| Drakenstein            | yes                  | no                               | yes                       | no          | yes                         | no                  |
| Stellenbosch           | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Breede Valley          | no                   | no                               | yes                       | no          | no                          | no                  |
| Breede River/Winelands | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Cape Winelands DM      | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Theewaterskloof        | no                   | no                               | yes                       | yes         | yes                         | yes                 |
| Overstrand             | yes                  | no                               | yes                       | yes         | yes                         | yes                 |
| Cape Agulhas           | yes                  | no                               | yes                       | yes         | yes                         | yes                 |
| Swellendam             | yes                  | no                               | yes                       | yes         | yes                         | yes                 |
| Overberg DM            | yes                  | no                               | yes                       | no          | yes                         | yes                 |
| Kannaland              | yes                  | no                               | yes                       | yes         | yes                         | yes                 |
| Hessequa               | no                   | no                               | yes                       | yes         | yes                         | yes                 |
| Mossel Bay             | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| George                 | no                   | yes                              | yes                       | yes         | yes                         | yes                 |
| Oudtshoorn             | no                   | no                               | no                        | no          | no                          | no                  |
| Bitou                  | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Knysna                 | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Eden DM                | yes                  | yes                              | no                        | no          | no                          | no                  |
| Laingsburg             | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Prince Albert          | no                   | no                               | yes                       | no          | yes                         | yes                 |
| Beaufort West          | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |
| Central Karoo DM       | yes                  | yes                              | yes                       | yes         | yes                         | yes                 |

Table 16: Implementation of performance management systems  
Source: Questionnaire August 2007

### 2.8.3 Reports of the Auditor-General on the performance of municipalities

The Office of the Auditor General is required to audit the performance of a municipality on an annual basis. Although 86% of the municipalities did not submit

their audit performance information on time to the auditor-general, the following summarises the key performance audit outcomes for 2006/07:

### 2.8.3.1 Performance audit outcomes for municipalities

| No. | Main findings   | Percentage of non-compliance by municipalities analysed |
|-----|---|---|
| 1   | The percentage of entities that did not report on all the predetermined objectives  | 0%  |
| 2   | The percentage of entities where the contents of their corporate/strategic plans/independent development plans did not include objectives and outcomes, as well as key performance measures and indicators for assessing their performance in delivering the desired outcomes | 24%   |
| 3   | The percentage of entities that did not report where quarterly reports on progress in achieving measurable objectives and targets were not prepared throughout the period to facilitate effective performance monitoring, evaluation and corrective action                    | 7%  |
| 4   | The percentage of entities where the measurable objectives reported in their annual reports were materially inconsistent with their predetermined objectives, as per the strategic plan   | 0%  |
| 5   | The percentage of entities where objectives were reported in their annual report although they were not included as predetermined objectives in their strategic plans and/or the budgets  | 0%  |
| 6   | The percentage of entities that could not furnish sufficient appropriate audit evidence to validate performance information   | 3%  |
| 7   | The percentage of entities where their systems relevant to generating the required information were not adequate  | 17%   |
| 8   | The percentage of entities where the evidence provided to support the performance information reported in their annual reports was materially inconsistent with the reported performance information or inadequate.   | 0%  |
| 9   | The percentage of entities that did not provide their performance information on time for audit purposes  | 86%   |

Table 17: Performance audit outcomes  
Source: Database Auditor-general

### 2.8.4 Analysis of municipal performance management systems

According to Sloman I1997: 167), performance management systems are considered to be operating when the following conditions are met

- A vision of objectives is communicated to employees
- Departmental in individual performance target are set within wider objectives
- A formal review of progress towards targets is conducted
- The whole process is evaluated to improve effectiveness

In terms of the Auditor – General (2006/7) reports, questionnaire and interviews it is

clear that most municipalities have implemented performance management systems in line with DPLG guidelines and recommendations.

A breakdown of municipal compliance with regards to performance management (See table 16) reveals that on performance policy and framework, 23 complied , 7 non compliers. 17 Municipalities do not have Performance Management Committees and 13 comply which relates to issues of public participation in municipal performance. The setting of targets, priorities and performance in terms of annual performance reports is 85% compliant.

Further interrogation and analysis of their systems has however revealed that whilst policy and systems are in place it is primarily being implemented at a Section 57 (MSA) appointee level. Even at this level it is merely implemented at a compliance level and not being used as a means of enhancing overall municipal performance. The criteria set above for effective performance management system is not met in most municipalities. The Auditor – General (06/07) reports have also indicated a clear lack of public participation in the performance of municipalities across the Western Cape.

A major challenge facing most municipalities in developing effective performance management systems is the lack of and/or Management Information Systems(MIS). MIS

describe a broad class of information systems, the goal of which is to provide integrated information to support decision-making for managers. Types of management information systems needed to support a variety of managerial end user responsibilities include information reporting systems, decision support systems and executive information systems. The current make-shift MIS within most municipalities does not serve its intended purposes and causes more confusion and anxiety than adding to effective service delivery - There is no timeous flow of information and municipalities “suffers from information overload”. Make-shift MIS are used to generate reports, mostly of a financial/statistical nature and not as a management tool for policy, planning and decision-making.

### **2.8.5 Submission of Annual reports**

The purpose of the annual report is to report on the performance of the municipality on the strategies and goals as identified and approved in their Integrated Development Plans (IDP) and translated into the budget of the municipality. Corrective measures must be implemented in instances of poor performance and included in the annual report submission. In terms of section 46 of MSA all the municipalities are required to annually prepare and submit a report on the performance of the municipality. The annual reports submitted for 2006/07 are listed below:

| <b>Municipality</b>      | <b>Capacity (NT)</b> | <b>Annual report submitted</b> |
|--------------------------|----------------------|--------------------------------|
| <b>City of Cape Town</b> | <b>High</b>          | <b>February 2008</b>           |
| Matzikama                | Medium               | February 2008                  |
| Cederberg                | Low                  | February 2008                  |
| Bergriver                | Medium               | March 2008                     |
| Saldanha Bay             | High                 | Not submitted to PT            |
| Swartland                | Medium               | January 2008                   |
| <b>West Coast DM</b>     | <b>Medium</b>        | <b>February 2008</b>           |
| Witzenberg               | Low                  | January 2008                   |
| Drakenstein              | High                 | March 2008                     |
| Stellenbosch             | High                 | January 2008                   |
| Breede Valley            | High                 | January 2008                   |
| Breede River/Winelands   | Medium               | January 2008                   |
| <b>Cape Winelands DM</b> | <b>Medium</b>        | <b>January 2008</b>            |
| Theewaterskloof          | Medium               | January 2008                   |
| Overstrand               | High                 | January 2008                   |
| Cape Agulhas             | Low                  | April 2008                     |
| Swellendam               | Low                  | March 2008                     |
| <b>Overberg DM</b>       | <b>Medium</b>        | <b>January 2008</b>            |
| Kannaland                | Medium               | March 2008                     |
| Hessequa                 | Medium               | April 2008                     |
| Mossel Bay               | High                 | January 2008                   |
| George                   | High                 | January 2008                   |
| Oudtshoorn               | Medium               | March 2008                     |
| Bitou                    | Medium               | January 2008                   |
| Knysna                   | Medium               | January 2008                   |
| <b>Eden DM</b>           | <b>Medium</b>        | <b>January 2008</b>            |
| Laingsburg               | Medium               | January 2008                   |
| Prince Albert            | Medium               | Not submitted to PT            |
| Beaufort West            | Medium               | February 2008                  |
| <b>Central Karoo DM</b>  | <b>Medium</b>        | <b>January 2008</b>            |

Table 18: Submission of annual reports  
Source: Database PT

## CHAPTER 3: BASIC SERVICE DELIVERY

### 3.1 Introduction

Municipalities, as the third independent sphere of government, are the closest to communities and are tasked primarily with developing and implementing sustainable ways to meet community needs and improve the quality of their lives with the provision of basic services i.e. water, electricity, sanitation and solid waste. The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and

extending the infrastructure to eradicate service delivery. The DLG&H must ensure that local government in the Province is fully functional to enable the delivery of infrastructure, municipal services and also support it in discharging its other functions. This chapter attempts to give an indication of the performance of the municipalities in the Western Cape during the municipal financial year ending June 2007. **The information in the tables was submitted by municipalities during June 2008.**

### 3.2 Provision of basic services

#### 3.2.1 Serviced households – level of services

| Municipality      | Type of service                               | Total nr of households (municipal info) | Total nr of households serviced    | %   | Nr of indigent households         | %        |
|-------------------|---|---|------------------------------------|-----|-----------------------------------|----------|
| City of Cape Town | Water (on site)                               | 883,933                                 | 883 933                            | 100 | 116 883                           | 13       |
|                   | Sanitation                                    | 883,933                                 | 834,606                            | 94  | 116,883                           | 14       |
|                   | Refuse removal (at least once a week at site) | Formal: 578 243, Informal: 191 078      | Formal: 578 243, Informal: 191 078 | 100 | Formal: 293 185 Informal: 191 078 | 33<br>23 |
|                   | Electricity (in house)                        | 923 396                                 | 853 814                            | 92  | 221 144                           | 23       |
| Matzikama         | Water (on site)                               | 14 497                                  | 13 797                             | 95  | 1 301                             | 9        |
|                   | Sanitation                                    |   | 13 797                             | 95  | 1 301                             | 9        |
|                   | Refuse removal (at least once a week at site) |   | 14 497                             | 100 | 1 301                             | 9        |
|                   | Electricity (in house)                        |   | 13 797                             | 95  | 1 301                             | 9        |
| Cederberg         | Water (on site)                               | 6981                                    | 4699                               | 67  | 1211                              | 25       |
|                   | Sanitation                                    |   | 3776                               | 54  | 1211                              | 32       |
|                   | Refuse removal (at least once a week at site) |   | 4548                               | 65  | 1211                              | 26       |
|                   | Electricity (in house)                        |   | 5309                               | 76  | 1211                              | 22       |
| Bergriver         | Water (on site)                               | 13 362                                  | 13 362                             | 100 | 1 942                             | 15       |
|                   | Sanitation                                    |   | 13 322                             | 99  | 1 808                             | 14       |
|                   | Refuse removal (at least once a week at site) |   | 13 362                             | 100 | 2 059                             | 15       |
|                   | Electricity (in house)                        |   | 13 362                             | 100 | 1 214                             | 9        |
| Saldanha Bay      | No information submitted                      |   |                                    |     |                                   |          |
| Swartland         | Water (on site)                               | 18 758                                  | 17 820                             | 95  | 3 559                             | 20       |
|                   | Sanitation                                    |   | 17 820                             | 95  | 3 559                             | 20       |
|                   | Refuse removal (at least once a week at site) |   | 17 820                             | 95  | 3 559                             | 20       |
|                   | Electricity (in house)                        |   | 17 820                             | 95  | 3 559                             | 20       |
| West Coast DM     | No information submitted                      |   |                                    |     |                                   |          |

|                          |  |        |                                  |     |       |                                 |
|--------------------------|--|--------|----------------------------------|-----|-------|---------------------------------|
| Witzenberg               | No information submitted                       |        |                                  |     |       |                                 |
| Drakenstein              | Water (on site)                                | 46 500 | 46 400                           | 99  | 6 579 | 14                              |
|                          | Sanitation                                     |        | 46 400                           | 99  | 6 579 | 14                              |
|                          | Refuse removal (at least once a week at site)  |        | 43 000                           | 92  | 6 579 | 14                              |
|                          | Electricity (in house)                         |        | 46 400                           | 99  | 6 579 | 14                              |
| Stellenbosch             | No information submitted                       |        |                                  |     |       |                                 |
| Breede Valley            | No information submitted                       |        |                                  |     |       |                                 |
| Breede River/Winelands   | Water (on site)                                | 21 215 | 13 346                           | 63  | 4 634 | 35                              |
|                          | Sanitation                                     |        | 13 594                           | 64  | 4 640 | 34                              |
|                          | Refuse removal (at least once a week at site)  |        | 13 831                           | 75  | 4 877 | 35                              |
|                          | Electricity (in house)                         |        | 15 184                           | 72  | 4 985 | 33                              |
| <b>Cape Winelands DM</b> | <b>Local municipality function</b>             |        |                                  |     |       |                                 |
| Theewaterskloof          | Water (on site)                                | 24 363 | Incorrect information submitted  |     | 5 869 | Incorrect information submitted |
|                          | Sanitation                                     |        |                                  |     | 5 869 |                                 |
|                          | Refuse removal (at least once a week at site)  |        |                                  |     | 5 869 |                                 |
|                          | Electricity (in house)                         |        |                                  |     | 4 234 |                                 |
| Overstrand               | Water (on site)                                | 25 142 | Incomplete information submitted |     | 2 517 | 10                              |
|                          | Sanitation                                     |        |                                  |     | 2 517 | 10                              |
|                          | Refuse removal (at least once a week at site)  |        |                                  |     | 2 517 | 10                              |
|                          | Electricity (in house)                         |        |                                  |     | 2 517 | 10                              |
| Cape Agulhas             | Incomplete information submitted               |        |                                  |     |       |                                 |
| Swellendam               | No information submitted                       |        |                                  |     |       |                                 |
| <b>Overberg DM</b>       | <b>Local municipality function</b>             |        |                                  |     |       |                                 |
| Kannaland                | No information submitted                       |        |                                  |     |       |                                 |
| Hessequa                 | No information submitted                       |        |                                  |     |       |                                 |
| Mossel Bay               | No information submitted                       |        |                                  |     |       |                                 |
| George                   | No information submitted                       |        |                                  |     |       |                                 |
| Oudtshoorn               | No information submitted                       |        |                                  |     |       |                                 |
| Bitou                    | Water (on site)                                | 13 950 | 13 950                           | 100 | 2 036 | 15                              |
|                          | Sanitation                                     |        | 13 950                           | 100 | 2 036 | 15                              |
|                          | Refuse removal (at least once a week at site)  |        | 13 950                           | 100 | 2 036 | 15                              |
|                          | Electricity (in house)                         |        | 13 950                           | 100 | 2 036 | 15                              |
| Knysna                   | Incorrect and incomplete information submitted |        |                                  |     |       |                                 |
| <b>Eden DM</b>           | <b>No information submitted</b>                |        |                                  |     |       |                                 |
| Laingsburg               | Water (on site)                                | 1 959  | 1 176                            | 61  | 651   | 56                              |
|                          | Sanitation                                     |        | 1 176                            | 61  | 651   | 56                              |
|                          | Refuse removal (at least once a week at site)  |        | 1 176                            | 61  | 651   | 56                              |
|                          | Electricity (in house)                         |        | 1 176                            | 61  | 651   | 56                              |
| Prince Albert            | Water (on site)                                | 2 614  | 2 614                            | 100 | 1 226 | 47                              |
|                          | Sanitation                                     |        | 2 614                            | 100 | 1 226 | 47                              |
|                          | Refuse removal (at least once a week at site)  |        | 2 614                            | 100 | 1 226 | 47                              |
|                          | Electricity (in house)                         |        | 2 614                            | 100 | 1 226 | 47                              |
| Beaufort West            | Water (on site)                                | 9 103  | 9 103                            | 100 | 2 957 | 32                              |

|                  |   |       |       |     |       |    |
|------------------|---|-------|-------|-----|-------|----|
|                  | Sanitation                                    |       | 9 103 | 100 | 2 569 | 28 |
|                  | Refuse removal (at least once a week at site) |       | 9 103 | 100 | 743   | 8  |
|                  | Electricity (in house)                        |       | 9 103 | 100 | 2 957 | 32 |
| Central Karoo DM | Water (on site)                               | 1 450 | 1 450 | 100 | 896   | 61 |
|                  | Sanitation                                    |       | 1 450 | 100 | 896   | 61 |
|                  | Refuse removal (at least once a week at site) |       | 1 450 | 100 | 896   | 61 |
|                  | Electricity (in house)                        |       | 1 450 | 100 | 896   | 61 |

Table 19: Serviced households – level of services  
Source: Mini questionnaire to municipalities May 2008

### 3.2.2 Basic service delivery backlogs

| Municipality                                  | Type of service                               | Area/s                                   | Total nr of households   | Total cost to address  |
|---|---|--|--|--|
| City of Cape Town                             | Housing                                       | Informal Settlements, Backyard Dwellers  | 400 000  | R30 billion  |
|   | Water (on site)                               | Informal Settlements, Backyard Dwellers  | 55 000   | R5,5 billion   |
|   | Sanitation                                    | Informal Settlements, Backyard Dwellers  | 55 000   | R550 million   |
|   | Refuse removal (at least once a week at site) | Informal Settlements, Backyard Dwellers  | Informal: 0 Backlog, 191 078 serviced units. Backyarders: 55 000 backlog   | Operational Cost: R24 mil<br>Capital Cost: R16,5 mil   |
|   | Electricity (in house)                        | Informal Settlements, Backyard Dwellers  | 102 062  | R561,341 mil   |
|   | Streets and stormwater                        | Informal Settlements, Backyard Dwellers  | There is no definite number established, as the number of such settlements continue to mushroom on a continuous daily basis. | The estimated amount as at 2006/07 Financial year stood at R6 780 224. The internal report to Internal Audit was the benchmark |
| Matzikama                                     | Housing                                       | Vredendal, Klawer, Lutzville, Doringbaai | 2 900  | R116 mil for housing & R80 mil for bulk infrastructure   |
|   | Water (on site)                               | Vredendal, Klawer, Lutzville             | 700  | R3 mil   |
|   | Sanitation                                    | Vredendal, Klawer, Lutzville             | 700  | R5 mil   |
|   | Refuse removal (at least once a week at site) | -  | 0  | 0  |
|   | Electricity (in house)                        | Vredendal, Klawer, Lutzville             | 700  | R7 mil   |
|   | Streets and stormwater                        | Vredendal, Klawer, Lutzville             | 700  | R5 mil   |
| Cederberg                                     | Housing                                       | Lamberts Bay                             | 664  | R151 mil   |
|   |   | Elandsbaai                               | 152  |  |
|   |   | Citrusdal                                | 2 140  |  |
|   |   | Graafwater                               | 212  |  |
|   |   | Clanwilliam                              | 1 959  |  |
| Water (on site)                               | Citrusdal                                     | 25                                       | R62 500  |  |
| Sanitation                                    | Lamberts Bay -Informal area                   | 45                                       | R2.2 mil   |  |
|   | Elandskloof                                   | 75                                       |  |  |
|   | Citrusdal -Informal Area                      | 82                                       |  |  |
|   | Graafwater (Leipoltville and Paleisheuwel)    | 57                                       |  |  |
| Refuse removal (at least once a week at site) | -   | 0  | 0  |  |
| Electricity (in house)                        | Clanwilliam – Khayalitsha                     | 626                                      | R16 mil  |  |
|   | Elandskloof                                   | 80                                       |  |  |
|   | Citrusdal - Petersfield                       | 180                                      |  |  |
| Streets and stormwater                        | Lamberts Bay                                  | 1,5km                                    | R30 mil  |  |
|   | Elandskloof                                   | 2km                                      |  |  |
|   | Citrusdal                                     | 1km                                      |  |  |
|   | Graafwater                                    | 2km                                      |  |  |
|   | Clanwilliam                                   | 5km                                      |  |  |

|   |   |  |  |                    |
|---|---|--|--|--------------------|
|   |   | Storm water system in all towns need upgrading                     |  | R300 mil           |
| Bergriver                                     | Housing                                       | Porterville, Piketberg, Velddrif, Redelinghuys                     | 2 300  | R124 mil           |
|   | Water (on site)                               | -  | -  | -                  |
|   | Sanitation                                    | Aurora<br>Goedverwacht Mission Station                             | 5<br>20  | R30 000<br>R83 000 |
|   | Refuse removal (at least once a week at site) | -  | -  | -                  |
|   | Electricity (in house)                        | -  | -  | -                  |
|   | Streets and stormwater                        | Goedverwacht Mission Station<br>Wittewater Mission Station         | 460<br>280   | R12 mil<br>R8 mil  |
| Saldanha Bay                                  | No information submitted                      |  |  |                    |
| Swartland                                     | Housing                                       | Whole area   | 7 200 (children staying with parents, etc)         | R345 mil           |
|   | Water (on site)                               | 0  | 0  | 0                  |
|   | Sanitation                                    | 0  | 0  | 0                  |
|   | Refuse removal (at least once a week at site) | 0  | 0  | 0                  |
|   | Electricity (in house)                        | 0  | 0  | 0                  |
|   | Streets and stormwater                        | 0  | 0  | 0                  |
| West Coast DM                                 | No information submitted                      |  |  |                    |
| Witzenberg                                    | No information submitted                      |  |  |                    |
| Drakenstein                                   | Housing                                       | No info  | No info  | No info            |
|   | Water (on site)                               | Simondium, Hermon, Magnolia (Paarl East)                           | 100  | R100 000           |
|   | Sanitation                                    | Simondium, Hermon, Magnolia (Paarl East)                           | 100  | R800 000           |
|   | Refuse removal (at least once a week at site) | Paarl West, OR Tambo   | 3 500 households serviced per central skip service | R3.2 million       |
|   | Electricity (in house)                        | All households on formal erven do have electricity                 |  |                    |
|   | Streets and stormwater                        | All formal erven have road access and storm water drainage systems |  |                    |
| Stellenbosch                                  | No information submitted                      |  |  |                    |
| Breede Valley                                 | No information submitted                      |  |  |                    |
| Breede River/Winelands                        | Housing                                       | Robertson  | 2 479  | R412,3 million     |
|   |   | Ashton   | 2 122  |                    |
|   |   | Montagu  | 820  |                    |
|   |   | Bonnievale   | 1 658  |                    |
|   |   | McGregor   | 467  |                    |
|   | Water (on site)                               | Whole area   | 764  | No info            |
|   | Sanitation                                    | Whole area   | 764  | No info            |
| Refuse removal (at least once a week at site) | Whole area                                    | 35.24%   | No info  |                    |
| Electricity (in house)                        | Whole area                                    | 11.65%   | No info  |                    |
| Streets and stormwater                        | No info                                       | No info  | No info  |                    |
| Cape Winelands DM                             | Local municipality function                   |  |  |                    |
| Theewaterskloof                               | Housing                                       | Riviersonderend  | 260  | R400 million       |
|   |   | Greyton  | 130  |                    |
|   |   | Genadendal   | 150  |                    |
|   |   | Botrivier  | 200  |                    |
|   |   | Tesselaarsdal  | 100  |                    |
|   |   | Villiersdorp   | 1400   |                    |
|   |   | Grabouw  | 3450   |                    |
|   |   | Caledon  | 700  |                    |
|   | Water (on site)                               | 0  | 0  | 0                  |
|   | Sanitation                                    | 0  | 0  | 0                  |



|              |   |  |   |                             |
|--------------|---|--|---|-----------------------------|
|              | Refuse removal (at least once a week at site) | 0  | 0   | 0                           |
|              | Electricity (in house)                        | Villiersdorp   | 200   | No info                     |
|              | Streets and stormwater                        | Whole area   | 75% of residents  | R80 million                 |
| Overstrand   | Incomplete information submitted              |  |   |                             |
| Cape Agulhas | Housing                                       | Whole area   | 2 411   | R149,5 million              |
|              | Water (on site)                               | Bredasdorp, Struisbaai, Napier                                       | 560   | R500 000                    |
|              | Sanitation                                    | Bredasdorp, Struisbaai, Napier                                       | 560   | R1 million                  |
|              | Refuse removal (at least once a week at site) | -  | 0   | 0                           |
|              | Electricity (in house)                        | No info  | No info   | No info                     |
|              | Streets and stormwater                        | Bredasdorp, Struisbaai, Napier                                       | 560   | R10 million                 |
| Swellendam   | No information submitted                      |  |   |                             |
| Overberg DM  | <b>Local municipality function</b>            |  |   |                             |
| Kannaland    | No information submitted                      |  |   |                             |
|              | Sanitation                                    | No info  | 1 080   | R43 million                 |
| Hessequa     | No information submitted                      |  |   |                             |
|              | Sanitation                                    | No info  | 3 623   | R118 million                |
| Mossel Bay   | Housing                                       | Mossel Bay, Great Brak River, Herbertsdale, Brandwacht, Friemersheim | 10 000  | R600 million                |
|              | Water (on site)                               | No info  | No info   | No info                     |
|              | Sanitation                                    | No info  | 4 440   | R290 million                |
|              | Refuse removal (at least once a week at site) | 0  | 0   | 0                           |
|              | Electricity (in house)                        | Joe Slovo  | 800   | R3,2 million                |
|              | Streets and stormwater                        | No info  | No info   | No info                     |
| George       | Housing                                       | Whole area   | 11 303  | R220 million                |
|              | Water (on site)                               | Whole area (informal dwellings)                                      | 1 185   | R4.3 million                |
|              | Sanitation                                    | Whole area   | 9 600 (Eden DM backlog study)<br>1 185 (informal dwellings) | R606 million<br>R51 million |
|              | Refuse removal (at least once a week at site) | No info  | No info   | No info                     |
|              | Electricity (in house)                        | No info  | No info   | No info                     |
|              | Streets and stormwater                        | No info  | No info   | No info                     |
| Oudtshoorn   | No information submitted                      |  |   |                             |
|              | Sanitation                                    | No info  | 3 263   | R290 million                |
| Bitou        | Housing                                       | Whole area   | 5 900   | No info                     |
|              | Water (on site)                               | Whole area   | 5 900   | R29 million                 |
|              | Sanitation                                    | Whole area   | 5 900   | R33 million                 |
|              | Refuse removal (at least once a week at site) | Whole area   | 5 900   | R7 million                  |
|              | Electricity (in house)                        | Whole area   | 5 900   | R53 million                 |
|              | Streets and stormwater                        | Whole area   | 5 900   | R12 million                 |
| Knysna       | Housing                                       | Whole area   | 6 000   | R33,6 million               |
|              | Water (on site)                               | Whole area   | 6 000   | R250 million                |
|              | Sanitation                                    | Whole area   | 9 029   | R277 million                |
|              | Refuse removal (at least once a week at site) | No info  | No info   | No info                     |
|              | Electricity (in house)                        | No info  | No info   | No info                     |
|              | Streets and                                   |  | 6 000   | R25 million                 |

|   | stormwater                                    |                                    |           |                  |          |
|---|---|------------------------------------|-----------|------------------|----------|
| Eden DM                                       | Insufficient information submitted            |                                    |           |                  |          |
| Laingsburg                                    | Housing                                       | Matjiesfontein, Laingsburg         | 1 237     | R27 million      |          |
|   | Water (on site)                               | Farms                              | 783       | R1.5 million     |          |
|   | Sanitation                                    | Farms & Matjiesfontein             | 799       |                  |          |
|   | Refuse removal (at least once a week at site) | Farms & Matjiesfontein             | 859       | No info          |          |
|   | Electricity (in house)                        | Farms                              | 783       | R7.5 million     |          |
|   | Streets and stormwater                        | Laingsburg & Matjiesfontein        | 184       | R4 million       |          |
| Prince Albert                                 | Housing                                       | Prince Albert                      | 400       | R11 mil for bulk |          |
|   |   | Leeu-Gamka                         | 300       | R12 mil for bulk |          |
|   |   | Klaarstroom                        | 200       | R13 mil for bulk |          |
|   |   | Mostly children living with parent |           |                  |          |
|   | Water (on site)                               | -                                  | 0         | 0                |          |
|   | Sanitation                                    | -                                  | 0         | 0                |          |
| Beaufort West                                 | Refuse removal (at least once a week at site) | -                                  | 0         | 0                |          |
|   | Electricity (in house)                        | -                                  | 0         | 0                |          |
|   | Streets and stormwater                        | -                                  | 0         | 0                |          |
|   | Beaufort West                                 | Housing                            | Nelspoort | 250              | R100 mil |
| Merweville                                    |   |                                    | 150       |                  |          |
| Beaufort West                                 |   |                                    | 2940      |                  |          |
| Water (on site)                               |   | -                                  | -         | -                |          |
| Sanitation                                    |   | -                                  | -         | -                |          |
| Refuse removal (at least once a week at site) |   | -                                  | -         | -                |          |
| Central Karoo DM                              | Electricity (in house)                        | -                                  | -         | -                |          |
|   | Streets and stormwater                        | Hillside Rustdene                  | 900       | R9.8 mil         |          |
| Central Karoo DM                              | <b>No backlogs in DMA</b>                     |                                    |           |                  |          |

Table 20: Basic service delivery backlogs  
Source: Mini questionnaire to municipalities May 2008

### 3.2.3 Analysis of basic service delivery

An in-depth analysis of basic service delivery was hampered by the lack of credible information at municipal level, which is of great concern (tables 19 and 20). Most municipalities have relatively good information with regard to the situation in their urban areas, but less information pertaining to their rural areas. The critical question raised by this lack of credible information - **how do municipalities do credible, effective planning without information?** One of the main challenges with the delivery of services is the escalating costs of service provision, infrastructure development and maintenance, as well as the costs of backlog eradication. An analysis of municipal financial statements indicate that most municipalities are very reliant on capital

grants to fund their capital expenditure. This further indicates that the revenue base of municipalities is insufficient to generate enough funding for provision and maintenance of basic infrastructure. Aging service delivery infrastructure and utilities exert pressure on resources, as these have to be maintained. There is a considerable shortage of funds for maintenance, mainly for roads, storm water drainage and sewerage.

The biggest challenges faced by municipalities with regard to the delivery of basic services are as follows:

- Lack of credible information
- Availability of land
- Insufficient funds for new, as well as to upgrade and maintain bulk infrastructure

- Lack of/ inadequate project management skills
- Lack of/ inadequate technical skills
- Huge rural areas with great travelling distances

### 3.2.4 Eradication of the bucket system/Sanitation backlog study

To establish the magnitude of the problem, a sanitation backlog study was undertaken by the Department in 2006/07. The project was funded by Department of Water Affairs and

Forestry (DWAF) and co-ordinated by Department of Local Government and Housing (DLG&H).

The study conducted estimated the figures and costs for the Western Cape Province as follows:

| Description   | Total for all Districts | Metro                | Total                 |
|---|-------------------------|----------------------|-----------------------|
| Nr of informal Housing with no access to basic sanitation (excluding Backyard Dwellers) | 14 507                  | 100                  | 14 607                |
| Nr of informal housing with access to shared service (excluding Backyard Dwellers)      | 21 365                  | 120 000              | 141 365               |
| Backyard dwellers with access to shared service   | 73 855                  | 180 000              | 253 855               |
| <b>Total</b>  | <b>109 727</b>          | <b>300 100</b>       | <b>409 827</b>        |
| Cost for bulk water infrastructure  | 1 701 088 865           | 2 016 184 000        | 3 717 272 865         |
| Cost for bulk sewer infrastructure  | 1 525 556 569           | 1 984 324 200        | 3 509 880 769         |
| Cost for internal water and sewer infrastructure  | 840 021 000             | 2 400 000 000        | 3 240 021 000         |
| <b>Cost to eradicate sanitation</b>   | <b>4 078 746 434</b>    | <b>6 400 908 200</b> | <b>10 479 654 634</b> |

*Note: An average growth in backlog of roughly 1,8% (compounded annually) of the existing backlog is estimated for the Province*

The challenges experienced are as follows:

- Lack of municipal infrastructure policy and strategy
- Lack of adequate infrastructure information and infrastructure management
- Institutional arrangements
- Funding and financial issues
- Technical challenges

Simply addressing the bulk infrastructure for waterborne sewerage will take several years and considerable funding. Although many urban projects funded by the MIG are underway to upgrade and develop the water and sewer systems, at present funding it could take up to 10 years to bring waterborne sanitation to all citizens of the Western Cape who currently lack the facilities.

It is imperative to take a developmental approach, by exploring other sanitation technologies that may be feasible for different areas. Implementing a system that can easily be upgraded to full-water borne in future when the funding becomes available. Many projects are underway to upgrade and develop the water and sewer systems. Implementation should be done in a phased process by replacing buckets with dry on-site sanitation where immediate implementation of a full water-borne is not feasible. Municipalities should prioritise sanitation in their budgeting process and the environment should be protected at all times when choosing a technology option. The Upgrading of Informal Settlement Programme (UISP) can be a catalyst to eradicating the bucket and overall sanitation challenges especially within the City of Cape Town

### 3.3 Completion of sectoral plans

| Municipality           | Description                 | Compiled   | Approved                                       | Part of IDP                |
|------------------------|-----------------------------|--|--|----------------------------|
| City of Cape Town      | Housing                     | yes  | yes  | yes                        |
|                        | Water (on site)             | yes  | yes  | yes                        |
|                        | Disaster management         | yes  | yes  | yes                        |
|                        | Integrated waste management | yes  | yes  | yes                        |
|                        | Integrated transport        | yes  | yes  | yes                        |
| Matzikama              | Housing                     | yes  | yes  | yes                        |
|                        | Water (on site)             | yes  | yes  | yes                        |
|                        | Disaster management         | yes  | yes  | yes                        |
|                        | Integrated waste management | yes  | yes  | yes                        |
|                        | Integrated transport        | no   | no   | no                         |
| Cederberg              | Housing                     | yes  | No (partly approved due to changes to be made) | no                         |
|                        | Water (on site)             | yes  | yes  | no                         |
|                        | Disaster management         | yes  | yes  | yes                        |
|                        | Integrated waste management | no   | no   | no                         |
|                        | Integrated transport        | no   | no   | no                         |
| Bergriver              | Housing                     | no   | no   | no                         |
|                        | Water (on site)             | yes  | yes  | yes                        |
|                        | Disaster management         | no - in process  | no   | no                         |
|                        | Integrated waste management | in process   | no   | no                         |
|                        | Integrated transport        | in process   | no   | no                         |
| Saldanha Bay           | No information submitted    |  |  |                            |
| Swartland              | Housing                     | yes  | yes  | yes                        |
|                        | Water (on site)             | yes  | yes  | yes                        |
|                        | Disaster management         | yes  | yes  | yes                        |
|                        | Integrated waste management | yes  | yes  | yes                        |
|                        | Integrated transport        | Under review   | Under review                                   | Under review               |
| West Coast DM          | No information submitted    |  |  |                            |
| Witzenberg             | No information submitted    |  |  |                            |
| Drakenstein            | Housing                     | yes  | yes  | yes                        |
|                        | Water (on site)             | yes  | Yes, but in process of updating for Approval   | yes                        |
|                        | Disaster management         | No info  | No info  | No info                    |
|                        | Integrated waste management | yes  | yes  | yes                        |
|                        | Integrated transport        | Cape Winelands District Municipality is compiling the Integrated Transport plans (ITP) for all the Categories B Municipalities in their area. The current public transport record and operating licence strategy, two of the components of the ITP will continue in 2008/09. Funding of these components by Province |  |                            |
| Stellenbosch           | No information submitted    |  |  |                            |
| Breede Valley          | No information submitted    |  |  |                            |
| Breede River/Winelands | Housing                     | yes  | yes  | yes                        |
|                        | Water (on site)             | yes  | yes  | yes                        |
|                        | Disaster management         | yes  | yes  | yes                        |
|                        | Integrated waste management | yes  | yes  | yes                        |
|                        | Integrated transport        | no   | no   | no - Part of District plan |
| Cape Winelands DM      | Local municipality function |  |  |                            |

|                    |                                    |                                       |         |         |
|--------------------|------------------------------------|---------------------------------------|---------|---------|
| Theewaterskloof    | Housing                            | yes                                   | yes     | yes     |
|                    | Water (on site)                    | yes                                   | yes     | yes     |
|                    | Disaster management                | yes                                   | not yet | yes     |
|                    | Integrated waste management        | yes                                   | yes     | yes     |
|                    | Integrated transport               | yes                                   | yes     | yes     |
| Overstrand         | Housing                            | yes                                   | yes     | yes     |
|                    | Water (on site)                    | Updated one in process of compilation | yes     | yes     |
|                    | Disaster management                | yes                                   | yes     | yes     |
|                    | Integrated waste management        | yes                                   | yes     | yes     |
|                    | Integrated transport               | District Plan                         | yes     | yes     |
| Cape Agulhas       | Housing                            | yes                                   | no      | no      |
|                    | Water (on site)                    | yes                                   | no      | no      |
|                    | Disaster management                | yes                                   | no      | no      |
|                    | Integrated waste management        | no                                    | no      | no      |
|                    | Integrated transport               | no                                    | no      | no      |
| Swellendam         | No information submitted           |                                       |         |         |
| <b>Overberg DM</b> | <b>Local municipality function</b> |                                       |         |         |
| Kannaland          | No information submitted           |                                       |         |         |
| Hessequa           | No information submitted           |                                       |         |         |
| Mossel Bay         | Housing                            | No, in process                        | no      | yes     |
|                    | Water (on site)                    | No info                               | No info | No info |
|                    | Disaster management                | yes                                   | no      | yes     |
|                    | Integrated waste management        | No info                               | No info | No info |
|                    | Integrated transport               | No info                               | No info | No info |
| George             | Housing                            | yes                                   | yes     | yes     |
|                    | Water (on site)                    | yes                                   | yes     | yes     |
|                    | Disaster management                | no                                    | no      | no      |
|                    | Integrated waste management        | yes                                   | yes     | yes     |
|                    | Integrated transport               | yes                                   | yes     | yes     |
| Oudtshoorn         | No information submitted           |                                       |         |         |
| Bitou              | Housing                            | no                                    | no      | no      |
|                    | Water (on site)                    | yes                                   | yes     | yes     |
|                    | Disaster management                | yes                                   | yes     | yes     |
|                    | Integrated waste management        | no                                    | no      | no      |
|                    | Integrated transport               | yes                                   | yes     | yes     |
| Knysna             | Housing                            | yes                                   | yes     | yes     |
|                    | Water (on site)                    | yes                                   | yes     | yes     |
|                    | Disaster management                | yes                                   | yes     | yes     |
|                    | Integrated waste management        | yes                                   | yes     | yes     |
|                    | Integrated transport               | yes                                   | yes     | yes     |
| Eden DM            | Housing                            | no                                    | no      | yes     |
|                    | Water (on site)                    | yes                                   | yes     | yes     |
|                    | Disaster management                | yes                                   | yes     | yes     |
|                    | Integrated waste management        | yes                                   | yes     | yes     |
|                    | Integrated transport               | yes                                   | yes     | yes     |

|                  | <b>transport</b>            |                   |                   |                                   |
|------------------|-----------------------------|-------------------|-------------------|-----------------------------------|
| Laingsburg       | Housing                     | yes               | yes               | yes                               |
|                  | Water (on site)             | yes               | yes               | yes                               |
|                  | Disaster management         | yes               | yes               | yes                               |
|                  | Integrated waste management | yes               | yes               | yes                               |
|                  | Integrated transport        | no                | no                | no, busy with local, use Regional |
| Prince Albert    | Housing                     | yes               | yes               | yes                               |
|                  | Water (on site)             | yes               | yes               | yes                               |
|                  | Disaster management         | in process        | in process        | in process                        |
|                  | Integrated waste management | no                | no                | no                                |
|                  | Integrated transport        | no                | no                | no                                |
| Beaufort West    | Housing                     | yes/no            | yes/no            | yes/no                            |
|                  | Water (on site)             | yes               | yes               | yes                               |
|                  | Disaster management         | no                | no                | no                                |
|                  | Integrated waste management | yes               | yes               | yes                               |
|                  | Integrated transport        | use district plan | use district plan | use district plan                 |
| Central Karoo DM | Housing                     | no                | no                | No                                |
|                  | Water (on site)             | yes               | yes               | yes                               |
|                  | Disaster management         | yes               | yes               | yes                               |
|                  | Integrated waste management | yes               | yes               | yes                               |
|                  | Integrated transport        | yes               | yes               | yes                               |

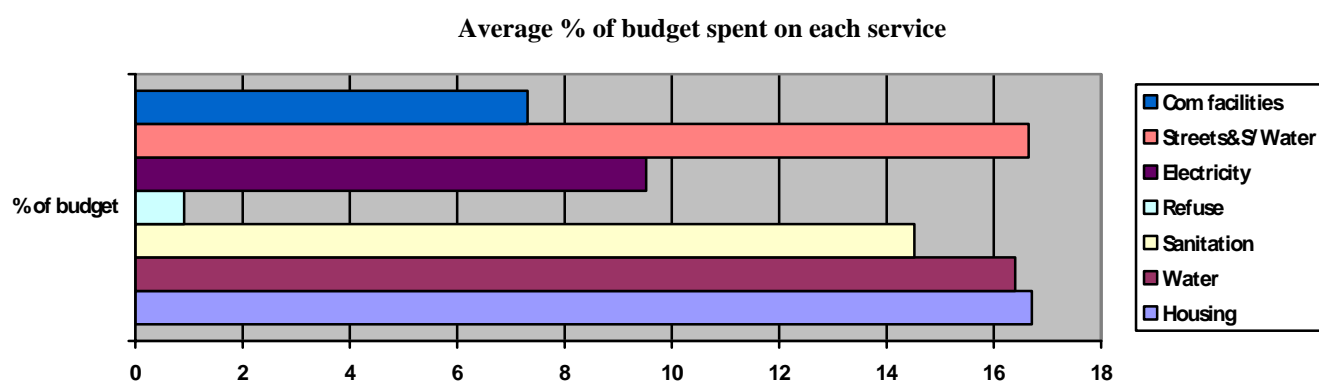
Table 21: Completion of sectoral plans  
Source: Mini questionnaire May 2008

### 3.4 Percentage (%) of capital budget spent on each service for 2006/07

| Municipality             | Housing                             | Water     | Sanitation | Refuse Removal | Electricity | Streets & Storm Water | Community facilities |
|--------------------------|-------------------------------------|-----------|------------|----------------|-------------|-----------------------|----------------------|
| City of Cape Town        | 7.00                                | 7.00      | 5.00       | 4.00           | 13.00       | 5.00                  | 2.00                 |
| Matzikama                | 0                                   | 8.00      | 27.50      | 0              | 29.00       | 7.20                  | 28.30                |
| Cederberg                | Incomplete information submitted    |           |            |                |             |                       |                      |
| Bergriver                | Incomplete information submitted    |           |            |                |             |                       |                      |
| Saldanha Bay             | Incomplete information submitted    |           |            |                |             |                       |                      |
| Swartland                | Not part of own capital budget      | 7.70      | 23.90      | 1.00           | 13.00       | 35.50                 | 7.60                 |
| <b>West Coast DM</b>     | <b>0</b>                            | <b>65</b> | <b>0</b>   | <b>0</b>       | <b>0</b>    | <b>0</b>              | <b>15</b>            |
| Witzenberg               | 55.40                               | 5.70      | 18.90      | 0              | 7.30        | 4.00                  | 2.50                 |
| Drakenstein              | 12.56                               | 9.92      | 14.72      | 2.47           | 12.97       | 5.40                  | 4.51                 |
| Stellenbosch             | 21.30                               | 7.71      | 0.82       | 1.49           | 16.29       | 18.23                 | 10.65                |
| Breede Valley            | 21.86                               | 16.97     | 28.32      | 0              | 9.98        | 10.23                 | 23.64                |
| Breede River/Winelands   | Incomplete information submitted    |           |            |                |             |                       |                      |
| <b>Cape Winelands DM</b> | <b>Local municipality functions</b> |           |            |                |             |                       |                      |
| Theewaterskloof          | 52.66                               | 14.16     | 17.38      | 1.08           | 3.99        | 4.58                  | 1.95                 |
| Overstrand               | 9.00                                | 10.00     | 7.00       | 2.00           | 19.00       | 25.00                 | 6.00                 |
| Cape Agulhas             | 32.26                               | 21.52     | 3.50       | 2.00           | 12.30       | 26.83                 | 0                    |
| Swellendam               | Incomplete information submitted    |           |            |                |             |                       |                      |
| <b>Overberg DM</b>       | <b>Local municipality functions</b> |           |            |                |             |                       |                      |
| Kannaland                | 0                                   | 0         | 67.52      | 0              | 1.00        | 0                     | 9.00                 |
| Hessequa                 | Part of                             | 4.00      | 28.90      | 0.20           | 10.20       | 32.80                 | 4.10                 |

|                         | operating budget                                |              |          |             |             |              |          |
|-------------------------|---|--------------|----------|-------------|-------------|--------------|----------|
| Mossel Bay              | 0.31  | 0.87         | 0.49*    |             | 0.44        | 7.73         | 0.06     |
| George                  | 2.00  | 19.00        | 10.00    | 0           | 10.00       | 36.00        | 3.00     |
| Oudtshoorn              | Incomplete information submitted                |              |          |             |             |              |          |
| Bitou                   | 21.00   | 14.00        | 1.00     |             | 3.00        | 13.00        | 1.00     |
| Knysna                  | 21.41   | 28.99        | 4.63     | 0           | 16.78       | 21.58        | 0        |
| <b>Eden DM</b>          | <b>Information provided in incorrect format</b> |              |          |             |             |              |          |
| Laingsburg              | 39.30   | 16.20        | 30.20    | 0           | 2.20        | 4.30         | 7.80     |
| Prince Albert           | 0   | 54.60        | 1.10     | 0           | 3.50        | 21.70        | 19.10    |
| Beaufort West           | Incomplete information submitted                |              |          |             |             |              |          |
| <b>Central Karoo DM</b> | <b>38.13</b>                                    | <b>16.60</b> | <b>0</b> | <b>3.98</b> | <b>6.37</b> | <b>33.88</b> | <b>0</b> |

Table 22: Percentage (%) of capital budget spent on each service  
Source: Questionnaires August 2007



### 3.5 Percentage (%) of Capital Budget spent

| Municipality             | % of Capital budget spent 2005/06 | % of Capital budget spent 2006/07                          | Reasons for under spending  |
|--------------------------|-----------------------------------|--|---|
| City of Cape Town        | 71.39                             | 76.76  | Housing rental programme restructuring, external funding not received on time   |
| Matzikama                | 31.63                             | 26.23  | No reasons were given   |
| Cederberg                | 52.52                             | 49.97  | No reasons were given   |
| Bergriver                | 52.20                             | 48.93  | No reasons were given   |
| Saldanha Bay             | 89.94                             | 82.75  | No reasons were given   |
| Swartland                | 92.57                             | 77.11  | Time consuming Environmental Impact Assessments<br>Projects still under construction  |
| <b>West Coast DM</b>     | <b>70.95</b>                      | <b>52.83</b>   | <b>Time-consuming EIA's, vacant technical posts, work still in progress, saving on various projects</b>   |
| Witzenberg               | 49.22                             | 79.80  | Lack of capacity in project management  |
| Drakenstein              | 85.92                             | 64.94  | Capacity, red tape with EIA's and SCM processes   |
| Stellenbosch             | 62.46                             | 62.51<br>(Spending on own funds for capital was 94.8%)     | External funding budgeted for, did not realise  |
| Breede Valley            | 83.08                             | 77.05  | Delays in housing project, partners in N1 Fly-bridge not on board   |
| Breede River/Winelands   | 83.77                             | 354.48   | -   |
| <b>Cape Winelands DM</b> | <b>55.82</b>                      | <b>55.82</b>   | Local municipalities could not provide counter funding & lack of technical capacity   |
| Theewaterskloof          | 81.23                             | 63.28  | SCM processes   |
| Overstrand               | 86.38                             | 87.44  | Technical capacity, time constraints with long SCM processes  |
| Cape Agulhas             | 82.49                             | 68.19- % for total budget (90% spent on own capital funds) | External funding was not received on time - MIG project, EIA's for some projects were not received in time, Council revised budget, EIA's not in time for |

|                               |               | budget)  | completion  |
|-------------------------------|---------------|--|---|
| Swellendam                    | 66.90         | 56.94  | No reasons were provided  |
| <b>Overberg DM</b>            | <b>84.44</b>  | <b>59.15</b>   | <b>Lack of Capacity, restructuring of municipality</b>  |
| Kannaland                     | 19.01         | 83.75  | Lack of Capacity  |
| Hessequa                      | 73.26         | 69.90  | Lack of technical skills, poor planning   |
| Mossel Bay                    | 49.38         | 74.99  | Filling of vacant posts   |
| George                        | 96.50         | 91.40  | Delivery problem with equipment, and funds from provincial government transferred to future years |
| Oudtshoorn                    | Not available | Capital budget detail not in fin statements, still IMFO standards  |   |
| Bitou                         | 32.82         | 39.66  | No reasons were given   |
| Knysna                        | 83.36         | 89.55  | MIG Flood funds were received to late and had to be rolled over                                   |
| <b>Eden DM</b>                | 78.54         | Cannot be accurately determined due to implementation of GAMAP/GRAP- re-evaluation of land and buildings took place, which gives unrealistic % |   |
| Laingsburg                    | 82.71         | 65.90  | Lack of capacity (Project management & technical)   |
| Prince Albert                 | 50.63         | 79.34  | Lack of capacity (Project management & technical)   |
| Beaufort West                 | 63.05         | 54.41  | No reasons were given   |
| <b>Central Karoo DM</b>       | 84.63         | 115.88   | N/A   |
| <b>Average % for Province</b> | <b>66.56</b>  | <b>73.63</b>   |   |

Table 23: Percentage (%) of capital budget spent  
Source: Municipal Financial statements 2005/06, 206/07 & Questionnaire August 2007

### 3.6 Analysis of sectoral plans, % capital spent on each service and % of capital budget spent

Most municipalities have the required sectoral plan as part of the IDP's, although not all municipalities submitted information on their sectoral plans. Due to inadequate information received on the level of services an analysis to determine whether municipalities spent their capital budgets in line with the needs as identified (in the level of services data and backlogs) was not possible.

Although the average percentage of capital budget spent for the Province has improved from approximately 66.56% in 2005/06 to 73.63% in 2006/07, it is not sufficient if all the Provincial service delivery challenges in the various municipal areas are taken into account. The main reason cited by municipalities for under spending their capital budgets (both financial years) was the lack of capacity/technical skills in their Engineering/Technical Departments.

As in the 2005/06 financial year and as mentioned before, almost all municipalities indicated that a lack of funding for bulk services hampered their delivery on basic services, especially with regard to the provision of housing. An analysis of municipal financial statements indicated that most municipalities were very reliant on capital grants to fund their capital expenditure. This is not ideal and a clear indication that the revenue base of municipalities is insufficient to generate enough funding for provision and maintenance of basic infrastructure. The biggest part of municipal capital budgets was allocated for bulk water and sanitation and very little towards maintenance of existing infrastructure. The maintenance budget is the first to be reduced when budgets cuts were made. The situation was and is not ideal and in many municipalities the bulk of the maintenance was and is done on an ad hoc basis. This is partly due to the fact that most



capital grants, the largest one being MIG, must largely be utilised for new infrastructure and the formula that is used to determine the amount allocated favours bulk water and sanitation. Capital expenditure

includes addressing backlogs and most municipalities normally did not have sufficient own funds to address these huge capital expenditure.

## 3.7 Free basic services

### 3.7.1 Free basic services provided per type of service per household

| Municipality                      | Electricity                                     |                           | Water   |                          | Sanitation                                      |                                 | Refuse removal                                  |                                 |
|-----------------------------------|---|---------------------------|---|--------------------------|---|---------------------------------|---|---------------------------------|
|                                   | Nr of indigent household receiving free service | Units per household (kwh) | Nr of indigent household receiving free service | Units per household (kl) | Nr of indigent household receiving free service | Units/ R value pm per household | Nr of indigent household receiving free service | Units/ R value pm per household |
| City of Cape Town                 | 411 238   | 50                        | 200 000   | 6                        | 200 000   | 4.2 kl                          | No info   | No info                         |
| Matzikama                         | 1 301   | 50                        | 1 301   | 6                        | 1 301   | R73.25                          | 1 301   | R36.85                          |
| Cederberg                         | 975   | 30                        | 975   | 6                        | 897   | R54.70                          | 975   | R45.47                          |
| Bergriver                         | 1 214   | 50                        | 1 942   | 6                        | 1 808   | R67.26                          | 2 059   | R60.42                          |
| Saldanha Bay                      | No information submitted                        |                           |   |                          |   |                                 |   |                                 |
| Swartland                         | 5 105   | 50                        | 3 559   | 6                        | 3 559   | R62.48                          | 3 559   | R43.69                          |
| <b>West Coast DM Municipality</b> | <b>876</b>                                      | <b>50</b>                 | <b>259</b>                                      | <b>6</b>                 | <b>224</b>                                      | <b>R25.00</b>                   | <b>641</b>                                      | <b>R20.00</b>                   |
| Witzenberg                        | 1 592   | 50                        | 1 174   | 6                        | 1 174   | R78.25                          | 1 174   | R89.75                          |
| Drakenstein                       | 12 925  | 50                        | 12 925  | 6                        | 12 925  | R85.00                          | 12 925  | R85.00                          |
| Stellenbosch                      | 9 095   | 50                        | 9 095   | 6                        | 9 095   | R42.74                          | 9 095   | R47.05                          |
| Breede Valley                     | 5 315   | 50                        | 5 205   | 6                        | 5 205   | R33.01                          | 5 205   | R37.45                          |
| Breede River/Winelands            | 4 985   | 50                        | 4 634   | 6                        | 4 640   | R36.83                          | 4 877   | R36.83                          |
| <b>Cape Winelands DM</b>          | <b>Local municipal function</b>                 |                           |   |                          |   |                                 |   |                                 |
| Theewaterskloof                   | 5 217   | 50                        | 5 217   | 6                        | 5 217   | R32.50                          | 5 217   | R32.50                          |
| Overstrand                        | 3 145   | 50                        | 3 145   | 6                        | 3 145   | R36.40                          | 3 145   | R71.49                          |
| Cape Agulhas                      | 1 107   | 50                        | 1 107   | 6                        | 1 107   | R42.70                          | 1 107   | R47.50                          |
| Swellendam                        | 1 202   | 20                        | 1 420   | 6                        | 0   | 0                               | 0   | 0                               |
| <b>Overberg DM</b>                | <b>Local municipal function</b>                 |                           |   |                          |   |                                 |   |                                 |
| Kannaland                         | 1 013   | 50                        | 1 013   | 7                        | 647   | R75.32                          | 1 013   | R62.55                          |
| Hessequa                          | 4 509   | 50/20                     | 3 909   | 6                        | 3 909   | R57.07                          | 3 909   | R44.40                          |
| Mossel Bay                        | 5 680   | 50                        | 5 229   | 6                        | 5 229   | R48.58                          | 5 229   | R23.70                          |
| George                            | 7 368   | 50                        | 10 111  | 6                        | 11 5000   | R41.34                          | 11 5000   | R53.750                         |
| Oudtshoorn                        | 3 572   | 50                        | 3 288   | 6                        | 3 288   | R41.83                          | 3 288   | R40.16                          |
| Bitou                             | 1 461   | 50                        | 1 461   | R37.05                   | 1 461   | R52.73                          | 1 461   | R43.32                          |
| Knysna                            | 5 923   | 50                        | 1 073   | 8                        | 1 073   | R66.66                          | 1 073   | R65.75                          |
| <b>Eden DM</b>                    | <b>145</b>                                      | <b>50</b>                 | <b>439</b>                                      | <b>6</b>                 | <b>330</b>                                      | <b>R30.03</b>                   | <b>418</b>                                      | <b>R18.84</b>                   |
| Laingsburg                        | 680   | 50                        | 680   | 6                        | 680   | R52.50                          | 680   | R41.00                          |
| Prince Albert                     | 763   | 50                        | 1 226   | 6                        | 1 226   | R45.52                          | 1 226   | R31.85                          |
| Beaufort West                     | 2 957   | 50                        | 2 957   | 6                        | 2 569   | R28.20                          | 743   | R16.90                          |
| <b>Central Karoo DM</b>           | <b>1 700</b>                                    | <b>50</b>                 | <b>1 100</b>                                    | <b>6</b>                 | <b>100/317</b>                                  | <b>R29.79/ R13.40</b>           | <b>100</b>                                      | <b>R29.64</b>                   |

Table 24: Free basic services provided per type of service per household

### 3.7.2 Analysis of the provision of free basic services

All municipalities (those responsible for the provision of specific services) provided the nationally required free basic services to their indigent households where the households were linked to the grid. They had indigent registers that were updated regularly. A few municipalities also provided a certain amount of free basic services to their non-indigent households, i.e. electricity and water. The number of indigent households

receiving free basic services increased slightly annually as new houses were built and households are linked to the grid. Most municipalities also had agreements in place with Eskom to refund free basic electricity that were rendered to indigent households in Eskom service areas. Municipalities financed free basic services with their equitable share grant from the national government.

## 3.8 Municipal Infrastructure Grant (MIG)

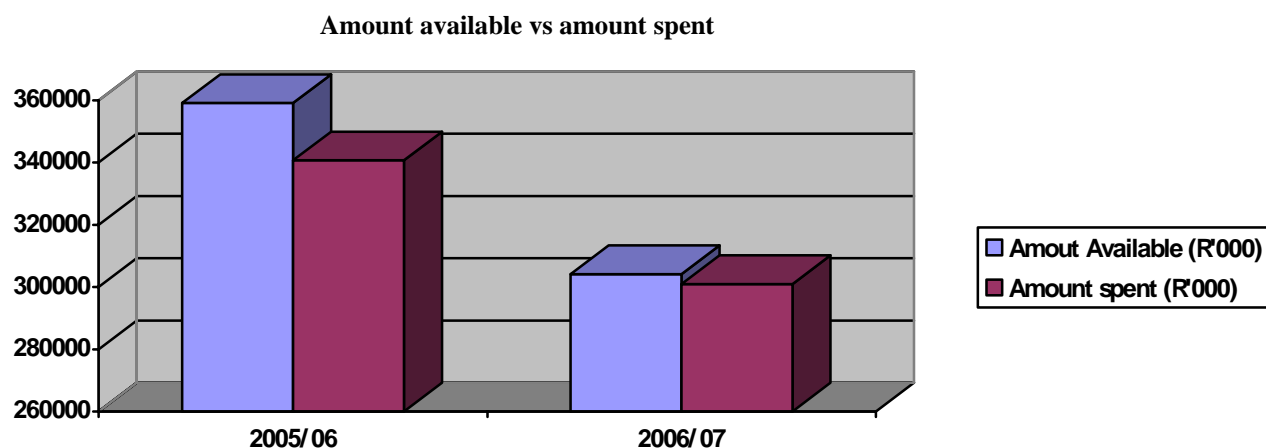
### 3.8.1 MIG expenditure

| Municipality                      | 2005/06                                  |                       |            | 2006/07                                  |                       |            |
|-----------------------------------|--|-----------------------|------------|--|-----------------------|------------|
|                                   | Available funding<br>R'000               | Amount spent<br>R'000 | % spent    | Available funding<br>R'000               | Amount spent<br>R'000 | % spent    |
| City of Cape Town                 | 211 325                                  | 211 325               | 100        | 196 656                                  | 196 656               | 100        |
| Matzikama                         | 3 078                                    | 1 646                 | 53         | 5 729                                    | 5 437                 | 95         |
| Cederberg                         | 4 031                                    | 1 657                 | 41         | 1 999                                    | 1 999                 | 100        |
| Bergriver                         | Part of district municipality allocation |                       |            |  |                       |            |
| Saldanha Bay                      | 2 758                                    | 2 758                 | 100        | 2 928                                    | 2 928                 | 100        |
| Swartland                         | 4 597                                    | 4 597                 | 100        | 3 555                                    | 3 555                 | 100        |
| <b>West Coast DM Municipality</b> | <b>6 503</b>                             | <b>3 844</b>          | <b>59</b>  | <b>4 329</b>                             | <b>4 311</b>          | <b>99</b>  |
| Witzenberg                        | Part of district municipality allocation |                       |            | 3 795                                    | 3 693                 | 97         |
| Drakenstein                       | 13 950                                   | 11 322                | 81         | 9 821                                    | 9 821                 | 100        |
| Stellenbosch                      | 14 912                                   | 10 435                | 70         | 9 407                                    | 8 192                 | 87         |
| Breede Valley                     | 7 406                                    | 7 406                 | 100        | 6 905                                    | 6 905                 | 100        |
| Breede River/Winelands            | 3 550                                    | 3 550                 | 100        | 4 223                                    | 4 223                 | 100        |
| <b>Cape Winelands DM</b>          | <b>4 408</b>                             | <b>4 408</b>          | <b>100</b> | <b>0</b>                                 | <b>0</b>              | <b>0</b>   |
| Theewaterskloof                   | 8 133                                    | 8 133                 | 100        | 6 673                                    | 5 082                 | 76         |
| Overstrand                        | 4 463                                    | 4 072                 | 91         | 4 574                                    | 4 574                 | 100        |
| Cape Agulhas                      | Part of district municipality allocation |                       |            |  |                       |            |
| Swellendam                        | Part of district municipality allocation |                       |            |  |                       |            |
| <b>Overberg DM</b>                | <b>3 856</b>                             | <b>3 856</b>          | <b>100</b> | <b>2 410</b>                             | <b>2 410</b>          | <b>100</b> |
| Kannaland                         | Part of district municipality allocation |                       |            | 3 817                                    | 3 817                 | 100        |
| Hessequa                          | 400                                      | 400                   | 100        | Part of district municipality allocation |                       |            |
| Mossel Bay                        | 3 577                                    | 3 577                 | 100        | 5 749                                    | 5 749                 | 100        |
| George                            | 9 048                                    | 9 048                 | 100        | 9 461                                    | 9 461                 | 100        |
| Oudtshoorn                        | 6 162                                    | 6 162                 | 100        | 3 609                                    | 3 609                 | 100        |
| Bitou                             | 6 271                                    | 6 271                 | 100        | 2 601                                    | 2 601                 | 100        |
| Knysna                            | 6 011                                    | 4 398                 | 73         | 5 968                                    | 5 968                 | 100        |

|                  |  |                |           |                |                |           |
|------------------|--|----------------|-----------|----------------|----------------|-----------|
| Eden DM          | 8 528                                    | 8 291          | 97        | 6 707          | 6 707          | 100       |
| Laingsburg       | Part of district municipality allocation |                |           |                |                |           |
| Prince Albert    | Part of district municipality allocation |                |           |                |                |           |
| Beaufort West    | Part of district municipality allocation |                |           |                |                |           |
| Central Karoo DM | 26 145                                   | 23 545         | 90        | 3 208          | 3 208          | 100       |
| <b>Total</b>     | <b>359 122</b>                           | <b>340 710</b> | <b>95</b> | <b>304 136</b> | <b>300 918</b> | <b>99</b> |

Table 25: MIG expenditure

Source: Database Department of Local government and Housing



### 3.8.2 Analysis of the MIG expenditure

The average percentage spent on the MIG grant was almost 99% for both financial years, which is due to the dedicated monitoring and support that was provided by the Department of Local Government and Housing. Unfortunately (according to the conditions of the grant) only new infrastructure may be financed with this

funding, resulting in much needed maintenance of existing infrastructure being neglected in most municipalities. Municipalities are also very reliant on external grants to finance their capital expenditure due to ever increasing operating expenditure and revenue bases that remain mostly constant and declining.

## 3.9 Housing

### 3.9.1 Housing grant expenditure

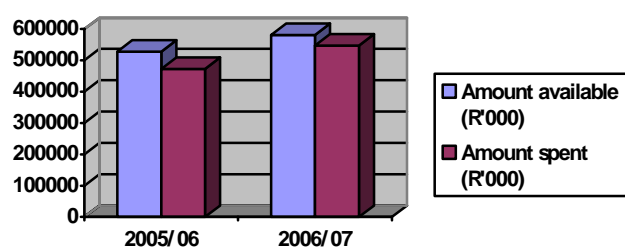
| Municipality               | 2005/06<br>(April 2005-March 2006) |                 |         |                                 |                                | 2006/07<br>(April 2006-March 2007) |                 |         |                                 |                                |
|----------------------------|------------------------------------|-----------------|---------|---------------------------------|--------------------------------|------------------------------------|-----------------|---------|---------------------------------|--------------------------------|
|                            | Alloca-<br>tion                    | Amount<br>spent | % spent | Number<br>of<br>houses<br>built | Number<br>of sites<br>serviced | Alloca-<br>tion                    | Amount<br>spent | % spent | Number<br>of<br>houses<br>built | Number<br>of sites<br>serviced |
|                            | R'000                              | R'000           |         |                                 |                                | R'000                              | R'000           |         |                                 |                                |
| City of Cape Town          | 416 716                            | 371 066         | 89.04   | 12 122                          | 10 778                         | 335 037                            | 324 672         | 97      | 11 875                          | 12 713                         |
| Matzikama                  | 948                                | 5 465           | 574.47  | 274                             | 0                              | 8 600                              | 2 873           | 33      | 111                             | 0                              |
| Cederberg                  | 908                                | 226             | 24.88   | 12                              | 0                              | 1 077                              | 1 079           | 100     | 0                               | 313                            |
| Bergriver                  | 2 304                              | 0               | 0       | 0                               | 0                              | 2 734                              | 299             | 11      | 0                               | 25                             |
| Saldanha Bay               | 4 066                              | 4 061           | 99.87   | 0                               | 800                            | 4 825                              | 15 754          | 326     | 0                               | 542                            |
| Swartland                  | 1 543                              | 8 127           | 526.70  | 0                               | 435                            | 9 500                              | 7 952           | 83.70   | 0                               | 365                            |
| West Coast DM Municipality | 169                                | 284             | 168.04  | 6                               | 0                              | 0                                  | 0               | 0       | 0                               |                                |

|                          |                |                |              |               |               |                |                |              |               |               |
|--------------------------|----------------|----------------|--------------|---------------|---------------|----------------|----------------|--------------|---------------|---------------|
| Witzenberg               | 3 510          | 12 977         | 369.71       | 105           | 264           | 9 750          | 3 797          | 39           | 0             | 262           |
| Drakenstein              | 12 871         | 10 799         | 83.90        | 316           | 757           | 15 275         | 16 129         | 106          | 208           | 208           |
| Stellenbosch             | 12 871         | 10 868         | 84.43        | 71            | 390           | 14 000         | 18 222         | 130          | 11            | 828           |
| Breede Valley            | 13 662         | 5 815          | 42.56        | 573           | 884           | 43 500         | 22 925         | 53           | 245           | 251           |
| Breede River/Winelands   | 4 680          | 1 518          | 32.43        | 50            | 0             | 10 554         | 3 689          | 35           | 140           | 0             |
| <b>Cape Winelands DM</b> | <b>117</b>     | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      |
| Theewaterskloof          | 10 167         | 16 373         | 161.04       | 180           | 1 030         | 27 000         | 15 341         | 57           | 311           | 510           |
| Overstrand               | 4 054          | 3 826          | 94.37        | 145           | 0             | 12 000         | 5 508          | 46           | 134           | 184           |
| Cape Agulhas             | 1 763          | 564            | 31.99        | 0             | 76            | 7 092          | 8 261          | 116          | 74            | 73            |
| Swellendam               | 2 702          | 4 905          | 181.53       | 95            | 0             | 3 207          | 5 049          | 157          | 280           | 0             |
| <b>Overberg DM</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      |
| Kannaland                | 666            | 0              | 0            | 0             | 0             | 5 790          | 6 402          | 111          | 0             | 335           |
| Hessequa                 | 3 065          | 11 659         | 380.39       | 383           | 684           | 8 637          | 12 310         | 143          | 301           | 0             |
| Mossel Bay               | 3 998          | 6 027          | 150.75       | 1             | 242           | 4 744          | 17 322         | 365          | 0             | 257           |
| George                   | 6 751          | 4 561          | 67.56        | 437           | 155           | 8 012          | 5 427          | 68           | 88            | 18            |
| Oudtshoorn               | 4 209          | 2 775          | 65.93        | 80            | 0             | 4 996          | 9 740          | 195          | 25            | 663           |
| Bitou                    | 6 547          | 14 972         | 228.68       | 137           | 700           | 14 700         | 10 783         | 228.68       | 499           | 295           |
| Knysna                   | 6 396          | 20 095         | 314.18       | 61            | 600           | 17 591         | 24 265         | 314.18       | 73            | 1039          |
| <b>Eden DM</b>           | <b>173</b>     | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      |
| Laingsburg               | 1 251          | 400            | 0            | 0             | 0             | 1 485          | 1 907          | 128          | 70            | 0             |
| Prince Albert            | 528            | 6 119          | 115.89       | 52            | 0             | 627            | 0              | 0            | 0             | 0             |
| Beaufort West            | 812            | 9 129          | 112.42       | 270           | 513           | 10 300         | 7 433          | 72           | 399           | 0             |
| <b>Central Karoo DM</b>  | <b>190</b>     | <b>7 420</b>   | <b>39.05</b> | <b>276</b>    | <b>0</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>      | <b>0</b>      |
| <b>Total</b>             | <b>527 649</b> | <b>472 393</b> | <b>86.25</b> | <b>15 646</b> | <b>17 278</b> | <b>581 033</b> | <b>547 139</b> | <b>94.16</b> | <b>14 844</b> | <b>18 881</b> |

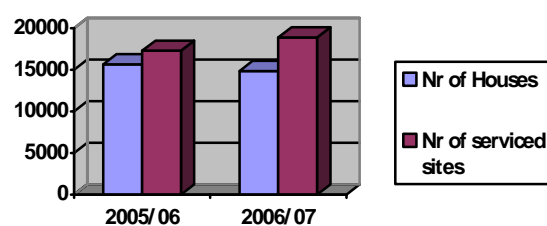
Table 26: Housing grant expenditure

Source: Database Department of Local government and Housing

Amount available vs amount spent



Nr of houses and serviced sites



### 3.9.2 Analysis of performance on Housing allocations

Although the average performance with regard to the spending of the housing grant by municipalities is good, there is definitely room for improvement in the performance of some municipalities as illustrated in table 26. Most municipalities have appointed private

sector construction companies, i.e. ASLA as their housing implementation agent. Almost all municipalities indicated that a lack of funding for bulk services is hampering their delivery on housing.

## CHAPTER 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

### 4.1 Introduction

Sufficient funding and effective management of available funding at a municipal level is essential to ensuring delivery on key developmental projects and plans. Financial viability is the key indicator towards sustainable service delivery in the medium to longer term. It's the ability of the municipality to manage its financial resources in such an effective way that essential basic services are delivered to all the members of their community. The Municipal

Finance Management Act, 2003 and the Municipal Property Rates Act, 2004 have been introduced to provide municipalities with guidelines for effective systems to maximise their revenue potential and the effective and transparent management of their finances. This is aimed at ensuring that municipalities are more accountable, more financially sustainable and capable of delivering services

### 4.2 Budget and budget related matters

#### 4.2.1 Approval of budgets

In terms of section 24 of the MFMA, a Municipal Council must consider the approval of the annual budget at least 30

days before the start of the budget year. An annual budget must be approved before the start of the financial year (1 July).

| Municipality             | Date approved by council |                    |
|--------------------------|--------------------------|--------------------|
|                          | 2005/06                  | 2006/07            |
| City of Cape Town        | 31 May 2005              | 31 May 2006        |
| Matzikama                | 31 May 2005              | 26 May 2006        |
| Cederberg                | 31 May 2005              | 30 May 2006        |
| Bergriver                | 31 May 2005              | 30 May 2006        |
| Saldanha Bay             | 31 May 2005              | 23 May 2006        |
| Swartland                | 26 May 2005              | 25 May 2006        |
| <b>West Coast DM</b>     | <b>26 April 2005</b>     | <b>31 May 2006</b> |
| Witzenberg               | 7 June 2005              | 31 May 2006        |
| Drakenstein              | 30 May 2005              | 30 May 2006        |
| Stellenbosch             | 10 May 2005              | 16 May 2006        |
| Breede Valley            | 1 June 2005              | 30 May 2006        |
| Breede River/Winelands   | 20 April 2005            | 30 May 2006        |
| <b>Cape Winelands DM</b> | <b>12 May 2005</b>       | <b>18 May 2006</b> |
| Theewaterskloof          | 24 May 2005              | 31 May 2006        |
| Overstrand               | 31 May 2005              | 31 May 2006        |
| Cape Agulhas             | 24 May 2005              | 31 May 2006        |
| Swellendam               | 26 May 2005              | 30 May 2006        |
| <b>Overberg DM</b>       | <b>1 June 2005</b>       | <b>31 May 2006</b> |
| Kannaland                | 6 June 2005              | 23 May 2006        |
| Hessequa                 | 26 May 2005              | 30 May 2006        |
| Mossel Bay               | 31 May 2005              | 30 May 2006        |
| George                   | 11 May 2005              | 23 May 2006        |
| Oudtshoorn               | 31 May 2005              | 6 June 2006        |
| Bitou                    | 25 May 2005              | 31 May 2006        |

|                         |                    |                    |
|-------------------------|--------------------|--------------------|
| Knysna                  | 31 May 2005        | 30 May 2006        |
| <b>Eden DM</b>          | <b>31 May 2005</b> | <b>31 May 2006</b> |
| Laingsburg              | 30 May 2005        | 30 May 2006        |
| Prince Albert           | 25 May 2005        | 21 June 2006       |
| Beaufort West           | 24 May 2005        | 5 June 2006        |
| <b>Central Karoo DM</b> | <b>27 May 2005</b> | <b>6 May 2006</b>  |

Table 27: Approval of budgets  
Source: Database PT

## 4.2.2 Budget and IDP linkages

### 4.2.2.1 Percentage (%) of capital budget spent on IDP related projects

| Municipality             | 2004/05 (%)        | 2005/06 (%)        | 2006/07 (%)        |
|--------------------------|--------------------|--------------------|--------------------|
| <b>City of Cape Town</b> | <b>63</b>          | <b>71</b>          | <b>77</b>          |
| Matzikama                | No info            | No info            | 100                |
| Cederberg                | No info            | No info            | 100                |
| Bergriver                | No info            | No info            | 100                |
| Saldanha Bay             | 83                 | 70                 | 100                |
| Swartland                | 100                | 100                | 100                |
| <b>West Coast DM</b>     | <b>29</b>          | <b>83</b>          | <b>100</b>         |
| Witzenberg               | 100                | 100                | 100                |
| Drakenstein              | 100                | 100                | 100                |
| Stellenbosch             | 100                | 100                | 100                |
| Breede Valley            | 80                 | 90                 | 100                |
| Breede River/Winelands   | No info            | No info            | 100                |
| <b>Cape Winelands DM</b> | <b>LM function</b> | <b>LM function</b> | <b>LM function</b> |
| Theewaterskloof          | 32                 | 60                 | 88                 |
| Overstrand               | 100                | 100                | 100                |
| Cape Agulhas             | 100                | 100                | 100                |
| Swellendam               | No info            | No info            | No info            |
| <b>Overberg DM</b>       | <b>98</b>          | <b>98</b>          | <b>100</b>         |
| Kannaland                | No info            | No info            | No info            |
| Hessequa                 | 60                 | 75                 | No info            |
| Mossel Bay               | 94                 | 92                 | 98                 |
| George                   | 100                | 100                | 100                |
| Oudtshoorn               | No info            | No info            | No info            |
| Bitou                    | 7                  | 23                 | 36                 |
| Knysna                   | 100                | 100                | 100                |
| <b>Eden DM</b>           | <b>100</b>         | <b>100</b>         | <b>100</b>         |
| Laingsburg               | 100                | 100                | 100                |
| Prince Albert            | 100                | 100                | 100                |
| Beaufort West            | No info            | No info            | 100                |
| <b>Central Karoo DM</b>  | <b>100</b>         | <b>100</b>         | <b>100</b>         |

Table 28: Percentage (%) of capital budget spent on IDP related projects  
Source: Questionnaire August 2007

#### 4.2.2.2 Analysis of IDP-Budget link

In 2006/7 cycle, the IDP-budget linkages of municipalities was analysed in May 2007. It was regarded as preliminary and subsequently tested through direct municipal engagement. Prince Albert and Swellendam municipalities were not analysed beforehand, and only the operational budget linkages of Cederberg municipality analysed. Clear identifiable trends emerged.

The preliminary findings according to the LGMTECH report suggest that the key concern requiring municipal budget prioritisation remains bulk infrastructure. The IDP-budget link cannot be viewed in isolation from resource constraints. The reality is that the province's limited natural resource base, increased demand for basic services (with specific pressures on water and electricity supply), and low municipal revenue bases hampers the financing of adequate infrastructure provision. This appears to be impacted upon by stringent limits to municipal tariff increases by National Treasury, reliance on government grants by municipalities (to resource both the basic services delivery through the Equitable Share allocation, as well as the municipal capital budget), and the MIG and housing income streams not being synchronised to enable subterranean infrastructure to support new housing developments. Infrastructure as a KPA appeared in the IDPs of almost all of the municipalities. These KPA's indicate that municipalities are guided by national, provincial and district objectives and are

starting to respond to their local socio-economic challenges.

The LGMTECH report indicated that 17 of the 30 municipalities appear to have had generally responsive draft budgets. Of the remaining municipalities, 8 municipalities had partially responsive budgets and 5 municipalities did not have responsive budgets. However, on the whole, responsiveness remains weak in most municipalities. Municipalities with low capacity or poor economic potential struggled to develop budgets, which actually went beyond "basic services and housing". These were chiefly single-dimensional budgets, which failed to balance immediate community needs (e.g. housing) with investment in long-term growth. The result was and remains the budgets that generally focus on basic services whilst the developmental role of local government remains under-developed. In contrast to the previous year, a larger number of municipalities exhibited thinking on economic development and spatial planning, but the linkage to the budget still appears to be absent. Most municipalities still lack a focused strategy for spearheading shared growth. This could be ascribed to insufficient planning, where municipalities simply focus on their primary functional role of basic services provision, with limited attention to shared economic growth and the developmental role of local government.

#### 4.2.3 Performance against budgets

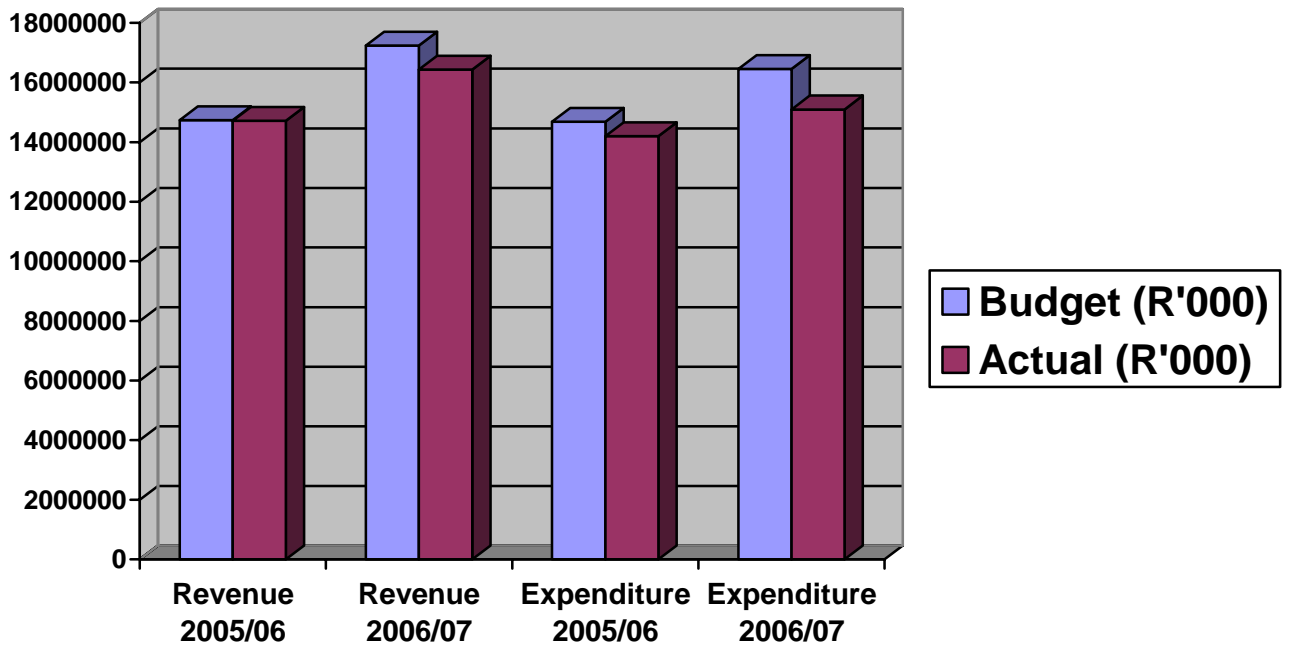
| Municipality      | Financial year | Revenue      |              |                  | Operating expenditure |              |                  |
|-------------------|----------------|--------------|--------------|------------------|-----------------------|--------------|------------------|
|                   |                | Budget R'000 | Actual R'000 | Difference R'000 | Budget R'000          | Actual R'000 | Difference R'000 |
| City of Cape Town | 05/06          | 9 944 536    | 9 636 685    | (307 851)        | 9 862 338             | 9 634 712    | 227 626          |
|                   | 06/07          | 11 466 895   | 10 466 068   | (1 000 827)      | 10 789 533            | 9 606 014    | 1 183 519        |
| Matzikama         | 05/06          | 77 991       | 74 897       | (3 094)          | 77 940                | 77 533       | 407              |
|                   | 06/07          | 74 056       | 92 882       | 18 826           | 74 057                | 91 312       | (17 255)         |
| Cederberg         | 05/06          | 56 994       | 54 899       | (2 095)          | 54 550                | 51 644       | 2 906            |
|                   | 06/07          | 61 883       | 64 094       | 2 211            | 61 789                | 57 515       | 4 274            |
| Bergriver         | 05/06          | 68 517       | 69 327       | 810              | 68 602                | 67 761       | 841              |
|                   | 06/07          | 78 318       | 91 140       | 12 822           | 71 173                | 81 524       | (10 351)         |
| Saldanha Bay      | 05/06          | 255 527      | 303 705      | 48 178           | 226 838               | 219 073      | 7 765            |
|                   | 06/07          | 336 265      | 351 822      | 15 557           | 318 150               | 263 290      | 54 860           |
| Swartland         | 05/06          | 173 386      | 193 741      | 20 355           | 173 386               | 171 408      | 1 978            |
|                   | 06/07          | 230 602      | 200 578      | (30 024)         | 178 967               | 172 655      | 6 312            |
| West Coast        | 05/06          | 184 134      | 174 406      | (9 728)          | 184 134               | 148 863      | 35 271           |

|                          |              |                   |                   |                  |                   |                   |                  |
|--------------------------|--------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| <b>DM</b>                | <b>06/07</b> | <b>187 327</b>    | <b>202 823</b>    | <b>15 495</b>    | <b>187 327</b>    | <b>165 722</b>    | <b>21 605</b>    |
| Witzenberg               | 05/06        | 130 806           | 133 400           | 2 594            | 130 798           | 128 153           | 2 645            |
|                          | 06/07        | 149 675           | 145 750           | (3 925)          | 149 674           | 145 468           | 4 206            |
| Drakenstein              | 05/06        | 516 169           | 546 117           | 29 948           | 516 169           | 481 784           | 34 385           |
|                          | 06/07        | 566 112           | 603 510           | 37 398           | 556 112           | 547 380           | 8 732            |
| Stellenbosch             | 05/06        | 390 036           | 377 724           | (12 312)         | 390 036           | 386 867           | 3 169            |
|                          | 06/07        | 412 562           | 478 929           | 66 367           | 412 562           | 428 363           | (15 801)         |
| Breede Valley            | 05/06        | 299 219           | 309 628           | 10 409           | 256 513           | 245 423           | 11 090           |
|                          | 06/07        | 342 389           | 326 170           | (16 219)         | 295 918           | 278 071           | 17 846           |
| Breede River/Wine-lands  | 05/06        | 157 850           | 190 909           | 33 059           | 157 620           | 172 856           | (15 236)         |
|                          | 06/07        | 184 462           | 197 020           | 12 558           | 184 233           | 185 943           | (1 710)          |
| <b>Cape Winelands DM</b> | <b>05/06</b> | <b>277 472</b>    | <b>257 555</b>    | <b>(19 917)</b>  | <b>277 472</b>    | <b>231 821</b>    | <b>45 651</b>    |
|                          | <b>06/07</b> | <b>305 423</b>    | <b>284 142</b>    | <b>(21 281)</b>  | <b>258 490</b>    | <b>250 628</b>    | <b>7 862</b>     |
| Theewaters-kloof         | 05/06        | 188 112           | 183 147           | (4 965)          | 188 112           | 179 627           | 8 485            |
|                          | 06/07        | 206 671           | 191 675           | (14 996)         | 206 671           | 183 193           | 23 478           |
| Overstrand               | 05/06        | 259 647           | 280 030           | 20 383           | 256 277           | 251 290           | 4 987            |
|                          | 06/07        | 340 673           | 375 698           | 35 025           | 340 673           | 375 698           | 35 025           |
| Cape Agulhas             | 05/06        | 73 717            | 72 108            | (1 609)          | 73 717            | 69 620            | 4 097            |
|                          | 06/07        | 90 551            | 88 447            | (2 104)          | 88 401            | 81 070            | 7 331            |
| Swellendam               | 05/06        | 47 019            | 49 011            | 1 992            | 47 015            | 45 796            | 1 219            |
|                          | 06/07        | 57 077            | 57 805            | 728              | 57 085            | 54 063            | 3 022            |
| <b>Overberg DM</b>       | <b>05/06</b> | <b>46 674</b>     | <b>46 723</b>     | <b>49</b>        | <b>51 119</b>     | <b>46 723</b>     | <b>4 396</b>     |
|                          | <b>06/07</b> | <b>126 264</b>    | <b>129 638</b>    | <b>3 374</b>     | <b>130 661</b>    | <b>135 921</b>    | <b>(5 260)</b>   |
| Kannaland                | 05/06        | 37 975            | 37 402            | (573)            | 37 975            | 35 313            | 2 662            |
|                          | 06/07        | 52 269            | 52 565            | 296              | 52 259            | 67 615            | 15 356           |
| Hessequa                 | 05/06        | 93 323            | 139 900           | 46 577           | 94 448            | 114 284           | (19 836)         |
|                          | 06/07        | 143 584           | 144 025           | 441              | 134 099           | 121 607           | 12 492           |
| Mossel Bay               | 05/06        | 257 503           | 320 253           | 62 750           | 257 456           | 249 194           | 8 262            |
|                          | 06/07        | 380 513           | 372 091           | (8 422)          | 379 845           | 353 767           | 26 078           |
| George                   | 05/06        | 442 406           | 498 482           | 56 076           | 511 550           | 476 213           | 35 337           |
|                          | 06/07        | 529 833           | 591 814           | 61 981           | 606 358           | 567 568           | 38 790           |
| Oudtshoorn               | 05/06        | 138 253           | 139 699           | 1 446            | 138 253           | 127 645           | 10 608           |
|                          | 06/07        | 152 262           | 173 662           | 21 400           | 154 429           | 152 865           | 1 564            |
| Bitou                    | 05/06        | 119 250           | 140 090           | 20 840           | 119 208           | 120 054           | (846)            |
|                          | 06/07        | 139 447           | 152 941           | 13 494           | 139 390           | 138 992           | 398              |
| Knysna                   | 05/06        | 202 651           | 201 682           | (969)            | 202 651           | 189 622           | 13 029           |
|                          | 06/07        | 248 421           | 270 214           | 21 793           | 248 414           | 277 028           | (28 614)         |
| <b>Eden DM</b>           | <b>05/06</b> | <b>149 243</b>    | <b>134 912</b>    | <b>14 331</b>    | <b>179 927</b>    | <b>128 546</b>    | <b>51 382</b>    |
|                          | <b>06/07</b> | <b>218 033</b>    | <b>163 268</b>    | <b>(54 765)</b>  | <b>218 535</b>    | <b>163 267</b>    | <b>55 268</b>    |
| Laingsburg               | 05/06        | 15 385            | 13 752            | (1 633)          | 15 385            | 12 751            | 2 634            |
|                          | 06/07        | 15 553            | 16 145            | 592              | 18 019            | 16 865            | 1 154            |
| Prince Albert            | 05/06        | 9 863             | 9 912             | 49               | 9 830             | 9 819             | 11               |
|                          | 06/07        | 11 660            | 12 203            | 543              | 11 280            | 12 072            | 792              |
| Beaufort West            | 05/06        | 57 713            | 62 021            | 4 308            | 57 696            | 61 733            | (4 037)          |
|                          | 06/07        | 82 536            | 88 139            | 5 603            | 82 067            | 73 540            | 8 527            |
| <b>Central Karoo DM</b>  | <b>05/06</b> | <b>62 372</b>     | <b>65 477</b>     | <b>3 105</b>     | <b>62 993</b>     | <b>64 163</b>     | <b>(1 170)</b>   |
|                          | <b>06/07</b> | <b>51 136</b>     | <b>48 466</b>     | <b>(2 669)</b>   | <b>53 591</b>     | <b>47 614</b>     | <b>5 977</b>     |
| <b>Total</b>             | <b>05/06</b> | <b>14 733 743</b> | <b>14 717 594</b> | <b>19 041</b>    | <b>14 680 008</b> | <b>14 200 291</b> | <b>479 717</b>   |
|                          | <b>06/07</b> | <b>17 242 452</b> | <b>16 433 724</b> | <b>(808 728)</b> | <b>16 459 762</b> | <b>15 096 630</b> | <b>1 465 477</b> |

Table 29: Performance against budgets  
Source: Municipal Financial Statements 2005/06 & 2006/07



Performance against budgets



#### 4.2.4 Performance against total grants, donations and contributions received

In terms of section 123(1) of the MFMA municipalities must disclose in their annual financial statements information on any allocations received from an organ of state in the national or provincial sphere of government; or a municipal entity or another municipality.

Municipalities also receive grants, donations and contributions from the private sector institutions, as well as from individual members of the public. The following table indicates the performance of the Western Cape municipalities against these funds received.

| Municipality             | Total available 06/07<br>(Balance 05/06 + received 06/07)<br>R'000 | Total Expenditure<br>06/07<br>R'000 | Percentage spent<br>06/07<br>% |
|--------------------------|--|-------------------------------------|--------------------------------|
| <b>City of Cape Town</b> | <b>799 785</b>   | <b>583 962</b>                      | <b>73</b>                      |
| Matzikama                | 33 651   | 28 446                              | 85                             |
| Cederberg                | 33 281   | 22 899                              | 69                             |
| Bergriver                | 19 004   | 15 859                              | 83                             |
| Saldanha Bay             | 45 872   | 39 097                              | 85                             |
| Swartland                | 36 478   | 32 244                              | 88                             |
| <b>West Coast DM</b>     | <b>12 976</b>  | <b>20 879</b>                       | <b>161</b>                     |
| Witzenberg               | 56 879   | 39 640                              | 70                             |
| Drakenstein              | 107 847  | 64 420                              | 60                             |
| Stellenbosch             | 80 411   | 57 225                              | 71                             |
| Breede Valley            | 75 143   | 64 087                              | 85                             |
| Breede River/Winelands   | 38 505   | 28 378                              | 74                             |
| <b>Cape Winelands DM</b> | <b>20 870</b>  | <b>8 821</b>                        | <b>42</b>                      |
| Theewaterskloof          | 36 919   | 30 634                              | 83                             |
| Overstrand               | 29 741   | 28 311                              | 95                             |
| Cape Agulhas             | 16 204   | 14 729                              | 91                             |
| Swellendam               | 8 679  | 8 093                               | 93                             |
| <b>Overberg DM</b>       | <b>84 814</b>  | <b>80 604</b>                       | <b>95</b>                      |
| Kannaland                | 33 597   | 23 535                              | 70                             |
| Hessequa                 | 76 014   | 33 612                              | 44                             |
| Mossel Bay               | 69 447   | 56 386                              | 81                             |
| George                   | 77 296   | 47 279                              | 61                             |
| Oudtshoorn               | System not able to provide - in process for 2007/08                |                                     |                                |
| Bitou                    | 26 876   | 7 975                               | 30                             |
| Knysna                   | 83 747   | 53 090                              | 63                             |
| <b>Eden DM</b>           | <b>61 145</b>  | <b>43 759</b>                       | <b>72</b>                      |
| Laingsburg               | 10 537   | 7 007                               | 66                             |
| Prince Albert            | 5 999  | 5 192                               | 87                             |
| Beaufort West            | 18 012   | 14 658                              | 81                             |
| <b>Central Karoo DM</b>  | <b>45 421</b>  | <b>31 966</b>                       | <b>70</b>                      |
| <b>Total</b>             | <b>2 045 150</b>   | <b>1 492 787</b>                    | <b>73</b>                      |

Table 30: Performance against total grants, donations and contributions received

Source: Municipal financial statements 2006/07

Note: Total amount available does not in all instances include the balance at the end of 2005/06, due to non-disclosure by some municipalities in their financial statements

#### 4.2.5 Analysis of budget performance and performance against grants received

## 4.2.5 Analysis of budget performance and performance against grants received

Municipalities' overall performance against conditional grants received is 73%, which is not ideal and indicates that there is room for improvement. Municipalities are indicating that they still receive allocations from other spheres of government at a very late stage during their budget cycle that results in spending challenges before the end of their

financial year. An analysis of municipal financial statements indicates that most municipalities are very reliant on capital grants to fund their capital expenditure. This further indicates that the revenue base of most municipalities is insufficient to generate enough funding for provision and maintenance of basic infrastructure

## 4.3 Submission of Financial statements and the Reports of the Auditor-General

### 4.3.1 Submission of Financial Statements

In terms of section 126 of the MFMA the Accounting Officer of a municipality must prepare the annual financial statements of the municipality and, within two months after

the end of the financial year (31 August) to which those statements relate, submit the statements to the Auditor-General for auditing.

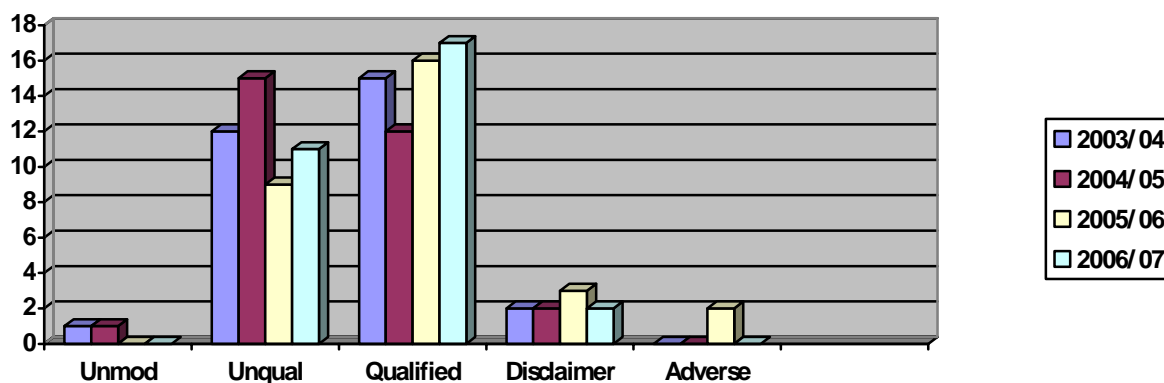
#### 4.3.1.1 Submission dates and types of AG reports received

| Municipality           | Capacity NT | Financial year | Date submitted | Type of report from the AG  |   |                   |                       |                 |
|------------------------|-------------|----------------|----------------|-----------------------------|---|-------------------|-----------------------|-----------------|
|                        |             |                |                | Unmodified with no findings | Unqualified opinion with emphasis of matter | Qualified opinion | Disclaimer of opinion | Adverse Opinion |
| City of Cape Town      | High        | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Matzikama              | Medium      | 2005/06        | 19 Sep 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Cederberg              | Low         | 2005/06        | 12 April 2007  |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Bergriver              | Medium      | 2005/06        | 18 Sep 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 15 Oct 2007    |                             |   |                   |                       |                 |
| Saldanha Bay           | High        | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Swartland              | Medium      | 2005/06        | 11 Sep 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 21 Sep 2007    |                             |   |                   |                       |                 |
| West Coast DM          | Medium      | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Witzenberg             | Low         | 2005/06        | 13 Sep 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Drakenstein            | High        | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Stellenbosch           | High        | 2005/06        | 30 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Breede Valley          | High        | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Breede River/Winelands | Medium      | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Cape Winelands DM      | Medium      | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |
| Theewaterskloof        | Medium      | 2005/06        | 31 Aug 2006    |                             |   |                   |                       |                 |
|                        |             | 2006/07        | 31 Aug 2007    |                             |   |                   |                       |                 |

|                         |               |                |                    |          |           |           |          |          |
|-------------------------|---------------|----------------|--------------------|----------|-----------|-----------|----------|----------|
| Overstrand              | High          | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 17 Sep 2007        |          |           |           |          |          |
| Cape Agulhas            | Low           | 2005/06        | 4 Aug 2006         |          |           |           |          |          |
|                         |               | 2006/07        | 8 Aug 2007         |          |           |           |          |          |
| Swellendam              | Low           | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| <b>Overberg DM</b>      | <b>Medium</b> | <b>2005/06</b> | <b>31 Aug 2006</b> |          |           |           |          |          |
|                         |               | <b>2006/07</b> | <b>31 Aug 2007</b> |          |           |           |          |          |
| Kannaland               | Medium        | 2005/06        | 30 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Oct 2007        |          |           |           |          |          |
| Hessequa                | Medium        | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| Mossel Bay              | High          | 2005/06        | 7 Sep 2006         |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| George                  | High          | 2005/06        | 14 Sep 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 13 Sep 2007        |          |           |           |          |          |
| Oudtshoorn              | Medium        | 2005/06        | 22 Nov 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Oct 2007        |          |           |           |          |          |
| Bitou                   | Medium        | 2005/06        | 29 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| Knysna                  | Medium        | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| <b>Eden DM</b>          | <b>Medium</b> | <b>2005/06</b> | <b>31 Aug 2006</b> |          |           |           |          |          |
|                         |               | <b>2006/07</b> | <b>31 Aug 2007</b> |          |           |           |          |          |
| Laingsburg              | Medium        | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| Prince Albert           | Medium        | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 July 2007       |          |           |           |          |          |
| Beaufort West           | Medium        | 2005/06        | 31 Aug 2006        |          |           |           |          |          |
|                         |               | 2006/07        | 31 Aug 2007        |          |           |           |          |          |
| <b>Central Karoo DM</b> | <b>Medium</b> | <b>2005/06</b> | <b>31 Aug 2006</b> |          |           |           |          |          |
|                         |               | <b>2006/07</b> | <b>8 Aug 2007</b>  |          |           |           |          |          |
| <b>Total</b>            |               | <b>2005/06</b> |                    | <b>0</b> | <b>9</b>  | <b>16</b> | <b>3</b> | <b>2</b> |
|                         |               | <b>2006/07</b> |                    |          | <b>11</b> | <b>17</b> | <b>2</b> | <b>0</b> |

Table 31: Submission dates and types of AG reports received  
Source: Database PT

### Comparison with previous years: Type of AG reports issued



### 4.3.2 Key findings in the reports of the Auditor-General

Note: Only the eleven findings that were raised in most municipalities for the 2005/06 and 2006/07 financial years in the reports are indicated:

- 1: Internal control weaknesses/ Internal audit
- 2: Non compliance with laws and regulations: MFMA & MSA

- 3: Debtor control and management
- 4: Financial statement issues
- 5: Supply chain management (SCM)
- 6: Asset management
- 7: Provisions
- 8: Creditor control
- 9: Staff matters/HRM
- 10: Performance management (PMS)
- 11: Fruitless & Wasteful expenditure

| Municipality       | Financial year | Key findings |   |   |   |   |   |   |   |   |    |    |
|--------------------|----------------|--------------|---|---|---|---|---|---|---|---|----|----|
|                    |                | 1            | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| City of Cape Town  | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Matzikama          | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Cederberg          | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Bergriver          | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Saldanha Bay       | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Swartland          | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| West Coast DM      | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Witzenberg         | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Drakenstein        | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Stellenbosch       | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Breede Valley      | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Breede River/Wine. | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Cape Winelands DM  | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Theewaterskloof    | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Overstrand         | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Cape Agulhas       | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Swellendam         | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Overberg DM        | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |
| Kannaland          | 2005/06        |              |   |   |   |   |   |   |   |   |    |    |
|                    | 2006/07        |              |   |   |   |   |   |   |   |   |    |    |

|                     |         |    |    |    |    |    |    |    |    |    |                       |    |
|---------------------|---------|----|----|----|----|----|----|----|----|----|-----------------------|----|
| Hessequa            | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Mossel Bay          | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| George              | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Oudtshoorn          | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Bitou               | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Knysna              | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Eden DM             | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Laingsburg          | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Prince Albert       | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Beaufort West       | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| Central Karoo DM    | 2005/06 |    |    |    |    |    |    |    |    |    |                       |    |
|                     | 2006/07 |    |    |    |    |    |    |    |    |    |                       |    |
| % of total findings | 2005/06 | 60 | 57 | 47 | 43 | 43 | 33 | 30 | 27 | 27 | Not in PT DB in 05/06 | 20 |
|                     | 2006/07 | 29 | 78 | 21 | 39 | 25 | 33 | 8  | 4  | 46 | 75                    | 4  |

Table 32: Key findings in the reports of the Auditor-General  
Source: Database PT

### 4.3.3 Analysis of provincial trends and key challenges

Although most municipalities submitted their financial statements on time, except for Bergrivier, Swartland, Oudtshoorn, George, Overstrand and Kannaland, there has been a slight improvement in the audit outcomes for the 2006/07 municipal financial year. There were no adverse opinions and one less disclaimer than in the 2005/06 financial year. Technical issues relating to non compliance with accounting standards, i.e. Asset Management, debtor control and financial statement issues contributed to a number of qualifications. This shows that most municipalities still need assistance to implement Generally Recognised Accounting Practices (GRAP). Although there seems to be

an improvement in the internal control in most municipalities, non-compliance with laws and regulations were raised in almost all municipalities, as well as numerous issues relating to the implementation of performance management.

Disclaimed opinions were again given on the statements of the Kannaland and Oudtshoorn, one less than in the 2005/06 financial year. Kannaland and Cederberg are still “going concern” risks in the opinion of the AG. This term is used by the AG in their reports when they are of the opinion that the specific municipality’s revenue base is not sufficient.

## 4.4 Outstanding debt and debt management

### 4.4.1 Outstanding consumer debt per service

| Municipality           | Financial year | Type of service                                      |                                  |                                       |                 |         |           | Total |
|------------------------|----------------|--|----------------------------------|---------------------------------------|-----------------|---------|-----------|-------|
|                        |                | Rates  | Trading services (Elect & water) | Economic services (Sewerage & Refuse) | Housing rentals | Other   |           |       |
|                        |                | R'000  | R'000                            | R'000                                 | R'000           | R'000   | R'000     |       |
| City of Cape Town      | 2005/06        | 1 525 858  | 2 040 130                        | 841 445                               | 307 325         | 369 322 | 5 084 080 |       |
|                        | 2006/07        | 983 954  | 1 803 889                        | 740 311                               | 225 659         | 367 035 | 4 120 848 |       |
| Matzikama              | 2005/06        |  |                                  | 13 430                                | 3 174           | 0       | 16 604    |       |
|                        | 2006/07        |  |                                  | 14 520                                | 2 708           | 0       | 17 228    |       |
| Cederberg              | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 31 120    |       |
|                        | 2006/07        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 28 584    |       |
| Bergriver              | 2005/06        | 5 882  | 5 482                            | 2 504                                 | 0               | 3 555   | 17 423    |       |
|                        | 2006/07        | 6 292  | 5 933                            | 2 419                                 | 0               | 5 060   | 19 704    |       |
| Saldanha Bay           | 2005/06        | 21 050   | 8 599                            | 12 738                                | 22 438          | 75 972  | 21 050    |       |
|                        | 2006/07        | 24 985   | 20 463                           | 9 829                                 | 26 626          | 94 159  | 24 985    |       |
| Swartland              | 2005/06        | 5 115  | 6 767                            | 4 806                                 | 384             | 0       | 17 075    |       |
|                        | 2006/07        | 5 061  | 10 554                           | 4 060                                 | 224             | 0       | 19 901    |       |
| West Coast DM          | 2005/06        | 13   | 3 270                            | 25                                    | 48              | 1 542   | 4 898     |       |
|                        | 2006/07        | 25   | 4 479                            | 25                                    | 51              | 1 401   | 5 981     |       |
| Witzenberg             | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 39 805    |       |
|                        | 2006/07        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 47 995    |       |
| Drakenstein            | 2005/06        | 18 524   | 44 702                           | 21 161                                | 6 138           | 2 868   | 93 393    |       |
|                        | 2006/07        | 29 425   | 51 955                           | 38 473                                | 10 865          | 3 543   | 134 261   |       |
| Stellenbosch           | 2005/06        | 18 584   | 22 713                           | 13883                                 | -               | 55 180  | 18 584    |       |
|                        | 2006/07        | 17 868   | 24 902                           | 14 850                                | -               | 57 620  | 17 868    |       |
| Breede Valley          | 2005/06        | 18 630   | 31 309                           | 23 966                                | 7 182           | 14 142  | 95 229    |       |
|                        | 2006/07        | 18 254   | 25 412                           | 14 759                                | 6 797           | 15 005  | 80 227    |       |
| Breede River/Winelands | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 27 329    |       |
|                        | 2006/07        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 27 042    |       |
| Cape Winelands DM      | 2005/06        | No consumer debtors                                  |                                  |                                       |                 |         |           |       |
|                        | 2006/07        | No consumer debtors                                  |                                  |                                       |                 |         |           |       |
| Theewaterskloof        | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 56 007    |       |
|                        | 2006/07        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 71 926    |       |
| Overstrand             | 2005/06        | 6 880  | 19 010                           | 9 330                                 | 979             | 0       | 36 200    |       |
|                        | 2006/07        | 9 671  | 17 232                           | 7 556                                 | 9               | 2 689   | 37 160    |       |
| Cape Agulhas           | 2005/06        | 1 763  | 4 190                            | 1 671                                 | 189             | 2 439   | 10 252    |       |
|                        | 2006/07        | 1 703  | 3 981                            | 1 449                                 | 118             | 3 605   | 10 856    |       |
| Swellendam             | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 23 146    |       |
|                        | 2006/07        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 26 262    |       |
| Overberg DM            | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 3 784     |       |
|                        | 2006/07        | 0  | 28                               | 5                                     | 36              | 2 909   | 2 978     |       |
| Kannaland              | 2005/06        | 5 313  | 4 804                            | 11 823                                | 331             | 0       | 22 271    |       |
|                        | 2006/07        | 6 543  | 5 698                            | 13 979                                | 369             | 0       | 26 589    |       |
| Hessequa               | 2005/06        | 5 309  | 6 564                            | 6 006                                 | 2 838           | 5 582   | 26 299    |       |
|                        | 2006/07        | 4 735  | 6 310                            | 5 268                                 | 207             | 5 219   | 21 739    |       |
| Mossel Bay             | 2005/06        | 7 833  | 20 553                           | 19 204                                | 444             | 4 848   | 52 882    |       |
|                        | 2006/07        | 7 256  | 27 952                           | 26 168                                | 440             | 4 627   | 66 443    |       |
| George                 | 2005/06        | 15 918   | 29 274                           | 25 339                                | 772             | 18 331  | 89 634    |       |
|                        | 2006/07        | 12 305   | 30 038                           | 21 779                                | 629             | 12 134  | 76 885    |       |
| Oudtshoorn             | 2005/06        | Not indicated in this format in financial statements |                                  |                                       |                 |         | 50 794    |       |

|                  |         |  |           |           |         |         |           |
|------------------|---------|--|-----------|-----------|---------|---------|-----------|
|                  | 2006/07 | Not indicated in this format in financial statements |           |           |         |         | 78 017    |
| Bitou            | 2005/06 | Not indicated in this format in financial statements |           |           |         |         | 26 437    |
|                  | 2006/07 | Not indicated in this format in financial statements |           |           |         |         | 31 457    |
| Knysna           | 2005/06 | 10 083   | 13 686    | 5 489     | 5 436   | 7 036   | 41 730    |
|                  | 2006/07 | 10 844   | 16 410    | 5 753     | 3 810   | 7 834   | 44 651    |
| Eden DM          | 2005/06 | 1 835  | 2 077     | 1 362     | 50      | 1 874   | 7 198     |
|                  | 2006/07 | 1 845  | 2 759     | 1 773     | 0       | 2 175   | 8 552     |
| Laingsburg       | 2005/06 | 726  |           | 377       | 0       | 0       | 1 103     |
|                  | 2006/07 | 644  |           | 288       | 0       | 0       | 932       |
| Prince Albert    | 2005/06 | Not indicated in this format in financial statements |           |           |         |         | 2 169     |
|                  | 2006/07 | Not indicated in this format in financial statements |           |           |         |         | 1 778     |
| Beaufort West    | 2005/06 | 3 760  | 5 207     | 7 093     | 427     | 10 811  | 27 298    |
|                  | 2006/07 | 4 632  | 6 651     | 8 628     | 459     | 13 426  | 33 796    |
| Central Karoo DM | 2005/06 | 421  | 2 093     | 1 161     | 0       | 246     | 3 921     |
|                  | 2006/07 | 478  | 2 434     | 1 737     | 0       | 276     | 4 925     |
| Total            | 2005/06 | 1 673 497  | 2 270 807 | 1 009 006 | 354 981 | 573 748 | 5 947 715 |
|                  | 2006/07 | 1 146 520  | 2 067 368 | 918 821   | 276 299 | 598 717 | 5 089 570 |

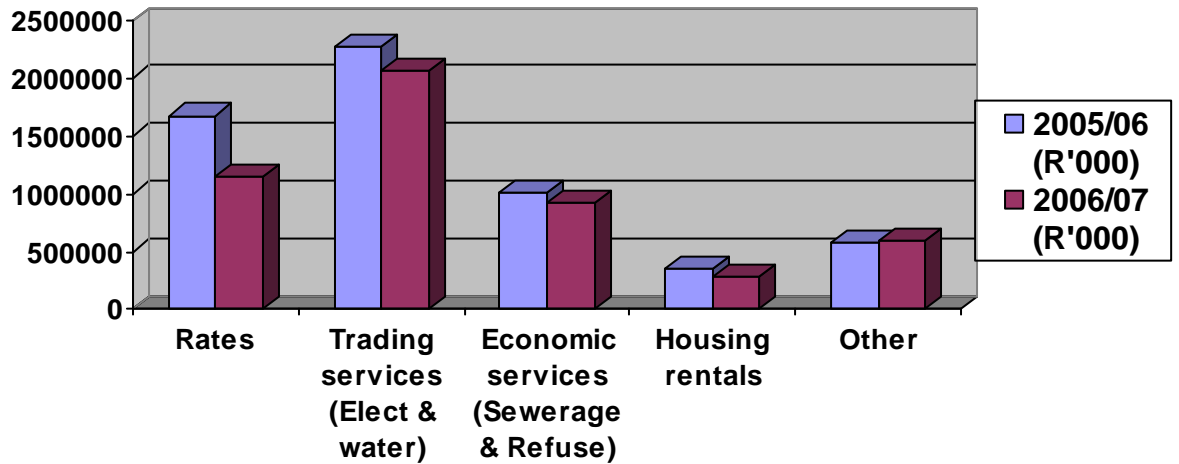
Table 33: Outstanding consumer debt per service

Source: Municipal financial statements 2005/06 & 2006/07

Notes:

- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

#### Total amount outstanding per type of service



#### 4.4.2 Comparison with previous year: Total consumer debt outstanding per municipality

| Municipality      | Total Outstanding Debt |                  |                     |
|-------------------|------------------------|------------------|---------------------|
|                   | 2005/06<br>R'000       | 2006/07<br>R'000 | Difference<br>R'000 |
| City of Cape Town | 5 084 080              | 4 120 848        | (963 232)           |
| Matzikama         | 16 604                 | 17 228           | 624                 |
| Cederberg         | 31 120                 | 28 584           | (2 536)             |
| Bergriver         | 17 423                 | 19 704           | 2 281               |
| Saldanha Bay      | 21 050                 | 24 985           | 3 935               |
| Swartland         | 17 075                 | 19 901           | 2 826               |
| West Coast DM     | 4 898                  | 5 981            | 1 083               |
| Witzenberg        | 39 805                 | 47 995           | 8 190               |
| Drakenstein       | 93 393                 | 134 261          | 40 868              |
| Stellenbosch      | 18 584                 | 17 868           | (716)               |



|                          |                  |                            |                  |
|--------------------------|------------------|----------------------------|------------------|
| Breede Valley            | 95 229           | 80 227                     | (15 002)         |
| Breede River/Winelands   | 27 329           | 27 042                     | (287)            |
| <b>Cape Winelands DM</b> |                  | <b>No consumer debtors</b> |                  |
| Theewaterskloof          | 56 007           | 71 926                     | 15 919           |
| Overstrand               | 36 200           | 37 160                     | 960              |
| Cape Agulhas             | 10 252           | 10 856                     | 604              |
| Swellendam               | 23 146           | 26 262                     | 3 116            |
| <b>Overberg DM</b>       | <b>3 784</b>     | <b>2 978</b>               | <b>(806)</b>     |
| Kannaland                | 22 271           | 26 589                     | 4 318            |
| Hessequa                 | 26 299           | 21 739                     | (4 560)          |
| Mossel Bay               | 52 882           | 66 443                     | 13 561           |
| George                   | 89 634           | 76 885                     | (12 749)         |
| Oudtshoorn               | 50 794           | 78 017                     | 27 223           |
| Bitou                    | 26 437           | 31 457                     | 5 020            |
| Knysna                   | 41 730           | 44 651                     | 2 921            |
| <b>Eden DM</b>           | <b>7 198</b>     | <b>8 552</b>               | <b>1 354</b>     |
| Laingsburg               | 1 103            | 932                        | (171)            |
| Prince Albert            | 2 169            | 1 778                      | (391)            |
| Beaufort West            | 27 298           | 33 796                     | 6 498            |
| <b>Central Karoo DM</b>  | <b>3 921</b>     | <b>4 925</b>               | <b>1 004</b>     |
| <b>Total</b>             | <b>5 947 715</b> | <b>5 089 570</b>           | <b>(858 145)</b> |

Table 34: Total consumer debt outstanding per municipality

Source: Municipal financial statements 2005/06 & 2006/07

Notes:

- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

#### 4.4.3 Consumer debtor age analysis

| Municipality      | Financial year | Debtor age analysis                                  |                             |                             |                            | Total<br>R'000 |
|-------------------|----------------|--|-----------------------------|-----------------------------|----------------------------|----------------|
|                   |                | Less than 30 days<br>R'000                           | Between 30-60 days<br>R'000 | Between 60-90 days<br>R'000 | More than 90 days<br>R'000 |                |
| City of Cape Town | 2005/06        | 703 486  | 197 139                     | 141 979                     | 4 041 476                  | 5 084 080      |
|                   | 2006/07        | 908 300  | 154 140                     | 294 138                     | 2 764 270                  | 4 120 848      |
| Matzikama         | 2005/06        | Not indicated in this format in financial statements |                             |                             |                            | 16 604         |
|                   | 2006/07        | Not indicated in this format in financial statements |                             |                             |                            | 17 228         |
| Cederberg         | 2005/06        | Not indicated in this format in financial statements |                             |                             |                            | 31 120         |
|                   | 2006/07        | Not indicated in this format in financial statements |                             |                             |                            | 28 583         |
| Bergriver         | 2005/06        | Not clear in financial statements                    |                             |                             |                            | 17 423         |
|                   | 2006/07        | Not clear in financial statements                    |                             |                             |                            | 19 704         |
| Saldanha Bay      | 2005/06        | Not clear in financial statements                    |                             |                             |                            | 75 972         |
|                   | 2006/07        | Not clear in financial statements                    |                             |                             |                            | 94 159         |
| Swartland         | 2005/06        | 7 983  | 1 857                       | 1 226                       | 6 009                      | 17 075         |
|                   | 2006/07        | 9586   | 1997                        | 534                         | 7784                       | 19 901         |
| West Coast DM     | 2005/06        | 2 907  | 287                         | 167                         | 1 537                      | 4 898          |
|                   | 2006/07        | 4 470  | 52                          | 31                          | 1 428                      | 5 981          |
| Witzenberg        | 2005/06        | 7 581  | 1 490                       | 981                         | 29 753                     | 39 805         |
|                   | 2006/07        | 7 654  | 1 603                       | 1 122                       | 33 448                     | 47 995         |
| Drakenstein       | 2005/06        | 35 831   | 5 704                       | 4 220                       | 47 638                     | 93 393         |
|                   | 2006/07        | 45 278   | 8 531                       | 10 234                      | 70 218                     | 134 261        |
| Stellenbosch      | 2005/06        | 17 257   | 2 253                       | 1 372                       | 34 298                     | 55 180         |
|                   | 2006/07        | 16 603   | 2 181                       | 1 335                       | 37 501                     | 57 620         |

|                          |                |   |                |                |                  |                  |
|--------------------------|----------------|---|----------------|----------------|------------------|------------------|
| Breede Valley            | 2005/06        | 13 795  | 2 842          | 2 167          | 76 425           | 95 229           |
|                          | 2006/07        | 17 471  | 2 295          | 2 496          | 57 965           | 80 227           |
| Breede River/Wine-lands  | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 27 329           |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 27 042           |
| <b>Cape Winelands DM</b> | <b>2005/06</b> | <b>No consumer debtors</b>                                  |                |                |                  |                  |
|                          | <b>2006/07</b> | <b>No consumer debtors</b>                                  |                |                |                  |                  |
| Theewaters-kloof         | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 56 007           |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 71 926           |
| Overstrand               | 2005/06        | 14 646  | 3 416          | 1 273          | 16 865           | 36 200           |
|                          | 2006/07        | 17 525  | 4 491          | 1 725          | 13 419           | 37 160           |
| Cape Agulhas             | 2005/06        | 3 204   | 1 256          | 271            | 3 297            | 1 420            |
|                          | 2006/07        | 3 533   | 1 344          | 269            | 2 170            | 2 820            |
| Swellendam               | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 23 146           |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 26 262           |
| <b>Overberg DM</b>       | <b>2005/06</b> | <b>Not indicated in this format in financial statements</b> |                |                |                  | <b>3 784</b>     |
|                          | <b>2006/07</b> | <b>Not indicated in this format in financial statements</b> |                |                |                  | <b>2 978</b>     |
| Kannaland                | 2005/06        | 1 370   | 519            | 759            | 19 623           | 22 271           |
|                          | 2006/07        | 1 424   | 565            | 491            | 24 108           | 26 589           |
| Hessequa                 | 2005/06        | 4 206   | 1 409          | 933            | 19 751           | 26 299           |
|                          | 2006/07        | 4 589   | 1 757          | 822            | 14 571           | 21 739           |
| Mossel Bay               | 2005/06        | 16 058  | 1 870          | 1 459          | 33 495           | 52 882           |
|                          | 2006/07        | 20 805  | 1 928          | 1 722          | 41 988           | 66 443           |
| George                   | 2005/06        | 1 856   | 17 795         | 4 366          | 65 617           | 89 634           |
|                          | 2006/07        | 27 012  | 2 094          | 1 636          | 46 143           | 76 885           |
| Oudtshoorn               | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 50 794           |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 78 017           |
| Bitou                    | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 26 437           |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 31 457           |
| Knysna                   | 2005/06        | 9 351   | 2 621          | 1 038          | 28 720           | 41 730           |
|                          | 2006/07        | 10 853  | 4 074          | 1 503          | 28 221           | 44 651           |
| <b>Eden DM</b>           | <b>2005/06</b> | <b>Not indicated in this format in financial statements</b> |                |                |                  | <b>7 198</b>     |
|                          | <b>2006/07</b> | <b>Not indicated in this format in financial statements</b> |                |                |                  | <b>8 552</b>     |
| Laingsburg               | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 1 103            |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 932              |
| Prince Albert            | 2005/06        | Not indicated in this format in financial statements        |                |                |                  | 2 169            |
|                          | 2006/07        | Not indicated in this format in financial statements        |                |                |                  | 1 778            |
| Beaufort West            | 2005/06        | Not clear in financial statements                           |                |                |                  | 27 298           |
|                          | 2006/07        | Not clear in financial statements                           |                |                |                  | 33 796           |
| <b>Central Karoo DM</b>  | <b>2005/06</b> | <b>178</b>  | <b>143</b>     | <b>112</b>     | <b>3 488</b>     | <b>3 921</b>     |
|                          | <b>2006/07</b> | <b>159</b>  | <b>145</b>     | <b>147</b>     | <b>4 474</b>     | <b>4 925</b>     |
| <b>Total</b>             | <b>2005/06</b> | <b>931 390</b>  | <b>332 282</b> | <b>254 004</b> | <b>4 519 673</b> | <b>5 947 715</b> |
|                          | <b>2006/07</b> | <b>1 199 778</b>  | <b>291 713</b> | <b>422 721</b> | <b>3 252 226</b> | <b>5 089 570</b> |

Table 35: Consumer debt age analysis

Source: Municipal financial statements 2005/06 & 2006/07

Notes:

- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

#### 4.4.4 Analysis of consumer debtors

Although it seems as if there was a substantial decrease in outstanding debtors from 2005/06 to 2006/07, it is in actual fact not the case in all instances. The implementation of GAMAP/GRAP has a huge effect on the manner in which municipalities list their outstanding consumer debt in their financial statements. One of the key findings in the reports of the AG is insufficient debt management, as well as insufficient provision by municipalities for bad debt. When evaluating the balance sheets

of municipalities it is still problematic to note that current assets mainly consist of outstanding debtors that will not realise immediate cash to service their current liabilities, i.e. creditors (especially when taking into account the largest chunk of outstanding debt is older than 90 days). Although all municipalities have approved credit control policies in place, it is often not enforced effectively due to capacity and other resource shortages.

#### 4.5 Performance against additional viability indicators

The following indicators are used by most banks and financial institutions to determine the financial health of a municipality.

##### 4.5.1 Staff cost as % of total operating expenditure (Excludes Councillor allowances)

| Municipality                 | 2004/05<br>% | 2005/06<br>% | 2006/07  |   |                 |
|------------------------------|--------------|--------------|--|---|-----------------|
|                              |              |              | Total Expenditure<br>salary and<br>allowances<br>R'000 | Total Operating<br>Expenditure<br>R'000 | Percentage<br>) |
| <b>City of Cape Town</b>     | <b>32</b>    | <b>28</b>    | <b>3 010 002</b>                                       | <b>9 606 014</b>                        | <b>31</b>       |
| Matzikama                    | 38           | 35           | 29 773   | 91 312                                  | 32              |
| Cederberg                    | 37           | 39           | 24 387   | 57 515                                  | 42              |
| Bergriver                    | 43           | 43           | 32 764   | 81 524                                  | 40              |
| Saldanha Bay                 | 36           | 32           | 81 630   | 263 290                                 | 31              |
| Swartland                    | 29           | 31           | 55 907   | 172 655                                 | 32              |
| <b>West Coast DM</b>         | <b>25</b>    | <b>23</b>    | <b>34 851</b>  | <b>165 722</b>                          | <b>21</b>       |
| Witzenberg                   | 33           | 35           | 53 472   | 145 468                                 | 36              |
| Drakenstein                  | 32           | 31           | 170 521  | 547 380                                 | 31              |
| Stellenbosch                 | 34           | 33           | 146 460  | 428 363                                 | 34              |
| Breede Valley                | 32           | 33           | 82 036   | 278 072                                 | 30              |
| Breede<br>River/Winelands    | 28           | 29           | 56 554   | 185 943                                 | 30              |
| <b>Cape Winelands<br/>DM</b> | <b>37</b>    | <b>30</b>    | <b>67 415</b>  | <b>250 628</b>                          | <b>27</b>       |
| Theewaterskloof              | 25           | 23           | 44 839   | 183 193                                 | 24              |
| Overstrand                   | 33           | 32           | 88 058   | 268 655                                 | 33              |
| Cape Agulhas                 | 37           | 35           | 25 964   | 81 070                                  | 32              |
| Swellendam                   | 41           | 41           | 20 050   | 54 063                                  | 37              |
| <b>Overberg DM</b>           | <b>39</b>    | <b>48</b>    | <b>49 056</b>  | <b>135 921</b>                          | <b>36</b>       |
| Kannaland                    | 32           | 29           | 10 677   | 67 615                                  | 15              |
| Hessequa                     | 45           | 33           | 40 719   | 121 607                                 | 33              |
| Mossel Bay                   | 34           | 31           | 140 387  | 353 767                                 | 39              |
| George                       | 25           | 24           | 139 998  | 567 568                                 | 25              |
| Oudtshoorn                   | 39           | 43           | 65 331   | 152 865                                 | 43              |
| Bitou                        | -            | 39           | 51 605   | 138 992                                 | 37              |
| Knysna                       | 30           | 33           | 111676   | 277 028                                 | 40              |
| <b>Eden DM</b>               | <b>42</b>    | <b>36</b>    | <b>52 574</b>  | <b>163 267</b>                          | <b>32</b>       |
| Laingsburg                   | 36           | 38           | 5 389  | 16 865                                  | 32              |

|                         |           |           |                  |                   |           |
|-------------------------|-----------|-----------|------------------|-------------------|-----------|
| Prince Albert           | 44        | 45        | 5 057            | 12 072            | 41        |
| Beaufort West           | 41        | 41        | 28 152           | 73 540            | 38        |
| <b>Central Karoo DM</b> | <b>18</b> | <b>19</b> | <b>9 314</b>     | <b>47 614</b>     | <b>20</b> |
| <b>Total</b>            | <b>32</b> | <b>29</b> | <b>4 734 618</b> | <b>15 096 630</b> | <b>31</b> |

Table 36: Staff cost as % of total operating expenditure (Excludes Councillor allowances)

Source: Municipal financial statements 2005/06 & 2006/07

#### 4.5.2 Level of reliance on grants

| Municipality             | 2005/06   | 2006/07                                      |                                  |                 |
|--------------------------|-----------|--|----------------------------------|-----------------|
|                          |           | Total grants and subsidies received<br>R'000 | Total Operating Revenue<br>R'000 | Percentage<br>% |
| <b>City of Cape Town</b> | <b>11</b> | <b>1 512 496</b>                             | <b>10 466 068</b>                | <b>14</b>       |
| Matzikama                | 13        | 28 446                                       | 92 882                           | 31              |
| Cederberg                | 15        | 10 244                                       | 64 094                           | 15              |
| Bergriver                | 9         | 16 329                                       | 91 140                           | 18              |
| Saldanha Bay             | 6         | 53 290                                       | 351 822                          | 15              |
| Swartland                | 17        | 24 239                                       | 200 578                          | 12              |
| <b>West Coast DM</b>     | <b>11</b> | <b>21 865</b>                                | <b>202 823</b>                   | <b>11</b>       |
| Witzenberg               | 11        | 30 315                                       | 145 750                          | 21              |
| Drakenstein              | 13        | 64 045                                       | 603 510                          | 11              |
| Stellenbosch             | 15        | 55 420                                       | 478 929                          | 12              |
| Breede Valley            | 25        | 64 088                                       | 326 170                          | 20              |
| Breede River/Winelands   | 8         | 17 959                                       | 197 020                          | 9               |
| <b>Cape Winelands DM</b> | <b>36</b> | <b>157 176</b>                               | <b>284 142</b>                   | <b>55</b>       |
| Theewaterskloof          | 27        | 59 032                                       | 191 675                          | 31              |
| Overstrand               | 7         | 30 599                                       | 375 698                          | 8               |
| Cape Agulhas             | 6         | 6 494  | 88 447                           | 7               |
| Swellendam               | 0         | 967  | 57 805                           | 2               |
| <b>Overberg DM</b>       | <b>23</b> | <b>80 554</b>                                | <b>129 638</b>                   | <b>62</b>       |
| Kannaland                | 23        | 23 535                                       | 52 565                           | 44              |
| Hessequa                 | 23        | 33 612                                       | 144 025                          | 23              |
| Mossel Bay               | 14        | 48 902                                       | 372 091                          | 13              |
| George                   | 12        | 110 672                                      | 591 814                          | 19*             |
| Oudtshoorn               | 5         | 14 433                                       | 173 662                          | 8               |
| Bitou                    | 20        | 11 819                                       | 152 941                          | 8               |
| Knysna                   | 10        | 64 343                                       | 270 214                          | 24              |
| <b>Eden DM</b>           | <b>2</b>  | <b>39 852</b>                                | <b>163 267</b>                   | <b>34</b>       |
| Laingsburg               | 63        | 8 415  | 16 145                           | 52              |
| Prince Albert            | 51        | 5 999  | 12 203                           | 49              |
| Beaufort West            | 12        | 23 904                                       | 88 139                           | 27              |
| <b>Central Karoo DM</b>  | <b>51</b> | <b>19 008</b>                                | <b>48 466</b>                    | <b>39</b>       |
| <b>Total</b>             | <b>12</b> | <b>2 638 052</b>                             | <b>16 433 724</b>                | <b>16</b>       |

Table 37: Level of reliance on grants

Source: Municipal financial statements 2005/06 & 2006/07

### 4.5.3 Liquidity ratio

| Municipality             | Ratio        |               | 2006/07                     |                                  | Ratio        |
|--------------------------|--------------|---------------|-----------------------------|----------------------------------|--------------|
|                          | 2004/05      | 2005/06       | Net current assets<br>R'000 | Net current liabilities<br>R'000 |              |
| <b>City of Cape Town</b> | <b>1.4:1</b> | <b>1.3:1</b>  | <b>4 610 975</b>            | <b>3 841 375</b>                 | <b>1.2:1</b> |
| Matzikama                | 3.7:1        | 4.2:1         | 22 843                      | 17 424                           | 1.3:1        |
| Cederberg                | 2.1:1        | 1.6:1         | 60 001                      | 32 440                           | 1.8:1        |
| Bergriver                | 2.6:1        | 4.6:1         | 57 423                      | 24 146                           | 2.4:1        |
| Saldanha Bay             | 4.5:1        | 3.2:1         | 282 824                     | 80 787                           | 3.5:1        |
| Swartland                | 1.0:1        | 0.7:1         | 37 163                      | 47 243                           | 0.8:1        |
| <b>West Coast DM</b>     | <b>0.4:1</b> | <b>0.3:1</b>  | <b>23 072</b>               | <b>89 726</b>                    | <b>0.2:1</b> |
| Witzenberg               | 0.8:1        | 0.9:1         | 37 996                      | 45 397                           | 0.8:1        |
| Drakenstein              | 2.5:1        | 1.8:1         | 210 178                     | 126 552                          | 1.7:1        |
| Stellenbosch             | 2.6:1        | 2.4:1         | 237 554                     | 101 396                          | 2.3:1        |
| Breede Valley            | 1.6:1        | 1.9:1         | 128 058                     | 53 376                           | 2.4:1        |
| Breede<br>River/Winlands | 2.9:1        | 3.5:1         | 100 128                     | 44 263                           | 2.2:1        |
| <b>Cape Winelands DM</b> | <b>1.6:1</b> | <b>1.5:1</b>  | <b>297 982</b>              | <b>43 014</b>                    | <b>6.9:1</b> |
| Theewaterskloof          | 1.6:1        | 1.5:1         | 47 379                      | 20 868                           | 2.3:1        |
| Overstrand               | 1.5:1        | 1.6:1         | 234 194                     | 141 460                          | 1.7:1        |
| Cape Agulhas             | 7.2:1        | 9.2:1         | 74 688                      | 11 148                           | 6.7:1        |
| Swellendam               | 5.0:1        | 9.3:1         | 34 798                      | 5 359                            | 6.5:1        |
| <b>Overberg DM</b>       | <b>2.4:1</b> | <b>1.88:1</b> | <b>18 328</b>               | <b>12 366</b>                    | <b>1.5:1</b> |
| Kannaland                | 1.9:1        | 2.3:1         | 13 988                      | 19 240                           | 0.7:1        |
| Hessequa                 | 1.9:1        | 2.2:1         | 106 405                     | 60 940                           | 1.7:1        |
| Mossel Bay               | 3.5:1        | 3.8:1         | 257 474                     | 81 915                           | 3.1:1        |
| George                   | 2.9:1        | 3.2:1         | 399 990                     | 134 012                          | 2.9:1        |
| Oudtshoorn               | 2.8:1        | 3.4:1         | 103 221                     | 23 203                           | 4.4:1        |
| Bitou                    | 1.3:1        | 2.9:1         | 71 215                      | 17 317                           | 4.1:1        |
| Knysna                   | 2.0:1        | 2.1:1         | 338 404                     | 68 873                           | 4.9:1        |
| <b>Eden DM</b>           | <b>1.7:1</b> | <b>2.8:1</b>  | <b>76 181</b>               | <b>29 861</b>                    | <b>2.5:1</b> |
| Laingsburg               | 17.1:1       | 3.9:1         | 15 046                      | 3 483                            | 4.3:1        |
| Prince Albert            | 9.5:1        | 8.1:1         | 19 174                      | 1 712                            | 11.1:1       |
| Beaufort West            | 2.5:1        | 1.4:1         | 44 049                      | 26 087                           | 1.7:1        |
| <b>Central Karoo DM</b>  | <b>1.4:1</b> | <b>1.3:1</b>  | <b>9 734</b>                | <b>6 863</b>                     | <b>1.4:1</b> |
| <b>Total</b>             | <b>1.6:1</b> | <b>1.5:1</b>  | <b>7 970 465</b>            | <b>5 211 846</b>                 | <b>1.5:1</b> |

Table 38: Liquidity ratio

Source: Municipal financial statements 2005/06 and 2006/07

#### 4.5.4 Analysis of viability indicators

The nationally accepted norm for personnel expenditure as part of total operating expenditure is between 35-40%. Most of the municipalities' personnel expenditure falls within this bracket. It is a real challenge for smaller municipalities with a low revenue base to stay within this norm and the experience of most municipalities is that the ever increasing tasks from other spheres of government are putting this expenditure under enormous pressure.

Although the municipalities' grant dependency percentage is low in comparison to other Provinces, they are becoming more reliant on capital grants as mentioned earlier in the report. Municipalities with a limited revenue base become more reliant on operational grants as well, i.e. the equitable share. As of July 2006, regional council levies were replaced by the equitable share, which means that District Municipalities have become much more reliant on national government grants.

A healthy liquidity ratio is 1.5:1 and although most municipalities fall within this norm, the biggest part of their current assets for most municipalities is outstanding debts, except for District Municipalities with a smaller

consumer base. As mentioned before, this current asset will not realise cash immediately to service short term liabilities, taking into account that the biggest part of the outstanding debt is outstanding for more than 90 days.

The Provincial Treasury in terms of section 71(7) of the MFMA publish 30 days after the end of each quarter a consolidated statement on the state of municipalities' budgets per municipality. This statements is also submitted to the Provincial Legislature quarterly. This statements provide detail on the revenue and expenditure, as well as various other financial information of municipalities on a quarterly basis.

Evaluations and the identification of the correct figures for the different tables was hampered by the fact that municipalities are at various stages with the implementation of GAMAP/GRAP and therefore the display of their financial information in their annual financial statements vary.

The GRAP financial statements make provision for more financial information in a more understandable manner, which will make financial evaluation easier in the future.

### 5.1 Introduction

Good governance ensures that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources, and that political, social and economic priorities are based on broad consensus among the three stakeholders, namely the state, private sector and civil society.

The status of local government has changed radically over the past five years. Local government is a sphere of government; its powers are derived from the Constitution and are no longer delegated from the national or provincial government. The by-laws of a municipal council are legislative acts and, therefore, not reviewable in terms of administrative law.

In Chapter 7 of the Constitution, Section 151 states that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution.

Good governance and public participation are the basis of developmental Local Government. This key performance area for municipalities includes such matters as the deployment of Community Development Workers (CDW's), the establishment of ward committees, the functioning of IGR

structures, and public participation processes.

The initial assessment of Project Consolidate at the end of 2006 pointed to the need to institutionalise the lessons from this initiative within government generally. These lessons directly contributed to the adoption of the 5 Year Local Government Strategic Agenda (2006 – 2011), which focuses on three strategic priorities:

- Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability;
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
- Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures.

The period under review (2006/7) was marked by rapid political changes (March 2006 elections and September 2007 floor crossing periods) creating political and administrative paralysis in a number of municipalities across the Western Cape.

## 5.2 Good governance indicators as at June 2007

| Municipality             | All admin delegations adopted | S59 MSA Delegations adopted | Roles of Committees and Political Office Bearers defined | Meetings convened |                             |                     |                      |                     | Number of meetings where quorum was not achieved |                             | Code of conduct adopted (Council & staff) | Code communicated to community | Interests of councillors and staff declared | Councillors and staff members in arrears with municipal accounts | Anti-corruption strategy implemented | Change in political leadership |
|--------------------------|-------------------------------|-----------------------------|--|-------------------|-----------------------------|---------------------|----------------------|---------------------|--|-----------------------------|---|--------------------------------|---|--|--------------------------------------|--------------------------------|
|                          |                               |                             |  | Council           | Executive mayoral committee | Portfolio Committee | Municipal Management | IDP Representatives | Council  | Executive mayoral committee |   |                                |   |  |                                      |                                |
|                          |                               |                             |  | City of Cape Town | yes                         | yes                 | yes                  | 6                   | 11   | 49                          |   |                                |   |  |                                      |                                |
| Matzikama                | yes                           | yes                         | yes  | NI                | NI                          | NI                  | 12                   | 4                   | NI   | NI                          | no  | no                             | no  | yes  | no                                   | no                             |
| Cederberg                | yes                           | yes                         | yes  | 13                | 18                          | 0                   | 12                   | 0                   | 0  | 0                           | yes                                       | no                             | no  | yes  | yes                                  | no                             |
| Bergriver                | yes                           | yes                         | yes  | NI                | NI                          | NI                  | 12                   | 13                  | 0  | 0                           | yes                                       | no                             | no  | no   | no                                   | yes                            |
| Saldanha Bay             | yes                           | yes                         | yes  | 23                | 33                          | 3                   | 12                   | 0                   | 0  | 0                           | yes                                       | yes                            | yes   | yes  | yes                                  | yes                            |
| Swartland                | no                            | no                          | no   | 9                 | 25                          | 44                  | 11                   | 2                   | 0  | 0                           | yes                                       | no                             | yes   | no   | no                                   | No                             |
| <b>West Coast DM</b>     | <b>yes</b>                    | <b>yes</b>                  | <b>yes</b>   | <b>10</b>         | <b>14</b>                   | <b>23</b>           | <b>NI</b>            | <b>4</b>            | <b>0</b>   | <b>0</b>                    | <b>yes</b>                                | <b>no</b>                      | <b>yes</b>                                  | <b>no</b>  | <b>no</b>                            | <b>yes</b>                     |
| Witzenberg               | yes                           | yes                         | yes  | 4                 | 10                          | 11                  | 12                   | NI                  | 0  | 0                           | yes                                       | no                             | yes   | yes  | yes                                  | yes                            |
| Drakenstein              | yes                           | no                          | yes  | 12                | 21                          | 0                   | 48                   | NA                  | 0  | 0                           | yes                                       | Part-ly                        | yes   | NI   | no                                   | yes                            |
| Stellenbosch             | yes                           | yes                         | yes  | 10                | 41                          | 43                  | 50                   | NA                  | 0  | 0                           | yes                                       | yes                            | yes   | yes  | yes                                  | No                             |
| Breede Valley            | yes                           | yes                         | yes  | 16                | 11                          | NI                  | 15                   | NA                  | 0  | 0                           | yes                                       | no                             | Council                                     | yes  | no                                   | yes                            |
| Breede River/Winelands   | yes                           | yes                         | yes  | 12                | 32                          | NI                  | 12                   | 4                   | 0  | 0                           | yes                                       | no                             | yes   | yes  | no                                   | yes                            |
| <b>Cape Winelands DM</b> | <b>yes</b>                    | <b>yes</b>                  | <b>yes</b>   | <b>10</b>         | <b>29</b>                   | <b>NI</b>           | <b>12</b>            | <b>1</b>            | <b>0</b>   | <b>0</b>                    | <b>yes</b>                                | <b>yes</b>                     | <b>yes</b>                                  | <b>NI</b>  | <b>no</b>                            | <b>no</b>                      |
| Theewaterskloof          | yes                           | yes                         | yes  | 24                | 19                          | 24                  | NI                   | NI                  | 0  | 0                           | yes                                       | no                             | yes   | yes  | no                                   | yes                            |
| Overstrand               | yes                           | yes                         | yes  | 11                | 10                          | 7                   | 10                   | 2                   | 0  | 0                           | yes                                       | yes                            | yes   | yes  | no                                   | no                             |
| Cape Agulhas             | yes                           | yes                         | yes  | 12                | 12                          | 40                  | NI                   | 2                   | 0  | 0                           | yes                                       | no                             | yes   | NI   | NI                                   | no                             |
| Swellendam               | yes                           | yes                         | yes  | 12                | 12                          | 12                  | 48                   | 10                  | 0  | 0                           | yes                                       | yes                            | yes   | yes  | yes                                  | yes                            |
| <b>Overberg DM</b>       | <b>yes</b>                    | <b>No</b>                   | <b>no</b>  | <b>12</b>         | <b>45</b>                   | <b>NI</b>           | <b>NI</b>            | <b>2</b>            | <b>0</b>   | <b>0</b>                    | <b>yes</b>                                | <b>yes</b>                     | <b>yes</b>                                  | <b>yes</b>   | <b>no</b>                            | <b>no</b>                      |
| Kannaland                | yes                           | yes                         | yes  | 12                | 0                           | 0                   | 0                    | 0                   | 0  | 0                           | yes                                       | no                             | yes   | no   | no                                   | yes                            |
| Hessequa                 | yes                           | yes                         | yes  | 12                | 25                          | 51                  | 48                   | 16                  | 0  | 0                           | yes                                       | yes                            | yes   | no   | yes                                  | no                             |
| Mossel Bay               | NI                            | NI                          | NI   | 4                 | 10                          | Ni                  | NI                   | 19                  | 0  | 0                           | yes                                       | NI                             | yes   | no   | no                                   | no                             |
| George                   | yes                           | yes                         | yes  | 10                | 15                          | 42                  | 45                   | 20                  | 0  | 0                           | yes                                       | yes                            | yes   | yes  | no                                   | no                             |
| Oudtshoorn               | no                            | yes                         | yes  | NI                | NI                          | NI                  | NI                   | NI                  | NI   | NI                          | yes                                       | no                             | yes   | yes  | no                                   | yes                            |
| Bitou                    | yes                           | yes                         | yes  | 9                 | 18                          | 0                   | NI                   | 12                  | 0  | 0                           | NI  | NI                             | NI  | Ni   | NI                                   | NI                             |
| Knysna                   | yes                           | yes                         | yes  | 6                 | 13                          | 58                  | 9                    | 8                   | 0  | 0                           | yes                                       | yes                            | yes   | NI   | no                                   | Yes                            |
| <b>Eden DM</b>           | <b>yes</b>                    | <b>yes</b>                  | <b>yes</b>   | <b>NI</b>         | <b>NI</b>                   | <b>NI</b>           | <b>NI</b>            | <b>NI</b>           | <b>NI</b>  | <b>NI</b>                   | <b>yes</b>                                | <b>yes</b>                     | <b>yes</b>                                  | <b>no</b>  | <b>no</b>                            | <b>NI</b>                      |
| Laingsburg               | yes                           | yes                         | yes  | 12                | NI                          | NI                  | NI                   | NI                  | 0  | 0                           | yes                                       | yes                            | yes   | no   | yes                                  | yes                            |
| Prince Albert            | no                            | no                          | yes  | 4                 | NA                          | 4                   | NI                   | NA                  | 0  | NA                          | yes                                       | no                             | no  | no   | no                                   | No                             |



|                  |     |     |     |    |    |    |    |    |    |    |     |     |     |    |     |     |
|------------------|-----|-----|-----|----|----|----|----|----|----|----|-----|-----|-----|----|-----|-----|
| Beaufort West    | yes | yes | yes | 14 | 9  | 11 | NA | NA | NI | NI | yes | yes | yes | NI | yes | yes |
| Central Karoo DM | yes | yes | yes | 14 | 10 | 65 | 30 | 6  | 0  | 0  | yes | no  | yes | no | yes | yes |

Table 39: Good governance indicators

Source: Questionnaire August 2007

NI = No information

### 5.2.1 By-laws and standing operating procedures

In terms of Section 59 of the of Municipal Systems Act, 2000 as amended, provides that Municipalities are required to develop and implement standard operating procedures and delegations as an element of good governance. Only Western Cape Province reported on this, namely 83% of all local, district and metropolitan municipalities have adopted administrative delegations; 79% of municipalities have adopted delegations and 89% have adopted codes of conduct for councillors and municipal officials. .

Most municipalities adopted administrative- and section 59 delegations and the roles of committee/ political office bearers were defined as prescribed in the Municipal Systems Act. The average number of meetings for Council, Executive Mayoral Committee, Portfolio Committee, Municipal Management and IDP forums was fairly high and reflects positively on

the overall good governance of municipalities.

Almost all Council and Executive/Mayoral Committees achieved the requisite quorums for meetings. Most municipalities adopted codes of conduct for Council and staff as required by the Municipal Systems Act. The challenge of effectively communicating and involving communities in the development of these Codes however remains. This has a negative impact on good governance and has been reported on in most of the Auditor General Reports of 2006/7.

In most municipalities the interest of Councillors and staff has been declared and active registers and declarations are maintained. Councillor and staff arrears have been resolved or arrangements to resolve arrears have been made in most municipalities.

### 5.2.2 Ward Committees/ IDP Representative Forums

Ward committees are established in terms of Chapter 4 of the Municipal Systems Act, 2000, and the Municipal Structures Act, 1998. Since 2000, there have been different approaches used by different municipalities in the establishment of Ward Committees. The ward committee system was designed to ensure that people's inputs are taken into account in planning and decision-making processes at municipal level. Considerable progress has been achieved in establishing Ward Committees despite numerous challenges confronting municipalities and ward committees. *The Western Cape Province has been demarcated in 348 wards since the second local government elections, 1<sup>st</sup> March 2006.*

- o The City of Cape Town (the new demarcations) has 105 wards.
- o The West Coast District has five municipalities with a total of 42 wards; with the assistance of the PIMS Centre

all ward committees had been established.

- o The Cape Winelands District has five municipalities with 91 wards; all other municipalities had their ward committees established with the exception of Breede Valley Municipality with 14 wards established and 6 that was outstanding.
- o The Overberg District has four municipalities with 32 wards. Thirty one (31) ward committees have been established; only one ward in Swellendam was outstanding.
- o The Eden District has seven municipalities with 71 wards; six municipalities established their ward committees.
- o Central Karoo District has 7 ward committees and all ward committees were established and were functional. Beaufort West was the first municipality to successfully introduce ward based planning.

### 5.2.3 Anti-corruption

The Western Cape Province launched their Local Government Anti-Corruption Strategy in December 2006. This initiative is a national anti-corruption drive at local government level aimed at enlisting the support of all relevant stakeholders and raise awareness. This is also to promote transparency and integrity in local government and to address those specific areas that are potentially vulnerable to corruption.

Six pilot Project Consolidate Municipalities (Kannaland, Hessequa, Laingsburg, Theewaterskloof, Prince Albert, Beaufort West) in the Western Cape were assisted to work through and evaluate their procurement, housing and appointment of personnel policies with the view to adjust them and to make them less vulnerable for corruption.

The second phases of the roll-out of the Local Government Anti-Corruption Strategy, three municipal districts have been identified to receive assistance through this initiative namely, Overberg, West Coast and Cape Winelands (15 all together). The

focus for this phase will be on housing, procurement, human resources and finance.

The Department actions with regard to anti-corruption were two-fold namely:

- Assisting the national Department of Provincial and Local Government (DPLG) with the roll-out of the Local Government Anti-Corruption Strategy, launched nationally in October 2006 and in December 2006 in the Western Cape Province, and
- Actual investigation of alleged corruption at municipalities.

Good progress with regard to investigations into PHP projects were being made through excellent co-operation between the Special Investigations Unit (SIU) and the Department. Fifteen projects were identified for investigation (10 high priorities and 5 lower priorities).

A number of alleged irregularities at the George, Bitou and Stellenbosch Municipalities were probed.

### 5.3 Community development workers

The Community Development Workers (CDWs) programme is a presidential project announced by President Mbeki in his State of the Nation Address in February 2003 and was launched in 2004. It involves the deployment of CDWs in the wards within the municipalities to assist strengthening the democratic social contract, advocating an organised voice for the poor and improvement of government community social networks.

CDWs have generally been completing their field work assignment which involves developing a community profile that includes:

- The breakdown of the population & facilities and services available
- Availability and accessibility of services
- How income is earned
- Access to water, sanitation, fuel, housing
- Health, welfare, social and legal issues

- Compiling a list of local organisations & services

Almost 70% of ward committees were established according to the database of the Department, community development workers were deployed in most municipalities/wards, imbizos, youth forums, community development forums has also occurred during the period under review. Whilst this bodes well for citizenry participation, in a number of communities are still raising issues around the lack of consultation with regards to service delivery. As indicated in the Auditor - General Reports, most municipalities are still not involving communities in the development of Integrated Development Plans, Municipal Performance Reviews, Spatial Development Plans etc. The involvement and role played by CDWs and Ward Committees in these processes needs to be clarified as well as participation of communities.

## 5.4 Inter governmental relations

For the municipalities to succeed in its developmental role, proactive cooperation between all the spheres of government is critical for efficient and effective service delivery. Each sphere of government has a role in the development planning, prioritisation, and resource allocation.

The Intergovernmental Relations Framework Act (IGRFA) was passed in 2005. The Act provides a framework for the cooperation among the three spheres of government as distinctive, interdependent and interrelated, and it defines the responsibilities and institutional structures to support closer cooperation. In the Western Province the following functional intergovernmental relations structures were established and/or maintained.

- Provincial Advisory Forum

- Provincial Advisory Technical Forum
- LGMTEC
- Speakers Forum
- Municipal Managers Forum
- District Co-ordinating Forums
- Disaster Management Forum
- CFO Forum
- IDP Representative Forums
- Various district forums, such as IT, Electrical, etc

The effective functioning of these fora remains challenging. Most municipalities have rated the relevance of these fora as average (as per August 2007 Questionnaire). They view the Municipal Managers Forum as the most relevant and effective forum initiated by Province.

## 5.5 Analysis, challenges and trends

Local government is an autonomous sphere of government; its powers are derived from the Constitution and are no longer delegated from the national or provincial government. The by-laws of a municipal council are legislative acts and, therefore, not reviewable in terms of administrative law.

During the period under review (2006/7) the March 2006 election period resulted in a number of party political coalitions being formed at a Metro, District and Municipal level. This is a new dynamic within South African local politics and is very pronounced in the Western Cape where the coalitions are primarily between the Democratic Alliance and the Independent Democrats against the African National Congress and visa versa.

This dynamic has lead in some instances to municipal managers and other Section 57 appointees often being suspended for months resulting in (acting appointees without necessary delegated authority or experience) organisational paralysis, low staff morale and a breakdown of governance at a municipal level in some instances. The Auditor – General has

repeatedly raised this matter as a major issue affecting good governance and oversight. There is an urgent need to increase the capacity of local municipalities to manage these senior appointments without impacting negatively on service delivery.

### **Some of the other challenges in good governance and public participation include:**

- Challenge with regard to Council stability, continuity, organisational memory, oversight and accountability;
- Challenges with regard to the effective functioning of coalition lead municipalities;
- Challenges with regard to the removal, placement and vacancies experienced at a Municipal Manager and Section 57 appointee level;
- Challenges with regard to the effective functioning of ward committees;
- Challenges with regard to the strengthening of intergovernmental relations, especially at District and Provincial level; and
- Challenges with regard to the efficacy of public participation exercises.

### 6.1 Introduction

An imperative for economic growth and development is the participation by local government as a driver of economic development in an enabling and contributory environment. This developmental role should manifest in the recognition and application of its strategic position as a key facilitator, partner and collaborative agent through proper investment, provision of basic services and a developmental attitude. Local municipalities within their resource capabilities and related space, should thus partner National and Provincial government in a combined quest to achieve developmental goals in order to alleviate poverty and create jobs.

It is paramount for economic growth that horizontal and vertical linkages exist between the institutional and developmental goals created by the three spheres of government (see diagram 1). These linkages should relate to and give recognition to the existence of similar objectives. These objectives should then characterise any activity and in particular that of local government. The investment of

public funds need to be aligned with the four basic principles of the National Spatial Development Perspective and also to direct private investments. Given, national and provincial economic growth targets local government must apply the three planning tools efficiently so as to contribute in its quest for a better society. This report has covered the three tools mentioned in section 2.1.

The general assumption still remains that local government does not comprehend the local context and circumstances and tend to divulge a set of actions that potentially could serve little collective purpose. Although LED plans have been prepared, their operational language is sometimes difficult to understand and tend to be formulated in isolation of other municipal initiatives. Present-day concerns such as xenophobia, climate change, scarcity of natural resources, spatial segregation and energy consumption and management need to be addressed. A major stumbling block in municipal progression is the (still) remaining backlog in service infrastructure.

## 6.2 LED and poverty alleviation strategies and implementation

| Municipality           | Municipality has a LED strategy and implement accordingly | Municipality has a Poverty Alleviation strategy and implement accordingly | Can the formulation processes be regarded as transparent | The biggest challenge in the implementation of mentioned strategies  | Is the LED strategy overseen by a allocated official | Does the LED feature in Departmental Business Plans and performance |
|------------------------|---|---|--|--|--|---|
| City of Cape Town      | yes   | yes   | yes  | Capacity, external partners, national and provincial constitutional competencies that the city can only influence and not address directly | yes  | yes   |
| Matzikama              | yes   | no  | yes  | funding  | yes  | no  |
| Cederberg              | yes   | no  | yes  | funding  | yes  | Yes   |
| Bergriver              | yes   | no  | yes  | funding  | yes  | no  |
| Saldanha Bay           | yes   | no  | yes  | Funding; collaboration between role players  | yes  | no  |
| Swartland              | yes   | no  | yes  | No info  | no   | yes   |
| West Coast DM          | yes   | no  | yes  | Capacity   | yes  | no  |
| Witzenberg             | yes   | no  | yes  | Low economic base; capacity  | yes  | no  |
| Drakenstein            | yes   | yes   | yes  | No info  | yes  | yes   |
| Stellenbosch           | no  | no  | NA   | NA   | no   | yes   |
| Breede Valley          | no  | no  | NA   | Capacity   | yes  | yes   |
| Breede River/Winelands | draft   | No info   | yes  | Stakeholder involvement  | yes  | yes   |
| Cape Winelands DM      | yes   | yes   | yes  | Streamlining internal processes amongst all stakeholders   | yes  | yes   |
| Theewaterskloof        | no  | no  | NA   | Capacity   | yes  | no  |
| Overstrand             | yes   | no  | yes  | Capacity   | yes  | no  |
| Cape Agulhas           | no  | no  | NA   | Capacity   | yes  | no  |
| Swellendam             | no  | no  | NA   | NA   | yes  | NA  |
| Overberg DM            | yes   | yes   | yes  | Co-ordination  | yes  | yes   |
| Kannaland              | no  | no  | yes  | Capacity   | yes  | In future   |
| Hessequa               | no  | yes   | yes  | Lack of stakeholder involvement/ capacity  | yes  | yes   |
| Mossel Bay             | yes   | No info   | yes  | capacity   | yes  | yes   |
| George                 | yes   | yes   | yes  | Assets; red tape   | yes  | no  |
| Oudtshoorn             | no  | no  | no   | NI   | no   | no  |
| Bitou                  | yes   | no  | yes  | Funding, Provincial departments involvement  | yes  | yes   |
| Knysna                 | no  | no  | NA   | Give support to Red door, business development outsourced to BOP   | no   | no  |
| Eden DM                | draft   | no  | yes  | Capacity, funding  | yes  | no  |
| Laingsburg             | yes   | yes   | yes  | Funding, Low economic potential area, distance from markets  | yes  | yes   |
| Prince Albert          | no  | no  | NA   | Capacity   | no   | no  |
| Beaufort West          | yes   | no  | yes  | Funding, Capacity  | yes  | no  |
| Central Karoo DM       | yes   | no  | yes  | Funding, Capacity  | yes  | yes   |

Table 40: LED and poverty alleviation strategies and implementation  
Source: Questionnaire August 2007

### 6.3 Crucial economic data relevant to the measurement of municipal performance

| Municipality             | Extended Public Works Program (gross number of jobs created) | Contribution towards GDP of District (*Contribution towards GDP of Province) | Economic sector with highest contribution to GDP |
|--------------------------|--|--|--|
| <b>City of Cape Town</b> | <b>23 685</b>  | <b>77.9</b>  | <b>Finance and Business Service</b>              |
| Matzikama                | 953  | 14.4   | Agriculture, Forestry and Fishing                |
| Cederberg                | 1 665  | 10   | Agriculture, Forestry and Fishing                |
| Bergriver                | 953  | 11.5   | Agriculture, Forestry and Fishing                |
| Saldanha Bay             | 921  | 32.9   | Manufacturing                                    |
| Swartland                | 3 470  | 30   | Manufacturing                                    |
| <b>West Coast DM</b>     | <b>11 768</b>  | <b>4</b>   | <b>Manufacturing</b>                             |
| Witzenberg               | 2 104  | 9.2  | Agriculture, Forestry and Fishing                |
| Drakenstein              | 55   | 38   | Manufacturing                                    |
| Stellenbosch             | 796  | 23   | Finance and Business Service                     |
| Breede Valley            | 2 200  | 18.9   | Agriculture, Forestry and Fishing                |
| Breede River/Winelands   | 1 800  | 12.4   | Manufacturing                                    |
| <b>Cape Winelands DM</b> | <b>864</b>   | <b>8.8</b>   | <b>Manufacturing</b>                             |
| Theewaterskloof          | 1 622  | 40.6   | Agriculture, Forestry and Fishing                |
| Overstrand               | 1 100  | 40   | Catering and accommodation sector                |
| Cape Agulhas             | 1 046  | 14.3   | Catering and accommodation sector                |
| Swellendam               | 1 046  | 13.8   | Agriculture, Forestry and Fishing                |
| <b>Overberg DM</b>       | <b>6 342</b>   | <b>2.4</b>   | <b>Agriculture, Forestry and Fishing</b>         |
| Kannaland                | 231  | 2.9  | Agriculture, Forestry and Fishing                |
| Hessequa                 | 441  | 12.1   | Electricity and water                            |
| Mossel Bay               | 2 803  | 19.9   | Manufacturing                                    |
| George                   | 1 055  | 35.7   | Finance and Business Service                     |
| Oudtshoorn               | 417  | 11.6   | Catering and accommodation sector                |
| Bitou                    | 70   | 5.2  | Finance and Business Service                     |
| Knysna                   | 2 044  | 11.1   | Finance and Business Service                     |
| <b>Eden DM</b>           | <b>8 109</b>   | <b>6.3</b>   | <b>Finance and Business Service</b>              |
| Laingsburg               | 325  | 14.6   | Agriculture, Forestry and Fishing                |
| Prince Albert            | 460  | 29.8   | Finance and Business Service                     |
| Beaufort West            | 977  | 55.6   | Transport and communication                      |
| <b>Central Karoo DM</b>  | <b>1 500</b>   | <b>0.5</b>   | <b>Finance and Business Service</b>              |

Table 41: Crucial economic data relevant to the measurement of municipal performance:

Source: PT: Socio Economic Profiles Local Government

## 6.4 Incorporation of LED proposals in IDP

There is a general tendency for the IDP to “side-step” the real economic realities presenting themselves in the municipal area. The “uncertainty” about the conditions under which economic development can flourish coupled with the inwardly focus of IDPs contribute to a less than satisfactory municipal economic output. The converse is noticeable with regard to service delivery where the municipal focus is primarily on the provision of infrastructure. This phenomenon overshadows economic related activities / projects within municipal planning and implementation.

The latter, as a value-forming attribute of the local economy is essential, but municipalities need to get embroiled with the more complex issues of the economy.

When considering the economic sector with the highest contribution towards the GDP for each of the respective municipalities, the picture that emerges is a lack of diversity in economic clusters. Four economic sectors dominate output with varying growth potential. Municipalities need to identify the stimulants of their economies and concentrate on supply-side interventions based on demand and available resources.

## 6.5 Analysis of present-day Local Economic Development

The evaluation of municipal performance with regard to local economic development was hampered by the unavailability of the majority of LED plans of those municipalities that formulated these essential planning documents.

The Western Cape economy as a significant contributor to the national economy accentuates the importance of government interventions and policy to sustain and direct economic growth. The National Spatial Development Perspective (NSDP) states “that each sphere of government has its own distinct development tasks and related planning frameworks corresponding to the scale of operations and the area of jurisdiction”.

The NSDP accordingly promotes the focusing of government action and intervention, avoiding the so-called “watering can” approach to ensure maximum social and economic impact within the context of limited resources. This includes the actions and interventions by local government within a geographic area to maximize strengths, address weaknesses and create opportunities. The realisation by local government of the dominant nature and extent of the local economy as a key component of any developmental approach is crucial to creating a workable agreement between role players.

Local economies need to be “robust and inclusive municipal economies exploiting local opportunities, real potential and competitive advantages, addressing local needs and contributing to national development objectives” (LED Guidelines, p15). The Constitution places a responsibility on local government to facilitate local economic development (LED) in partnership with other spheres of government.

The quality of life of communities will depend on all stakeholders collaborating to improve regional, national and global competitiveness and accelerating economic growth, job creation, black economic empowerment and poverty alleviation. These relationships of integrated partnership need to be harnessed and maintained in order to produce multiple benefits for all involved.

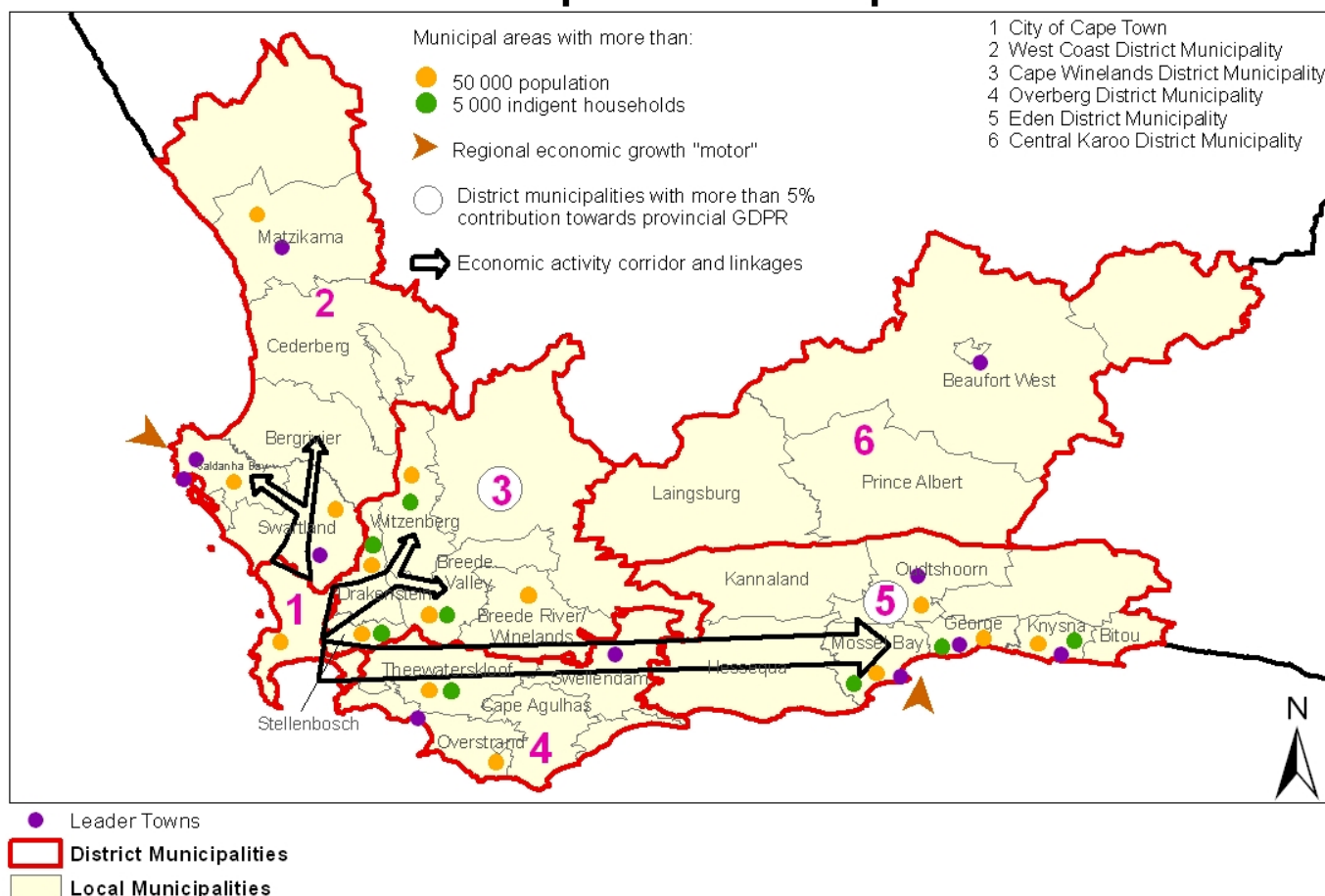
Most of the municipalities (61%) had an approved Local Economic Development Plan which informed the 06/07 Integrated Development Plan and without exception these plans were deemed to be the result of a transparent formulation process. Implementation and subsequent impact were however limited due to a shortfall in available funds, co-operation between stakeholders; low economic development potential and capacity. One municipality mentioned the lack of land, buildings as well as red tape as the biggest challenge that hindered the implementation of their

LED Plan. Despite the obvious need to create jobs, alleviate poverty and the enormity of the scale to which local government actions impact on the local economy, it became apparent that local municipalities did not consider (or mainstream) their LED Plans in strategic planning and budgeting processes. This leads to LED proposals not being integrated into the business plans of municipal

departments and with the consequences being lack of internal communication, non-ownership of products, apathy towards economic principles, change management and the complexity of proposals to understand and implement. Only a few of the municipalities do not have poverty alleviation strategies with some municipalities indicating that the strategy was deemed part of their LED plan.



## Western Cape Local Municipalities



### 6.6 Urban Renewal Programme - Integrated Sustainable Rural Development Programme

South Africa's Urban Renewal Programme (URP) and Integrated Sustainable Rural Development (ISRDP) were launched by President Mbeki in February 2001. Cabinet mandated the Department of Provincial and Local Government (DPLG) as the national coordinating institution for URP and ISRDP, but the successful implementation of the programme relies on the involvement of all stakeholders.

The programme targets eight urban nodal points and thirteen rural across the country, Khayelitsha and Mitchell's Plain (URP) and Central Karoo (ISRDP) in the Western Cape. These areas are characterised by poverty, backlogs in basic services, low levels of private and public investment, and high crime and unemployment.

The rationale of the programme is to develop an integrated and sustainable approach to

developing these areas, and to draw together different government departments and spheres of government (national, provincial and local) to tackle problems in a co-ordinated way.

In addition the programme also aims to attract private investors into the areas, to create jobs and provide services. The overall objectives/characteristics of URP include the following:

- To address poverty and underdevelopment
- To achieve increased equity
- To build and encourage socially cohesive communities
- To improve provision of services
- Investment by residents in their own communities

The Urban Renewal Programme and Integrated Sustainable Rural Development

Programme forms part of the Chief Directorate Governance and Institutional Support: Directorate Governance and Integration. The key objective of the programme is to facilitate the co-ordination and integration of development programme in the presidential nodes (ISRDP: Central Karoo, URP: Khayelitsha and Mitchell's Plain). The intention of the programme is to capitalize on the potential synergies among the various government programmes in order to promote and support more rapid and equitable development in the country.

Key deliverables for the programme are as follow:

- Promote inter-sectoral and inter-sphere planning;
- Identify the number of additional integrated projects identified and implemented all 3 spheres of government in the nodes;
- Aligning provincial-nodal priorities and resources are aligned with the 5 year Strategic Local Government Agenda;
- Provincial Multi-disciplinary teams established based on the integrated projects;
- Facilitate regular feedback sessions between the three spheres of government;
- Submitting provincial and nodal reports to DPLG for submission to the Social Cluster (January and July Cabinet Lekgotla Reports);
- Providing support to the provincial political champions;
- Facilitating the contribution of the provincial communication officers in ISRDP and URP communication campaigns;
- Ensure that Monitoring and Evaluation systems are implemented.

Key achievements included:

- Councillor induction workshop
- Twinning Programme/Information sharing programme (Mdantsane, Galeshewe, Motherwell, Khayelitsha and Mitchell's Plain)
- Supported Central Karoo in the review of the LED Strategy/business plans
- Supported the City of Cape Town in writing the LED Business plan
- Support for the Social Transformation Programme: Election of the structure,

Workshop in capacitating the Mitchell's Plain Peoples Forum,

- Assisted the structure with the signing of the Memorandum for Understanding between the Structure and the Premier.
- Arranged the GDS for Central Karoo
- Actively took part in the URP Multi-stakeholder meeting
- Assisted the Department of Economic Development and Tourism with the LED Road show in Central Karoo.
- Arranged Municipal Manager's Forum session in Central Karoo
- Took part in the National Imbizo held in Prince Albert
- Arranged the Provincial Nodal Economic Indaba in Worcester in preparation for the National Indaba held in Pretoria 2007.

Future action plans include:

- Visible support to the City of Cape Town pertaining to the Neighbourhood Development Partnership Grant (NDPG)
- Assist the Central Karoo in accessing the grant
- Coordinate and facilitate sessions pertaining to communicating and dissemination of the Post Nodal Economic Profiling Workshop
- Arrange the Nodal Economic Development workshop for Central Karoo.
- Assist the Social Transformation Programme with the signing of the Memorandum for Understanding (The Premier, Political Champion and MPPF)
- Community launch and Road shows pertaining to the structure and its objectives
- Arrange a provincial workshop in forging partnership between URP and STP
- Arrange a skills Audit for Mitchell's Plain Peoples Forum and Khayelitsha Development Forum.
- Arrange skills Training for the structures (MPPF and KDF)
- Assist the Department of Community Safety in reviving the LCPS/Khaya Plain Crime Prevention Strategy.
- Arrange a session pertaining to the revival of the Denel land issue as it is crucial for the integration of Khayelitsha and Mitchell's Plain
- Arrange the Urban Renewal Seminar and ISRDP Seminar in providing the overview of the progress made since the

inception of the ISRDP and URP programmes, The challenges faced during this period, as well as identifying key areas of need still existing.

- Facilitate and coordinate a joint approach to the broader economic development of Khayelitsha, Mitchell's Plain, and Philippi East, the corridor between Khayelitsha and Mitchell's Plain as well as coastal belt.
- Revive the Interdepartmental Task Teams pertaining to Urban Renewal Programme.

There are positive strides due to the intervention from national, provincial and the City of Cape Town (URP team) to direct and stimulate the programme and to enhance the involvement of the nodal communities. The planned events and initiatives will lead the way towards greater performance with the implementation of the programme within the remaining years. Key to the success of the entire initiative is communication and multi-stakeholder engagement/partnerships.

## CHAPTER 7: MUNICIPAL CHALLENGES AND ACHIEVEMENTS

### 7.1 Introduction

This chapter highlights key challenges experienced by municipalities during the year under review. The national municipal

achievements award, the Vuna awards are also highlighted in this chapter.

### 7.2 Key challenges as identified by municipalities

| Municipality             | Challenges identified by municipalities   |
|--------------------------|---|
| City of Cape Town        | <b>Recruitment, Training, Deployment and Retention of staff with skills relevant to our core function as a Municipality, Provision of Housing, Job Creation and skills development</b>  |
| Matzikama                | Lack of Recruitment Policy/ workplace Safety Officer, Insufficient staff, housing and bulk infrastructure   |
| Cederberg                | Reliable management information,  |
| Bergriver                | HR development, housing, infrastructure backlogs  |
| Saldanha Bay             | No information submitted  |
| Swartland                | Scarce skills, LED, Maintenance of infrastructure   |
| <b>West Coast DM</b>     | <b>No information submitted</b>   |
| Witzenberg               | Debtor collection, capacity to speed up infrastructure development  |
| Drakenstein              | Security of Funding to address engineering services backlogs and asset maintenance and replacement, The retaining of current staff and the filling of posts in scarce skills technical fields e.g. qualified and experienced engineers, technicians and artisans, long processes due to environmental assessments and procurement processes and other legislative requirements before actual service delivery can be implemented. |
| Stellenbosch             | Housing and land for housing, unemployment, job creation, community safety  |
| Breede Valley            | Consumer payments (debt collection), Maintenance of assets, Infra-structure backlogs amounts to more than R 800 million   |
| Breede River/Winelands   | Infrastructure development, Fire fighting and Disaster management   |
| <b>Cape Winelands DM</b> | <b>Clarity on the powers and functions on a practical implementation level, The participation of National and Provincial state departments in IGR processes that go beyond LGMTECH and consistency in this regard</b>   |
| Theewaterskloof          | Backlog in bulk services, water and sanitation, streets, Housing; staff capacity, community services, operational and corporate -implementation MFMA; Recovery of Debt  |
| Overstrand               | Housing services; Infrastructure Development; LED   |
| Cape Agulhas             | Appointment of skilled staff, to eradicate backlogs, to render affordable services  |
| Swellendam               | Housing backlogs, infrastructure development, Service delivery with budget constraints and job creation   |
| <b>Overberg DM</b>       | <b>Procuring a sustainable income; Building human resource and institutional capacity; Ensuring co-operation from B-municipalities, stimulating LED, sound management, unemployment and poverty</b>   |
| Kannaland                | Water, Skilled staff and financial viability, LED, unemployment and literacy levels   |
| Hessequa                 | Housing and Water   |
| Mossel Bay               | Find new water resources; Upgrading water purification plants; Upgrading of existing storm water systems  |
| George                   | Political stability, Capacity - staff shortages, Communication/ Approval - between the different levels of Government, e.g. Housing subsidy approvals; Service Backlogs   |
| Oudtshoorn               | No information submitted  |
| Bitou                    | In-migration, housing backlog, LED  |
| Knysna                   | Service delivery challenges: Electricity, Water, Sewerage; LED; Access to developable land  |
| <b>Eden DM</b>           | <b>Rapid development placing bulk infrastructure under pressure, disasters, IGR, insufficient funds for operating (revenue base), LED, Tourism, Social Services, etc.</b>   |

|                         |  |
|-------------------------|--|
| Laingsburg              | Small revenue base, limited capacity   |
| Prince Albert           | Attracting and retaining of skilled staff, numerous vacancies  |
| Beaufort West           | Attracting and retaining of skilled staff,   |
| <b>Central Karoo DM</b> | <b>Effective IGR; Shared services; financial constrains; political stability, poverty, agricultural dependence, revenue base</b> |

Table 42: Challenges as identified by municipalities  
Source: Questionnaires August 2007 and May 2008 and municipal annual reports

### 7.3 Municipal challenges identified during performance analysis

| <b>KPA 1: Municipal transformation and organizational development</b>                       |   |  |  |
|---|---|--|--|
| Vague and cumbersome visionary statements   | Planning “beyond boundaries”  | Understanding of economic and social elements                        | Alignment and integration of sectoral plans  |
| Strategic placement of IDP as the “single, inclusive and strategic plan of the municipality | Organisational structures not aligned to implement IDP’s                        | Attraction of scarce skills to municipalities                        | Skills development to enhance implementation of IDP’s  |
| Effective performance management  |   | SDBIP’s not used to manage performance                               |  |
| <b>KPA 2: Basic service delivery</b>  |   |  |  |
| Availability of land  | Lack of credible information for effective planning                             | Huge distances of rural areas  | Lack of sufficient funding for bulk infrastructure   |
| Lack of/ inadequate capacity for effective project management                               | Lack of/ inadequate technical skills  | Growing backlogs   | Increasing reliance on capital grants for new infrastructure                                   |
| Insufficient municipal revenue bases to generate additional funds for new infrastructure    | Deterioration of existing infrastructure due to lack of funds for maintenance   | Lack of capacity and skills to speed-up/ fast track tender processes | Fast increasing cost of building materials   |
| <b>KPA 3: Municipal financial viability and management</b>                                  |   |  |  |
| Long term funding regime to secure sustainability   | Attraction of scarce skills   | Effective debtor management  | Increasing capital grant dependency  |
| Growing number of indigent households   | Compliance with numerous Acts and regulations                                   | Effective cash-flow management                                       | Effective supply chain management  |
| <b>KPA 4: Good governance and public participation</b>                                      |   |  |  |
| Solid leadership – impact on strategic thinking and long term view                          | Deteriorating IGR   | Public accountability  | Effective communication with communities   |
| Management of coalitions  | Powers and functions  | Functioning of ward committees                                       | Implementation of effective public participation   |
| <b>KPA 5: Local economic development</b>  |   |  |  |
| Understanding of economic and social elements   | Management of inconsistent partnerships between role-players                    | Transfer of NSDP objectives to a local level                         | Targeted infrastructure development that support economic growth as envisaged in NSDP and PGDS |
| Enhancement of LED strategies beyond individual projects                                    | Considering of impact of policy changes by Metro by neighbouring municipalities | Addressing of present-day concerns by LEDs                           | Provincial economy basically dependent on economic performance of Metro                        |

Table 43: Municipal challenges identified during performance analysis

## 7.4 Municipal Performance Excellence Awards (Vuna awards)

The White Paper for Local Government identifies performance management system (SPMS) as a tool to realise the developmental vision for local government. The Vuna awards is a component of a much larger system as envisaged in the legislated policy framework for monitoring Local Government which is aimed at enhancing municipal accountability and efficiency. A critical element of performance management systems is an incentive system that seeks to reward excellence while encouraging continuous improvement in performance.

The aims of the Vuna Awards are the following:

- Promote creative and innovative municipal service delivery;
- Promote efficiency of expanded development programs, such as, the Consolidated Municipal Infrastructure Programme (CMIP), Local Economic Development (LED), Integrated Development Plans (IDP's) and Integrated Sustainable Rural Development Programme (ISRDP)

- Recognize the effectiveness and efficiency of municipal institutions;
- Promote good local governance;
- Provide a benchmark for performance;
- Identify and provide support to "poor performing municipalities";
- Improve the profile / image of local government;
- Build community and stakeholders' confidence in municipalities; and
- Enhance systems of developmental local government.

The Western Cape has experienced an 8% increase in the amount of municipalities that had applied to compete in the Vuna 2007 awards for the 06/07 financial year.

## Best Practice Awards

The Western Cape municipalities nominated for best practices included:

| Municipality      | Description                            |
|-------------------|--|
| Hessequa          | Albertinia Fine foods                  |
| Matzikama         | LED                                    |
| Cederberg         | Recovery plan                          |
| Drakenstein       | Water Services to Informal Settlements |
| Cape Winelands DM | Performance Management Systems         |

The Provincial Vuna Award winners for the Western Cape included:

| VUNA<br>Category B (Local)                          | Winners and runner ups    |
|---|---------------------------|
| Gold Winner   | 1. Swartland              |
| Silver Winner                                       | 2. Breederiver/ Winelands |
| Bronze Winner                                       | 3. Matzikama              |
| Vuna KPA nominations – Service delivery             | Overstrand                |
| Vuna KPA nominations – LED                          | Matzikama                 |
| Vuna KPA nominations – Financial viability          | Matzikama                 |
| Vuna KPA nominations – Institutional transformation | Overstrand                |
| Vuna KPA nominations – Good governance              | Swartland                 |
| VUNA<br>Category C (District)                       | Winners and runner ups    |
| Gold Winner   | West Coast DM             |
| Silver Winner                                       | Cape winelands DM         |

The National Vuna award winners included:

| Category                    | Aggregate<br>Winners                                    |
|-----------------------------|---|
| Metropolitan Municipalities | 1. Johannesburg<br>2. Ethekwini<br>3. City of Cape town |
| Local Municipalities        | 1. Swartland<br>2. Steve Tshwete<br>3. Umngeni          |

## CHAPTER 8: PROVINCIAL SUPPORT AND CAPACITY BUILDING INITIATIVES

| Municipality   | Responsible provincial department | Type of support provided  |
|--|-----------------------------------|---|
| <b>KPA1: Municipal transformation and organizational development</b> |                                   |   |
| All  | Local Government                  | Hosting of summer school for Eastern Cape and Western Cape municipalities and well attended by senior officials and councilors  |
| All  | Local Government                  | Hosting of training for woman working in local economic development   |
|  |                                   | PMS Audit   |
| <b>KPA 2: Basic service delivery</b>                                 |                                   |   |
| Metro  | DEADP                             | The Department's innovative response to the 2010 soccer stadium in Green Point and other related infrastructure projects contributed to improved service delivery.  |
| All  | DEADP                             | The Department provided a comprehensive advisory service to municipalities and other stakeholders with regard to environmental and planning matters in an attempt to improve service delivery   |
| Stellenbosch, Bitou, George Municipalities                           | Local Government                  | Water & Sanitation Master Plans (Total Cost excl VAT R1,077,254.54; Total Budget R1,400,000)  |
| All  | Local Government                  | Training Electrical Staff (90 people; Total Budget R267,000)  |
| All  | Local Government                  | Pavement Management Systems (Total Budget R562,000)   |
| All  | Local Government                  | Report on Municipal Streets (Total Budget R35,000)  |
| Drakenstein Municipality   | Local Government                  | Asset Management Plans (1 Pilot Study; Total Cost excl VAT R554,000; Total Budget R554,000)   |
| All  | Local Government                  | Asset Management Training (24 people; Total Cost excl VAT R178,800; budget R184,000)  |
| All  | Housing                           | MIG Support and monitoring  |
| <b>KPA 3: Municipal financial viability and management</b>           |                                   |   |
| Overberg DM  | Local Government                  | Support during the development of turn-around strategy  |
| All  | Provincial Treasury               | <p><b>Debt management:</b></p> <ul style="list-style-type: none"> <li>Established task team to assist municipalities in collection of outstanding amounts due to them from provincial and national government</li> <li>Raised the level of discussion in municipalities with respect to revenue enhancement and the related debt management as a means of maximising revenue of municipalities during MTEC discussions and all subsequent engagements.</li> <li>Discussion during the IYM visits have regularly engaged municipalities by examining, analysing and advising on how to best manage debtors and the resulting benefit to revenue protection.</li> <li>The Provincial Treasury has interrogated presentations of two service providers who focus on revenue protection and enhancement with the purpose of mainstreaming these activities in municipalities</li> </ul> |
| All  | Provincial Treasury               | <p><b>Internal controls – Link to internal audit</b></p> <ul style="list-style-type: none"> <li>The Provincial Treasury is in the process of securing the services of an External Service Provider to build internal capacity within the Provincial Treasury on how to address deficiencies identified in the reports of the Auditor-General on the financials of municipalities.</li> <li>A framework will be developed to address the shortcomings within municipalities inclusive of continued support, monitoring and transferring of skills to municipal officials, ultimately improving the financial management practice within a municipality to a Level</li> </ul>   |
| All  | Provincial Treasury               | <p><b>GRAP Implementation</b></p> <ul style="list-style-type: none"> <li>During April/May 2008 Annual Financial Statements for 2006/2007 financial year, all 30 municipalities in the Western Cape were analysed and interpreted using ratios to assess the financial position, performance and cash flow. This assessment fed into the LG MTEC process.</li> </ul>   |



|  |                     |   |
|--|---------------------|---|
|  |                     | <ul style="list-style-type: none"> <li>• Municipal Audit Outcomes for 2006/2007 were analysed</li> <li>• A Service provider was procured to provide technical training during 2007 based on the issues raised by A-G for 2005/2006.</li> <li>• All the written requests for deviation from MFMA exemption received from municipalities were sent to National Treasury and subsequently municipalities were informed on the approval of the deviation to MFMA exemptions jointly by National/Provincial Treasury.</li> <li>• Regular visits to municipalities are conducted to assess progress towards compliance on all the accounting standards.</li> <li>• Monitor implementation plans of municipalities for the phasing-in of GRAP as per National Treasury's Government Gazette No.30013.</li> </ul>   |
| All  | Provincial Treasury | <p><b>Supply Chain Management (SCM)</b></p> <ul style="list-style-type: none"> <li>• Training was done per District to address shortcomings identified in the 05/06 AG Report and also the SCM Implementation Checklist by National Treasury</li> <li>• The training encompassed shortcomings and other SCM issues that municipalities experience</li> <li>• Compliance Assessments are conducted</li> <li>• The objective of the SCM Compliance Assessments is help build and improve SCM capacity within municipalities</li> <li>• The SCM shortcomings are identified and explained to municipalities</li> <li>• The issues that flow from the shortcomings identified in the Compliance Assessments and Auditor-General reports are used as the criteria for the training</li> <li>• The SCM training is therefore developed to address the specific shortcomings</li> <li>• This is followed up by a visit to the municipality to ensure Compliance</li> <li>• Where core SCM training is provided, SCM training sessions are provided by SAMDI (two training sessions held this year included Bid Committee Training and Contract Management)</li> <li>• The Senior Management in municipalities are encouraged to send their SCM officials or those performing the SCM functions to these training sessions</li> <li>• Many SCM issues such as Transversal Contracts, etc or any SCM problems commonly experienced by municipalities are addressed through Circulars</li> <li>• Day to day SCM queries (via e-mail and the telephone) are dealt with and a future scenario would be to encapsulate this activity through the establishment of a SCM help desk and a dedicated website for information sharing</li> <li>• SCM Forums are held every quarter and the purposes thereof is to: <ul style="list-style-type: none"> <li>○ To allow municipalities to share best SCM practice within their own municipalities to others</li> <li>○ To discuss solutions to common SCM related issues</li> <li>○ To provide information on new developments which may have an effect on SCM</li> <li>○ To seek areas for further collaboration on SCM matters affecting the Western Cape e.g. establishment of District Working Committees to identify and pursue areas where SCM economies of scale can be exploited to the benefit of the district as a whole</li> </ul> </li> </ul> |
| <b>KPA 4: Good governance and public participation</b> |                     |   |
| All Local Municipalities (except for the Metro)        | DEADP               | Visited all 5 District Municipalities (where all Local Municipalities were represented) in order to launched the GIS Support to Municipality Programme. All the municipalities were subsequently visited to undertake an assessment of their Geographic Information Systems capacity.   |
| All  | DEADP               | Conducted capacity-building workshops with Municipal Planners on the PSDF (Provincial Spatial Development Framework) strategy.  |
| All  | DEADP               | Conducted workshops with Municipalities and social partners on developing the SDIP (Sustainable Development Implementation Plans)   |
| All  | DEADP               | Eleven public workshops were held throughout the Province as part of the public participation process for the Draft Noise Control Amendment Regulations.  |
| All  | DEADP               | The capacity-building workshops for the Integrated Pollutant and Waste Information System (IPWIS) were held.  |
| Cape Winelands District                                | DEADP               | A law enforcement and compliance-monitoring campaign was undertaken in the Cape Winelands area as part of the National Department of Environmental Affairs and Tourism's countrywide campaign.  |
| Eden District  | DEADP               | A law enforcement operation was conducted in the Southern Cape in   |

|   |                  |   |
|---|------------------|---|
|   |                  | collaboration with the Department of Water Affairs and Forestry to investigate matters of joint jurisdiction.   |
| All                                       | DEADP            | Integrated Waste Management Plan evaluation, feedback and training workshops were conducted with all municipalities who had submitted their Integrated Waste Management Plans to the Department.  |
| All                                       | DEADP            | Sustainable Coastal Livelihood training at four three-day training conferences was provided to municipalities, other government departments and official decision-makers.   |
| Cape Metro Sub-Council<br>9,11,10,13, 14, | Local Government | <ul style="list-style-type: none"> <li>• Introduction of Community Based Planning.</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>  |
| Cape Winelands District                   | Local Government | <ul style="list-style-type: none"> <li>• Facilitated the establishment of the District Public Participation Task Team</li> <li>• District Task Team is comprised of two representatives from each municipality.</li> <li>• Some officials and Speakers were part of a workshop on National Framework for Public Participation.</li> <li>• Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> <li>• District Speaker's Forum: Information sharing and presentation of National and Provincial public participation and ward committee activities.</li> </ul> |
| BreedeValley                              | Local Government | <ul style="list-style-type: none"> <li>• Community Based Planning and ward based training</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> <li>• Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>  |
| Stellenbosch                              | Local Government | <ul style="list-style-type: none"> <li>• Community Based Planning and ward based training</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes.</li> <li>• Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>  |
| Breede River Winelands                    | Local Government | <ul style="list-style-type: none"> <li>• Community Based Planning and full implementation of ward based planning</li> <li>• CDW's involved in the assessment of ward committee functionality</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>  |
| Witzenberg                                | Local Government | <ul style="list-style-type: none"> <li>• Attended council meetings and gave support to the office of the Speaker</li> <li>• CDW helped with the assessment of ward committees</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>   |
| Knysna                                    | Local Government | <ul style="list-style-type: none"> <li>• Community Based Planning training and full implementation of ward based planning</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>   |
| Eden district                             | Local Government | <ul style="list-style-type: none"> <li>• Community Based Planning training for officials</li> <li>• Facilitated the establishment of a Functional District Public Participation Task Team</li> <li>• Some officials and Speakers were part of a workshop on National Framework for Public Participation.</li> <li>• Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>  |
| Bitou                                     | Local Government | <ul style="list-style-type: none"> <li>• Community Based Planning and ward based training.</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>  |
| George                                    | Local Government | <ul style="list-style-type: none"> <li>• Some officials were part of the Eden CBP training.</li> <li>• Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>   |

|               |                  |  |
|---------------|------------------|--|
|               |                  | <ul style="list-style-type: none"> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>  |
| Mosselbay     | Local Government | <ul style="list-style-type: none"> <li>Presentation of Community Based Planning training to the council</li> <li>Some officials were part of the Eden CBP training facilitated by DLGH and DPLG</li> <li>Consultation with officials dealing with ward committee with regard to non-functioning of ward committees.</li> <li>Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul> |
| Hessequa      | Local Government | <ul style="list-style-type: none"> <li>Community Based Planning and full implementation of ward based planning.</li> <li>Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>   |
| Oudtshoorn    | Local Government | <ul style="list-style-type: none"> <li>Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for official dealing with public participation to understand and implement the Framework at local level</li> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>  |
| Central Karoo | Local Government | <ul style="list-style-type: none"> <li>Training on Community Based Planning.</li> <li>Facilitated the establishment of the District Public Participation Task Team. District Task Team is comprised of two representatives from each municipality.</li> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> </ul>   |
| West Coast    | Local Government | <ul style="list-style-type: none"> <li>Facilitated the establishment of the District Public Participation Task Team. District Task Team is comprised of two representatives from each municipality.</li> <li>Conducted a Provincial workshop on National Framework for Public Participation. Aim was for public participation practitioners to understand and implement the Framework at local level</li> <li>Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers</li> </ul>  |
| Bergrivier    | Local Government | <ul style="list-style-type: none"> <li>Community Based Planning training for officials.</li> <li>Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>  |
| Saldanha      | Local Government | <ul style="list-style-type: none"> <li>Conducted a survey of meaningful citizen's participation in the IDP/budget processes, findings were presented to all Speakers and IDP managers.</li> </ul>  |

Table 44: Provincial support and capacity building initiatives  
Source: Department of Local Government and Housing

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