



# **CONSOLIDATED ANNUAL MUNICIPAL PERFORMANCE REPORT 2008/09**



# MAP of the WESTERN CAPE MUNICIPALITIES

*The municipalities in the Western Cape consist of:*

- One metro,
- Five district municipalities, and
- Twenty four local municipalities.



# CONTENT / INDEX

	FOREWORD BY MEC	vi
	LIST OF TABLES	vii
	EXECUTIVE SUMMARY	viii
	LEGISLATIVE OVERVIEW	x
	RESEARCH METHODOLOGY	xii
<b>CHAPTER 1: GEOGRAPHIC, DEMOGRAPHIC AND SOCIO ECONOMIC PROFILES OF MUNICIPALITIES</b>		
1.1	Introduction	1
1.2	Geographic information	1
1.3	Demographic information	2
1.4	Socio- economic information	3
1.5	Political composition	4
1.6	Classification of municipal capacity by the National Treasury	5
1.7	Assessment of the geographical and demographic data and the socio-economic profiles of municipalities	6
<b>CHAPTER 2: MUNICIPAL INTEGRATED DEVELOPMENT PLANNING</b>		
2.1	Introduction	7
2.2	Concise description of the strategic vision of each municipality	8
2.3	Integrated development planning per municipality	11
2.4	Analysis of Integrated development planning processes at municipal level	12
2.5	Summary grid on assessment of credibility of municipal Integrated Development Plans (IDPs)	12
<b>CHAPTER 3: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>		
3.1	Introduction	15
3.2	Institutional development and transformation	15
3.2.1	Municipal Organisational Structure	15
3.2.1.1	Filling of posts, transformation and HR policies and systems	15
3.2.1.1.1	Number of approved and vacant posts per municipality	17
3.2.1.1.2	Transformation statistics per municipality	18
3.2.1.1.3	Municipal employees per race category expressed as a percentage of the demography of the municipality	19
3.2.1.1.4	Municipal manager positions	21
3.2.2	Development and implementation of specific HR policies and systems per municipality	23
3.2.3	Municipal capacity and skills development initiatives	24
3.2.4	Analysis of institutional development, transformation and HR systems	27
3.3	Performance Management	28
3.3.1	Service Delivery and Budget Implementation Plans (SDBIP)	28
3.3.2	Performance management systems of municipalities	29
3.3.2.1	Implementation of performance management systems	29
3.3.3	Reports of the Auditor-General on the performance of municipalities	30
3.3.3.1	Performance audit outcomes for municipalities	30
3.3.4	Analysis of municipal performance management systems	31
3.3.5	Submission of annual reports	31
3.4	Summary grid of overall performance of municipalities on KPIs	32

<b>CHAPTER 4: BASIC SERVICES DELIVERY</b>		
4.1	Introduction	35
4.2	Provision of basic services	35
4.2.1	Serviced households – level of services	35
4.2.2	Basic service delivery backlogs	39
4.2.3	Analysis of basic service delivery	42
4.3	Completion of sectoral plans	43
4.4	Percentage (%) of capital budget spent on each service	44
4.5	Percentage (%) of total capital budget spent	46
4.6	Analysis of completion of sectoral plans, percentage (%) capital spent on each service and percentage (%) of total capital budget spent	47
4.7	Free basic services	48
4.7.1	Free basic services provided per type of service per household	48
4.7.2	Analysis of the provision of free basic services	49
4.8	Municipal Infrastructure Grant (MIG)	49
4.8.1	MIG expenditure	49
4.8.2	Analysis of MIG expenditure	52
4.9	Housing	52
4.9.1	Housing grant expenditure	52
4.9.2	Analysis of performance on housing allocations	56
4.10	Summary grid of overall performance of municipalities on KPIs	57
<b>CHAPTER 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>		
5.1	Introduction	59
5.2	Budget and budget related matters	59
5.2.1	Approval of budgets	59
5.2.2	Budget and IDP linkages	60
5.2.2.1	Percentage (%) of capital budget spent on IDP-related projects	60
5.2.2.2	Analysis of IDP Budget-link	61
5.2.3	Performance against budgets	61
5.2.4	Performance against total grants, donations and contributions received	65
5.2.5	Analysis of budget performance and performance against grants received	68
5.3	Submission of financial statements and the Report of the Auditor-General	68
5.3.1	Submission of financial statements	68
5.3.1.1	Submission dates and types of Auditor-General reports received	68
5.3.1.2	Comparison with previous years: Type of Auditor-General reports received	72
5.3.2	Key findings in the reports of the Auditor-General	72
5.3.3	Analysis of the reports of the Auditor-General	76
5.4	Outstanding debt and debt management	76
5.4.1	Outstanding consumer debt per service	76
5.4.2	Comparison with previous year: Total consumer debt outstanding per municipality	80
5.4.3	Consumer debtor age analysis	81
5.4.4	Analysis of consumer debtors	84

5.5	Performance against additional viability indicators	85
5.5.1	Staff cost as percentage (%) of total operating expenditure (excludes Councillor allowances)	85
5.5.2	Level of reliance on grants	86
5.5.3	Liquidity ratio	87
5.5.4	Analysis of viability indicators	87
5.6	Summary grid of overall performance of municipalities on KPIs	88
<b>CHAPTER 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>		
6.1	Introduction	90
6.2	Good governance indicators as at May 2010	91
6.2.1	Analysis of good governance indicators	92
6.3	Ward committees	92
6.4	Anti-corruption	94
6.5	Community Development Workers	95
6.6	Office of the Auditor-General audit findings on governance	95
6.7	Analysis, challenges and trends	96
6.8	Summary grid of overall performance of municipalities on KPIs	97
<b>CHAPTER 7: LOCAL ECONOMIC DEVELOPMENT</b>		
7.1	Introduction	99
7.2	LED strategies and implementation	99
7.3	Crucial economic data relevant to the measurement of municipal performance	101
7.4	Analysis of Local Economic Development	102
<b>CHAPTER 8: CROSS CUTTING MATTERS</b>		
8.1	Introduction	103
8.2	Cross-cutting interventions	103
8.3	Disaster Management	103
8.4	Inter-governmental relations (IGR)	104
<b>CHAPTER 9: MUNICIPAL CHALLENGES</b>		
9.1	Introduction	105
9.2	Key challenges as identified by municipalities	105
9.3	Municipal challenges identified during performance analysis	106
<b>CHAPTER 10: PROVINCIAL SUPPORT AND CAPACITY-BUILDING INITIATIVES</b>		
10.1	Introduction	107
10.2	Support and capacity-building initiatives to municipalities	107
10.3	Conclusion	109
<b>CHAPTER 11: CONCLUSION</b>		
11.1	Introduction	110
11.2	Overall performance summary	110
11.3	Action plans to address poor performance	114
11.4	Local Government Turn-around Strategy	115
	LIST OF ABBREVIATIONS	118
	BIBLIOGRAPHY	119

# FOREWORD BY MEC

Local government is at the centre of service delivery. The combined social and economic investment of the three spheres of government is enormous. It is important to ensure that this investment is effectively coordinated on the ground in order to maximise its impact and avoid duplication and fragmentation of service delivery. To make a success of Local Government we need to employ fit for purpose people and competent councillors.

Hereby I humbly submit the Consolidated Municipal Performance Report of the Municipalities of the Western Cape for the period 1 July 2008 – 30 June 2009 in compliance with the legislative obligations placed on the MEC for Local Government in Section 47 of the Municipal Systems Act 32 of 2000.

This is the fourth Section 47 Report submitted by my Ministry and 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 two months after the end of the financial year and culminates in the submission of the annual reports.

Legislative oversight and compliance reporting on local government has resulted in municipalities being inundated with requests for information and data from various provincial and national sector departments. This has resulted in “reporting fatigue” in municipalities.

We are continuously improving our data collection and municipal information gathering to such an extent that we are confident in submitting a more factual and complete Section 47 Report as demanded by legislation.

To look at 2008/2009 reports is in vain and my department will work on a system to provide up to date information. We cannot fulfil our oversight and report roll to the full if the information is 15-18 months old.

***This report highlights some of the key municipal successes as well as the institutional and resource challenges that still remain. It also lists some of the key provincial government interventions in support of municipalities:***

- To strengthen communication through an effective ward committee system
- To help municipalities with credible IDPs
- To streamline reporting, etc.

There has been an incremental overall improvement in the performance of municipalities in the five key performance areas i.e. Institutional Transformation, Good Governance and Public Participation, Service Delivery, Financial Viability and Local Economic Development.

After more than a decade of municipal Integrated Development Planning (IDP), IDPs still remain documents that reflect the capital spending priorities only of municipalities. IDPs have failed to take adequate account of the planning priorities and development strategies of provincial and national sector departments.

A major concern for my Ministry is the fact that local government in the Western Cape is governed by coalitions which leads to unstable municipalities. The result is changes in municipal management and leadership which have an impact on service delivery.

Legislative compliance has clearly been achieved in most municipalities and this must be celebrated and commended. This must now be used as a basis and springboard for real positive service delivery to our people.

***I thank you.***

***Anton Bredell. Minister for Local Government, Environmental Affairs and Development Planning***

# LIST OF TABLES

Table nr	Content	Page nr
Table 1:	Annual reporting process of municipalities	xi
Table 2:	Geographic information per municipality	2
Table 3:	Demographic information per municipality	2
Table 4:	Socio-economic information per municipality	3
Table 5:	Political composition of municipalities	4
Table 6:	Classification of municipal capacity by National Treasury	5
Table 7:	Concise description of strategic vision of each municipality	8
Table 8:	Integrated development planning per municipality	11
Table 9:	Credibility of Integrated Development Plans	13
Table 10:	Number of approved and vacant posts per municipality	16
Table 11:	Transformation statistics per municipality	18
Table 12:	Municipal employees per race category expressed as a percentage of the demography of the municipality	19
Table 13:	Municipal manager positions	21
Table 14:	Development and implementation of specific HR policies and systems per municipality	23
Table 15:	Municipal capacity and skills development initiatives	24
Table 16:	Service delivery and budget implementation plans	28
Table 17:	Implementation of performance management systems	29
Table 18:	Performance audit outcomes	31
Table 19:	Submission of annual reports	32
Table 20:	Assessment of overall performance on Municipal Transformation and Institutional Development	33
Table 21:	Serviced households – level of services	35
Table 22:	Basic service delivery backlogs	39
Table 23:	Completion of sectoral plans	44
Table 24:	Percentage (%) of capital budget spent on each service	45
Table 25:	Percentage (%) of capital budget spent	46
Table 26:	Free basic services provided per type of service per household	48
Table 27:	MIG expenditure	50
Table 28:	Housing grant expenditure	52
Table 29:	Assessment of overall performance on Basic Service Delivery	57
Table 30:	Approval of budgets	59
Table 31:	Percentage (%) of capital budget spent on IDP-related projects	60
Table 32:	Performance against budgets	61
Table 33:	Performance against total grants, donations and contributions received	65
Table 34:	Submission dates and types of Auditor-General reports received	69
Table 35:	Key findings in the reports of the Auditor-General	72
Table 36:	Outstanding consumer debt per service	77
Table 37:	Total consumer debt outstanding per municipality	80
Table 38:	Consumer debt age analysis	81
Table 39:	Staff cost as percentage (%) of total operating expenditure (Excludes Councillor allowances)	85
Table 40:	Level of reliance on grants	86
Table 41:	Liquidity ratio	87
Table 42:	Assessment of overall performance on financial viability and management	88
Table 43:	Good governance indicators	91
Table 44:	Status of Ward Committees	93
Table 45:	Municipal anti-corruption progress	94
Table 46:	Audit findings: Governance Matters	95
Table 47:	Assessment of overall performance on Good Governance and Public Participation	97
Table 48:	LED and poverty alleviation strategies and implementation	99
Table 49:	Crucial economic data relevant to the measurement of municipal performance	101
Table 50:	Challenges as identified by municipalities	105
Table 51:	Municipal challenges identified during performance analysis	106
Table 52:	Provincial support and capacity building initiatives	107
Table 53:	Assessment of overall performance summary	110
Table 54:	Action plans to address poor performance	114

# EXECUTIVE SUMMARY

During the year under review improved service delivery activities were implemented, the audit outcomes remained stable at financially unqualified (at most municipalities) and there was a huge improvement in the total number of issues raised by the Auditor-General. The challenge remains at low and medium capacity municipalities to attract and retain skilled staff, especially in the technical and financial disciplines. The vacancy rate, the skills development of municipal staff, the underspending of capital budgets and the growing dependency on external funding and grants to finance infrastructure development at certain municipalities remains a concern as it has a direct impact on the level of sustainable service delivery for the future.

According to the 2009 General Household Survey (GHS), which was released by Statistics South Africa on 6 May 2010, a number of positive trends related to service delivery were confirmed around the general living conditions of South African households since 2005. In mid 2009, 13,4% of SA households lived in informal dwellings, indicating an improvement on 2005 when this percentage was 15,7%. The percentage of SA households that are connected to the mains electricity supply increased from 76,8% in 2002 to 82,6% in 2009, piped water supplies from their local municipalities improved from 78,2% in 2004 to 83,3% in 2009. Nationwide, the percentage households with no toilets or that were using bucket toilets decreased from 12,6% in 2002 to 6,6% in 2009. However, although progress was made in the provision of housing opportunities, the Western Cape is one of the provinces with the highest percentage of households whose main dwelling was informal in 2009 at 17%, and 30% of households that occupy RDP or state subsidised housing reported problems with the quality of their walls and roofs.

An analysis of the integrated development plans of municipalities indicates that most municipalities adhere fully to the legislative requirements for the annual IDP review process. There is still room for improvement in, among other things, the areas of public participation, the development of longer term strategies, targeted infrastructure and basic services investment and institutional delivery capacity and gearing for implementation.

The average vacancy rate for the province is approximately 7% and almost all municipalities indicated as a challenge that they are struggling to attract and retain skilled staff, but only an average of 0.83% of municipal personnel budgets were expended in the year under review to actually develop the skills employees. Transformation on a top and senior level still remains a challenge in most municipalities, especially with regard to the appointment of women.

52% of municipalities did not submit their audit performance information on time to the Auditor-General, and the Auditor-General highlighted in his General Report on the audit outcomes of the Western Cape for Local Government for 2008/09 that there was, among other things, a lack of reporting on performance information (predetermined objectives, indicators and targets) in the annual reports of 41% of municipalities, and that there was a lack of internal controls regarding performance management in 76% of municipalities.

As in the previous financial years, almost all municipalities indicated that a lack of funding for bulk services and maintenance is hampering their delivery in respect of basic services. An analysis of municipal financial statements indicates that the dependency rate on especially capital grants to fund capital expenditure is growing. This reaffirms the indication that the revenue base of a large number of municipalities is insufficient to generate enough funding for the provision and maintenance of basic infrastructure. According to municipal information, a total average of 91% of households are serviced with all basic services and a total average of 28% of these households are indigent. The total cost to address backlogs in all the basic services in the province amounts to approximately R43,8 billion. The average percentage of capital budget spent for the province has



improved to 80.17% in 2008/9 and the average spent on the MIG grant have improved from 84% in the 2007/08 financial year to 90% in the 2008/09 financial year. The main reason cited by municipalities for underspending their capital budgets is challenges experienced with regard to low-cost housing projects.

It is encouraging that the majority of municipalities' audit outcomes remained stable at financially unqualified from 2007/08 to 2008/09. Of the 29 municipalities that were audited, two regressed; two improved and 25 remained the same compared to the 2007/08 financial year.

The year-on-year comparison indicates that total outstanding debtors with provision for bad debt not taken into account have increased by 22,1% or R1.2 billion from R5,7 billion as at the end of 2007/08 financial year to R7,0 billion as at the end of 2008/09. Of the total amount outstanding for the 2008/09 financial year, 64,7% is for debt older than 90 days. When evaluating the balance sheets of municipalities, it is alarming to note that current assets mainly consist of outstanding debtors which will not realise immediate cash to service their current liabilities, i.e. creditors, etc.

With regard to good governance, 96% of municipalities have adopted administrative delegations; 93% have adopted delegations in terms of section 59 of the Municipal Systems Act and 93% have adopted codes of conduct for councillors and municipal officials, 99% of Municipal Council and Executive/Mayoral Committees achieved the requisite quorums for meetings. Although good progress was made with the correct establishment of ward committees, their effective functioning still remains a challenge. There has been a general improvement in the development of Anti-Corruption Strategies and Plans across municipalities in the province, but a number of municipalities indicated that they need assistance with the implementation of their strategies.

Non-compliance with legislation was one of the issues that were raised the most in the reports of the Auditor-General for 2008/09 and as mentioned by the Auditor-General in the General Report on Audit Outcomes of the Western Cape Local Government for 2008/09, not attending to these issues can contribute to deteriorated future audit outcomes and municipalities must implement self-assessment procedures with compliance checklists together with ongoing monitoring and review by management to prevent lapses in compliance with laws and regulations, and municipal internal auditors must review the adequacy of internal controls in this regard.

Although all municipalities have an approved Local Economic Development Plan, the implementation was hampered by limited institutional capacity, funding constraints, lack of co-ordination between stakeholders, limited political participation and a constantly changing economic environment.

Numerous supporting interventions by Departments such as the Department of Local Government and Housing, Provincial Treasury and the Department of Environmental Affairs and Development Planning were implemented to improve the overall performance of municipalities.

The analysis in this report was, as in the past three reports, limited to available data. The availability of data and the quality of annual reporting remains a challenge due to the lack of standardised reporting templates and the management of information at municipal level.

# LEGISLATIVE OVERVIEW

Local government in South Africa is the sphere of government closest to communities and has a key role to play in providing basic services and to facilitate growth and development. A wide range of legislation guide local government to fulfil this important mandate, of which the most important acts are highlighted below:

South Africa's constitution establishes the framework of 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.

## **Constitutional 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.
- 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 objectives 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 to the performance of other municipalities.

**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 and it fosters transparency at the local government sphere through budget 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 improvement in planning and implementation, and encouraged a focus on service delivery quality and impact.

## **This report is submitted in terms of Section 47 of the Municipal Systems Act (32 of 2000) which determines that:**

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 as it forms an integral part of performance reporting. Although National Treasury issued a circular on the prescribed format and the department issued a guideline to support the circular, the quality of annual reports still varies and it is difficult to benchmark the level of service by municipalities. Due to the poor reporting of municipalities on the 5 National Key Performance Areas, a questionnaire had to be distributed requesting municipalities to submit additional information in a specific format to assist the department in compiling this report.

This is the fourth 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 IDP. In complying with the legislative prescripts, municipalities were probed on all legislative aspects related to its developmental priorities and the objectives of its IDP. The report 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 financial cut-off date of June 2009 as the completion of this report is dependent on the AG reports 2008/09 (due in November) and the submission of municipal annual reports (due in April annually).

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.

REPORT	APPLICABLE LEGISLATION	RESPONSIBLE ENTITY/ PERSON	BY WHEN
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 months 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 to MEC	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

The report was completed after a comprehensive data collection exercise was completed 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 Indicators.

- **KPA 1 Municipal transformation and institutional 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, 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 fourth report of this nature and there are currently no national standardised reporting formats available for provincial reporting;
2. A concise questionnaire that covered service delivery, institutional transformation and the IDP 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 2005/06, 2006/07, 2007/08 reporting information with the 2008/09 reporting information is not possible in all areas of compliance, i.e. the 2005/06 to 2007/08 report relied on current information with regard to organisational transformation and political governance;
5. This report is based on key sources of information, namely completed questionnaires from the municipalities, information submitted to the provincial departments, IDPs, 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 five key performance indicators in separate chapters;
7. The support provided by Provincial Departments is summarised in chapters 10 and 11 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; and
10. In certain instances the information reflects the current status and not the status as at 30 June 2009 (indicated where applicable) due to the unavailability of data.

# 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 explain the landscape of the province. The physical dimensions of the municipal areas have not changed since the first report.

### 1.2 Geographic information per municipality

MUNICIPALITY	DEMAR-CATION CODE	MUNICIPAL AREA (Km2)	TOWNS AND AREAS WITHIN THE BOUNDARIES
City of Cape Town	Metro WC001	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, Charlesville, 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	Bergriver, Cederberg, Matzikama, Saldanha Bay and Swartland
Witzenberg	WC022	2 851.25	Bokfontein, Ceres, Enduli, La Plaisante, Prince Alfred Hamlet, Romansrivier, Skoonlei, Tulbagh, Wolseley
Drakenstein	WC023	1 537.66	Bloulei, Goedeheop, Gouda, Hermon, Paarl, Simondium, Soetendal, Suider Paarl, Voëllei, 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
Cape Winelands DM	DC2	22 308.78	Breede River Winelands, Breede Valley, Drakenstein, Stellenbosch, Witzenberg.
Theewaterskloof	WC031	3248.34	Albertyn, Bereaville, Botrivier, Caledon, Drayton, Eersteheop, Elgin, Genadendal, Goudini, Grabouw, Greyton, Jongensklip, Krige, Langkuil, Lindeshof, Oukraal, Rietpoel, Riviersonderend, Skilpadskloof, Teslaarsdal, Villiersdorp, Vredendal, Vyeboom

MUNICIPALITY	DEMAR-CATION CODE	MUNICIPAL AREA (Km2)	TOWNS AND AREAS WITHIN THE BOUNDARIES
Overstrand	WC032	2 125	Baardskeerdersbos, Betty's Bay, Die Dam, Die Kelders, Fisherhaven, Franskraal Strand, Gans Bay, Hangklip, Hawston, Hermanus, Houhoek, Kleinbaai, Kleinmond, Mosselrivier, Onrus, Papiesslei, 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
Overberg DM	DC3	11 404.63	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, Herberdsdale, 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, Sedgefield
Eden DM	DC4	23 331.16	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, Seekoeigat
Beaufort West	WC053	16 330.10	Beaufort West, Droërivier, Hillcrest, Letjiesbos, Merweville, Nelspoort, Renosterkop, Restvale, Rosedene, Wiegnaarspoort
Central Karoo DM	DC5	38 853.99	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
City of Cape Town	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
West Coast DM	77 947	282 672	27 782	204 714	785	49 389
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

Municipality	Number of Households	Total Population	African	Coloured	Indian	White
Cape Winelands DM	160 100	630 493	124 918	409 641	1 484	94 450
Theewaterskloof	24 363	93 275	21 277	61 404	136	10 459
Overstrand	29 602	74 546	21 495	27 404	576	25 071
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
Overberg DM	68 529	237 555	47 511	140 158	238	49 648
Kannaland	6 156	23 972	597	20 253	19	3 103
Hessequa	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
Eden DM	121 156	454 922	90 621	265 731	933	97 648
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
Central Karoo DM	15 236	60 483	7 262	46 497	64	6 660

*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 (%)
City of Cape Town	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
West Coast DM	16#	*1332	15.7	*6.5	62.9	3.2	18 298	69.9/ 30.1
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/ 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 River/Winelands	22	4 332	-	14.6	29.4	3.2	-	63.5/ 36.5
Cape/ Winelands DM	26	29 545	-	*14	36	3.8	45 128	70.28/ 29.72
Theewaterskloof	27	8 059	-	43.5	55.6	4.7	4 981	64.2/ 35.8
Overstrand	37	2 577	-	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
Overberg DM	30	14 339	20.20	21	-	4.1	13 301	75.7/ 24.3
Kannaland	28	1 013	60.6	5.2	59.3	2.1	1 562	53/ 37

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 (%)
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
Eden DM	28	32 422	-	*10	60.9	3.7	39 065	85/ 15
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
Central Karoo DM	26	*695	50	*1.2	47.4	2.7	5 181	75/ 25

Table 4: Socio-economic information per municipality

Source: PT: Socio Economic Profiles Local Government (2007)

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

## 1.5 Political composition of municipalities

Municipality	ANC	DA	ID	INDEP.	ACDP	AMP	NPP	UP	PAC	SDP	VP	OTHER	VACANT	MAIN COALITION
City of Cape Town	72	98	15	6	7	2	4	1	1	1	1	UDM: 1	-	DA, ID, ACDP & UDM
Matzikama	5	2	5									SAFPA: 1		DA & ID
Cederberg	2	7	3											DA
Bergriver	6	6	1											DA & ID
Saldanha Bay	9	6	3	2	1		1					SAFPA: 1		DA, ID & INDEP.
Swartland	6	11	1										1	DA
West Coast DM	5	4	2										1	DA & ID
Witzenberg	9	5	3				1					UIF: 1		DA, ID & UIF
Drakenstein	31	20	3		1		3				1	WCC: 2		ANC
Stellenbosch	17	14	1	1	2							UDM: 1 KCA: 1		ANC, UDM & INDEP
Breede Valley	15	14	1	2			4				1	BREEDE		
INDEP.: 1	1	ANC & NPP												
Breede River/ Winelands	9	6	3									PDM: 1 INDEP: 1		ANC
Cape/ Winelands DM	8	6	1				1							ANC & NPP
Theewaterskloof	7	12	3		1									DA & ID
Overstrand	6	11					2							DA
Cape Agulhas	6	3			1									ANC
Swellendam	3	3	3		1									DA & ID
Overberg DM	8	8	1				3							ANC & NPP
Kannaland	2	2	1				3					ICOSA: 1		ANC & NPP
Hessequa	10	4		1										ANC
Mossel Bay	7	13	1	1	1									DA



Municipality	ANC	DA	ID	INDEP.	ACDP	AMP	NPP	UP	PAC	SDP	VP	OTHER	VACANT	MAIN COALITION
George	17	16	3	1	1						1			DA,ID,ACDP &VP
Oudtshoorn	8	7	6				2							DA,ID&ANC
Bitou	6	3	1	1										ANC
Knysna	9	5	1				1							ANC
Eden DM	5	5	1									ICOSA: 1 E FORUM:1		DA,ID,ACDP & ICOSA
Laingsburg	2	2					2							ANC&NPP
Prince Albert	3	3												ANC&DA
Beaufort West	4	2					1					ICOSA: 5 SDM: 1		ANC&ICOSA
Central Karoo DM	4	1					1					ICOSA: 1		ANC

*Table 5: Political composition of municipalities*  
Source: Database Department of Local Government and Housing

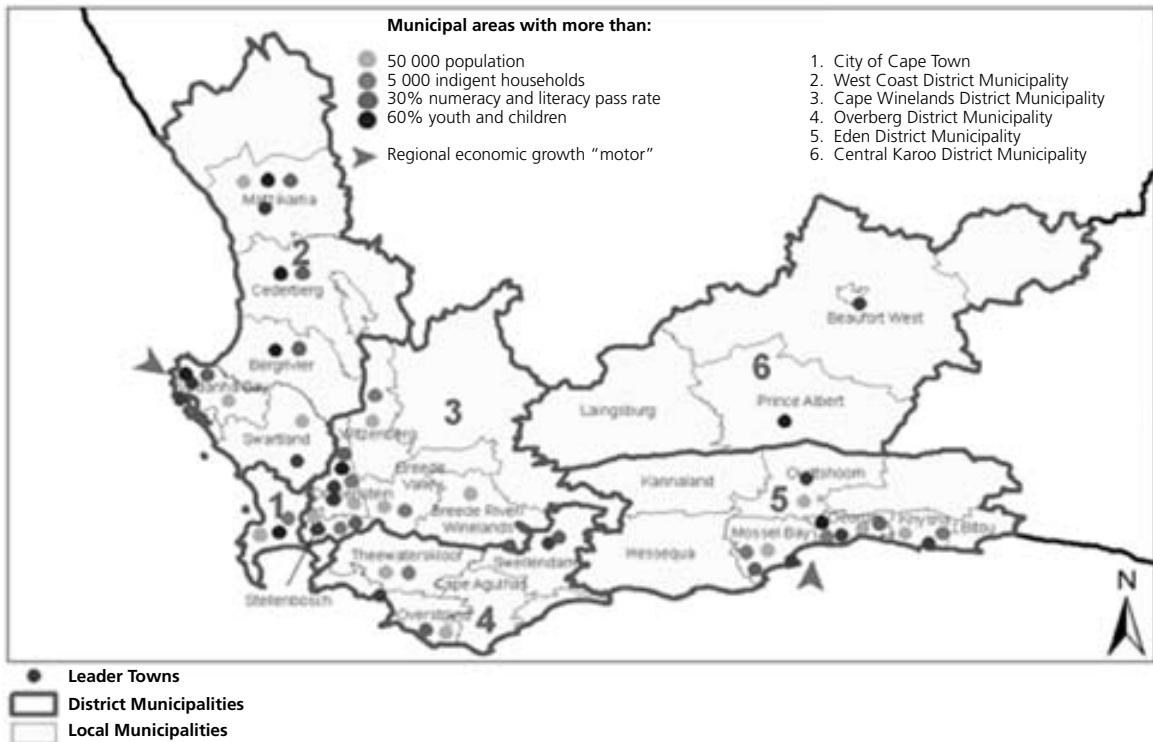
## 1.6 Classification of municipal capacity by National Treasury

Municipality	Capacity Classification
City of Cape Town	High
Matzikama	Medium
Cederberg	Low
Bergriver	Medium
Saldanha Bay	High
Swartland	Medium
West Coast DM	Medium
Witzenberg	Low
Drakenstein	High
Stellenbosch	High
Breede Valley	High
Breede River/Winelands	Medium
Cape/ Winelands DM	Medium
Theewaterskloof	Medium
Overstrand	High
Cape Agulhas	Low
Swellendam	Low
Overberg DM	Medium
Kannaland	Medium
Hessequa	Medium
Mossel Bay	High
George	High
Oudtshoorn	Medium
Bitou	Medium
Knysna	Medium
Eden DM	Medium
Laingsburg	Medium
Prince Albert	Medium
Beaufort West	Medium
Central Karoo DM	Medium

*Table 6: Classification of municipal capacity by 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**



The Western Cape represents 9% of the South African population and is the 4th largest province as it covers 11% of South African land. 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 co-operative manner.

**The following statements presents of the socio-economic profiles of municipalities:**

- 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: Global Insight).

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. The majority of people living in the Western Cape reside 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.

What must be kept in mind is that all the District Management Areas that now reside with District Municipalities will after the 2011 Local Government elections form part of the service delivery areas of the local municipalities. This will have a significant impact in some instances on the already limited resources of certain municipalities in the Western Cape, i.e. Murraysburg that will form part of Beaufort West and Rietpoort that will form part of Matzikama.

# CHAPTER 2

## MUNICIPAL INTEGRATED DEVELOPMENT PLANNING

### 2.1 Introduction

An Integrated Development Plan (IDP) is the principal strategic planning tool which directs and informs all planning and development, and all decisions with regard to planning, management and development in a municipality. It further binds the municipality in the legal exercise of its executive authority and is a product of intergovernmental and inter-sphere planning.

All draft IDPs are required to be approved by Municipal Councils by 30 March annually. This is also in line with the MFMA's deadline of adopting the draft budget 90 days before the end of the financial year. However, the final reviewed IDP and budget must be approved by Councils by 31 May each year, as required by the Municipal Systems Act – 2000.

Since the new demarcation of municipalities on 5 December 2000, there has been a 9-year period of learning in the drafting of integrated development plans for each of the 30 municipalities in the Western Cape Province and although the quality of the IDPs have improved in general, it requires further attention to be the all inclusive strategic plan for the municipal area.

The IDP is linked to the 5-year elected term of office of a municipal council and represents one generation of an Integrated Development Plan. Today, nine years after 5 December 2000, we are still in the 2nd 5-year period of the municipal councils, and thus in the 2nd generation of the IDP. Municipalities will enter the 3rd 5-year term of office in 2011. The time is opportune to reflect on the key lessons from the first 9 years in the drafting and implementation of IDPs and to identify the key areas that can be improved upon as municipalities prepare for the 3rd term of office.

***Municipalities are encouraged and supported with various initiatives to develop realistic and credible IDPs that comply with relevant legislation and that:***

- are owned by the **local leadership, municipal management and community** as the single strategic plan to direct resources within the municipality;
- are driven by the **management team and systems** within the municipality and implementation regularly monitored during the year with integrated performance management systems;
- contain a **long term development strategy** on how it will achieve integrated human settlements and support a robust and inclusive economy to guide investment across the municipal area;
- provides an **investment plan** for national, provincial and local government and non-governmental stakeholders to enhance and enable joint planning and resource alignment to improve service delivery to all stakeholders; and
- include **local area or neighbourhood plans** to improve on localised planning.

***All IDPs should have the following impacts, among other things, in the medium to long term:***

- Integrated Sustainable Human Settlement;
- Stimulating Growth of Robust Local Economy;
- Social Inclusion, Social Cohesion and Nation Building – Non-racism, Non-sexism, Democratic and accountable practices, equity, etc; and
- Environment Sustainability.

***The Key Performance/Focal Areas of the IDP must include:***

- Required sector plans;
- Sustainable Economic Growth and Development and LED;
- Financial Viability;
- Institutional Arrangements; and
- Governance and Organisational Development.

Chapter 10 and 11 of this report indicate the support that the department has provided and will provide to address the areas of improvement identified and described above.

## 2.2 Concise description of strategic vision of each municipality

Municipality	Vision: Goals/ Objectives (Strategic Priorities)/ Themes/ Values
City of Cape Town	<i>"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 21st 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".</i>
Matzikama	<i>"a safe, peaceful and affluent community"</i> To provide the communities with effective, affordable and quality service through sustainable development
Cederberg	<i>"A visionary municipality that works for you"</i> through <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 co-operation</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	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 organisations in local authority matters.
Saldanha Bay	<i>"to make this the preferred area of choice to live in, to do business in as well as for recreation"</i> 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.
Swartland	<i>"to build sustainable partnerships with our people"</i> To ensure social and economic stability and growth through sustainable service delivery of all primary and secondary services to all interested and effected parties. Objectives: housing; sound economic base; healthy and safe living environment; provision and exposure to the necessary training facilities; necessary sporting and recreation facilities.
West Coast DM	<i>"a better quality of life for all"</i> The purposeful improvement of the quality of life/ preservation of a safe environment/ pro-active and responsible stimulation of the regional economy/ pro-active co-operation.
Witzenberg	<i>"A united, integrated, prosperous municipality, progressively free of poverty and dependency"</i> To build a sustainable and environmentally-sound Witzenberg that, through efficient and effective utilisation of its current resources, establishes a platform for the progressive overcoming of poverty, under-development and provides the basis for a prosperous life for all citizens.
Drakenstein	<i>"working together to create a place of opportunity"</i> 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. Six IDP strategic priorities: housing, LED and job creation; social infrastructure; community safety; quality living environment; institutional development.
Stellenbosch	<i>"To be a professionally managed municipality that governs, leads and facilitates in a way that ensures:</i> <ul style="list-style-type: none"> <li>• <i>An integrated, reconciled and united community, free from all forms of discrimination;</i></li> <li>• <i>A harmonious, crime-free area –</i> <ul style="list-style-type: none"> <li>o <i>With a vibrant economy;</i></li> <li>o <i>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</i></li> <li>o <i>Whose hospitality, rich diversity, history and character make it a choice destination for tourists; and</i></li> </ul> </li> <li>• <i>An acclaimed centre of learning, viticulture and sport".</i></li> </ul>

Municipality	Vision: Goals/ Objectives (Strategic Priorities)/ Themes/ Values
Breede Valley	<i>"in the Valley of Hope we plan, work and grow in unity"</i> Access to job opportunities/ access to land and housing/ improve health care/ improved infrastructure/ social and community facilities/ safe and secure communities.
Breede River/Winelands	<i>"will strive to create a balanced and prosperous society by 2010"</i> 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.
Cape Winelands DM	<i>"establish a safe, prosperous and unified Cape Winelands, in which all its people enjoy a high standard of living";</i> 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.
Theewaterskloof	Integrated sustainable communities/ developmental municipalities/ financial viability/ capacity development optimisation and utilisation/ local economic development/ improved customer care.
Overstrand	<i>"To be a centre of excellence for the community"</i> Provision of democratic and accountable governance / Provision and maintenance of municipal services / Management and conservation of the natural environment / Creation and maintenance of a safe and healthy environment / Promotion of tourism, economic and rural development.
Cape Agulhas	<i>"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"</i> <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	<i>"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"</i> 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 utilisation 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.
Overberg DM	<i>"To bridge the racial socio-economic divide and to create sustainable livelihoods and thriving communities within the Overberg District"</i>
Kannaland	<i>"to create the ideal environment in which the people of Kannaland would like to live and work. To be the place of choice"</i> 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.
Hessequa	A co-operative community where everyone reaps the fruit of a growing economy through sustainable development and utilisation of our human potential and our natural resources.
Mossel Bay	<i>"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"</i> To render cost-effective and sustainable services, to have a motivated and representative municipal workforce, to apply good and transparent cooperative governance.
George	<i>"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"</i>
Oudtshoorn	<i>"Peace and prosperity for all"</i> 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.
Bitou	<i>"to be the best together"</i> 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.

Municipality	Vision: Goals/ Objectives (Strategic Priorities)/ Themes/ Values
Knysna	<i>"Knysna, the town that works for all"</i> A caring and contented town/ A successful and respected town/ An attractive and sustainable town/ A reliable functioning town/ A financially sound town/ A dynamic and welcoming town/ A town prepared for the future.
Eden DM	<i>"a home and future for all"</i> 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.
Laingsburg	<i>"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"</i> 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, enjoy a clean, sustainable environment embedded in safety and security, which is governed by a participative, professional, transparent and accountable administration.
Prince Albert	<i>"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"</i> 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.
Beaufort West	<i>"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"</i> 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.
Central Karoo DM	<i>"optimal quality of life for all citizens"</i> 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.
<i>Table 7: Concise description of strategic vision of each municipality</i>	
<i>Source: Municipal Annual Reports</i>	

The Vision must be short, succinct, long-term, forward looking, and based on values and principles. The Mission should be short, succinct, crisp, realistic and medium term.

Municipal strategies must be linked to national imperatives, frameworks and make reference to the Situational Analysis, Powers and Functions of the municipality, Important Sector Plans (Departments and SOEs) linked to NSDP and PDGS, Demonstration of linkages between the identified Strategies and the Sector Plans, Designated Groups (People with Disability, Women, Elderly and Youth). **These should be structured into the following 5 KPAs of the Five-Year Local Government Strategic Agenda and Spatial Analysis as a sixth focal area:**

- Good Governance and Public Participation;
- Basic Service Delivery;
- Municipal Transformation and Organisational Development;
- Municipal Financial Viability and Management;
- Local Economic Development;
- Spatial Analysis and Rationale.

The visionary statements of the respective municipalities remained, almost without exception, similar to that of the 07/08 planning cycle. This has contributed towards stability in the delivery of services and development consistency.

## 2.3 Integrated development planning per municipality

All 30 municipalities had an IDP in place in 2008/09, which includes the core components as cited in Section 26 of the MSA (32 of 2000). The following table illustrates the feedback received from municipalities on integrated development planning review activities during 2008/09:

Municipality	IDP (08/09) 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	No	No
Matzikama	Yes	Yes	Yes	Yes	Yes	No	Yes
Cederberg	Yes	Yes	Yes	Yes	Yes	Yes	No
Bergriver	Yes	Yes	Yes	Yes	Yes	Yes	No
Saldanha Bay	No info	No info	No info	No info	No info	No info	No info
Swartland	Yes	Yes	Yes	Yes	Yes	Yes	No
West Coast DM	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Witzenberg	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes	Yes	Yes	No	Yes
Stellenbosch	Yes	Yes	No	Yes	Yes	No	No info
Breede Valley	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Breede River/ Winelands	Yes	Yes	Yes	Yes	Yes	No	Yes
Cape Winelands DM	Yes	Yes	Yes	Yes	Yes	Yes	No
Theewaterskloof	Yes	Yes	Yes	Yes	Yes	Yes	No
Overstrand	Yes	Yes	Yes	Yes	Yes	Yes	No
Cape Agulhas	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Swellendam	Yes	Yes	Yes	Yes	Yes	No	Yes
Overberg DM	Yes	Yes	Yes	Yes	No	Yes	Yes
Kannaland	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hessequa	Yes	Yes	Yes	Yes	Yes	Yes	No
Mossel Bay	Yes	Yes	Yes	Yes	Yes	No	No
George	No info	No info	No info	No info	No info	No info	No info
Oudtshoorn	Yes	Yes	Yes	Yes	Yes	No	Yes
Bitou	Yes	Yes	Yes	Yes	Yes	No	No
Knysna	Yes	Yes	Yes	Yes	Yes	No	No
Eden DM	Yes	Yes	Yes	Yes	Yes	Yes	No
Laingsburg	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prince Albert	Yes	Yes	Yes	Yes	Yes	Yes	No
Beaufort West	Yes	Yes	Yes	Yes	Yes	Yes	No
Central Karoo DM	Yes	Yes	Yes	Yes	Yes	No	No

Table 8: Integrated development planning per municipality

Source: Questionnaires, May 2010

## 2.4 Analysis of Integrated Development Planning processes

Although most municipalities adhere fully to the legislative requirements for the annual IDP review process, there is still room for improvement in the following areas:

### Public Participation

Municipalities are defined in Section 2(b) of the Municipal Systems Act, 32 of 2000 as consisting of both (a) the political structures and administration of the municipality and (b) the community. The municipality has a duty to facilitate public involvement in its operation by providing meaningful opportunities for public participation, and to take measures to ensure that people have the ability to take advantage of such opportunities. The community should have easy access to the participation process and information that impact on their development and be able to actively participate in municipal-wide or ward-based opportunities. Although municipalities are engaging with their communities in various ways, there are still numerous challenges that exist to effect meaningful community engagement, especially in relation to ward/neighbourhood levels. In most cases community participation is still seen as a legal matter instead of as an essential to enable the community to take responsibility for the future development of the municipality and release the community's own energy and resources in actions to be involved in the IDP. Similar challenges exist with engagement with other social partners such as organised business, labour and civil society to consider its respective role in contributing to the development of the municipality and applying its resources to achieve delivery on the long-term development strategy as captured in the IDP.

### Long-term development strategy

The majority of IDPs do not present a clear long-term development agenda which can guide investment across the municipal area. This means presenting a clear understanding of the development potential (of people, natural resource endowments, infrastructure assets, locational advantages, environmental resource constraints), the drivers of development or under-development (household profiles, local economic growth, movement of people and goods, settlement growth, environmental sustainability) and identifying the critical areas of intervention required over the medium to long term.

### Integrated Planning: Investment plan for national, provincial and local government and non-governmental stakeholders

There is a clear need to improve joint planning and financing across government spheres to deal with, among other things, creating liveable neighbourhoods and informal settlements, equitable access to services by communities, and coherent investment in infrastructure that support economic growth. Almost all municipalities complained that it is a huge challenge to get sector departments to actively engage in their IDP processes, especially with regards to the level of representation during their various IDP participation sessions.

### Other main areas for improvement

*Other main areas for improvement are as follows:*

- A more interventionist approach to economic development, including clear priority economic interventions to provide infrastructure to support the economy;
- Completion of specific sectoral plans;
- Targeted infrastructure and basic services investment; and
- Institutional delivery capacity and gearing for implementation.

Paragraph 2.5 reflects a detailed analysis of each of the IDPs of the municipalities in the Western Cape. This exercise was completed by the IDP section of the Department of Local Government and Housing.

## 2.5 Summary grid on assessment of credibility of municipal Integrated Development Plans

When applying the set of 6 basic criteria for a credible IDP, an overall view of the quality of IDPs within the province is achieved. This representation is indicated below. An indicative value of between 1 to 3 was applied to indicate potential areas for IDP improvement (1=Not Adequate 2=Addressed 3=Excellent). This assessment was done by the IDP section of the Department during September 2008.



**The 6 basic criteria consist of:**

**A: Long-term strategy**

1. Rigorous analysis of socio-economic data. Trends that identify the key drivers of development and under-development
2. Clear development strategy

**B: Implementation**

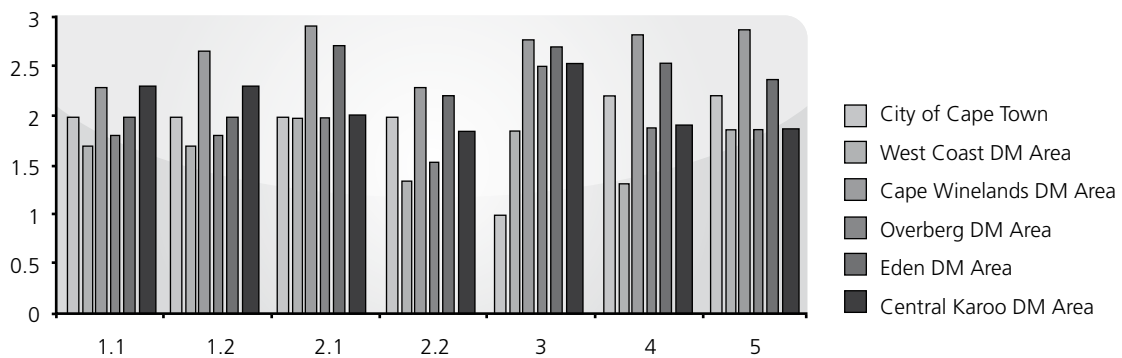
1. Targeted basic services and infrastructure investment
2. Key non-infrastructure/ basic services interventions identified and funded
3. Community involvement in planning and delivery
4. Institutional delivery capacity
5. Alignment and integration with national/provincial programmes

Municipality	A: Long-term strategy		B: Implementation					Municipal/ District average
	1.1	1.2	2.1	2.2	3	4	5	
	Rigorous analysis of Socio –econ trends	Clear development strategy	Targeted basic services and infras. Investment	Key non-infras./ basic services interventions identified & funded	Community involvement in planning and delivery	Institutional Delivery Capacity	Alignment and integration with Nat/ Prov programmes	
City of Cape Town	2	2	2	2	1	2	2	1.9
Matzikama	1	1	1	1	2	1	1	1.1
Cederberg	1	1	2	1	1	1	2	1.3
Bergriver	1	1	2	1	1	1	1	1.1
Saldanha Bay	2	2	2	1	2	1	2	1.7
Swartland	3	3	3	2	3	2	3	2.7
West Coast DM	2	2	2	2	2	2	2	2.0
Average for the West Coast DM Area	1.7	1.7	2.0	1.3	1.8	1.3	1.8	1.7
Witzenberg	2	2	2	2	2	1	3	2.0
Drakenstein	2	2	3	2	2	3	3	2.4
Stellenbosch	3	3	3	2	3	3	2	2.7
Breede Valley	2	2	2	2	2	2	2	2.0
Breede River/Winelands	2	3	3	2	3	3	3	2.7
Cape Winelands DM	3	3	3	3	3	3	3	3.0
Average for the Cape Winelands DM Area	2.3	2.5	2.7	2.2	2.5	2.5	2.7	2.5
Theewaterskloof	2	2	3	2	3	2	2	2.3
Overstrand	2	2	2	2	3	3	3	2.4
Cape Agulhas	2	2	2	1	2	1	2	1.7
Swellendam	2	2	2	1	2	2	1	1.7
Overberg DM	1	1	1	1	1	1	1	1.0
Average for the Overberg DM Area	1.8	1.8	2.0	1.4	2.2	1.8	1.8	1.8
Kannaland	1	2	2	2	2	1	1	1.6
Hessequa	3	2	2	2	3	2	2	2.3
Mossel Bay	2	2	3	2	2	3	2	2.3

Municipality	A: Long-term strategy		B: Implementation					Municipal/ District average
	1.1	1.2	2.1	2.2	3	4	5	
	Rigorous analysis of Socio-econ trends	Clear development strategy	Targeted basic services and infras. Investment	Key non-infras./ basic services interventions identified & funded	Community involvement in planning and delivery	Institutional Delivery Capacity	Alignment and integration with Nat/ Prov programmes	
George	2	2	3	2	2	2	2	2.1
Oudtshoorn	2	1	2	2	2	2	3	2.0
Bitou	2	2	3	2	3	3	2	2.4
Knysna	2	3	3	3	3	3	3	2.9
Eden DM	2	2	2	2	2	2	2	2.0
Average for the Eden DM Area	2.0	2.0	2.5	2.1	2.4	2.3	2.1	2.2
Laingsburg	2	2	2	2	2	1	1	1.7
Prince Albert	2	2	2	1	2	2	2	1.9
Beaufort West	2	2	2	2	2	2	2	2.0
Central Karoo DM	3	3	2	2	3	2	2	2.4
Average for the Central Karoo DM Area	2.3	2.3	2.0	1.8	2.3	1.8	1.8	2.0

*Table 9: Credibility of Integrated Development Plans*  
*Source: Department of Local Government and Housing*

The following graph illustrates the average results of assessment per district of the credibility of the IDPs on the 7 evaluation criteria in table 9.



Graph 1: Average credibility of Integrated Development Planning per district

The graph illustrates the average results of assessment per district of the credibility of the IDPs on the 7 evaluation criteria in the above table. This graph also indicates that the municipalities in the Cape Winelands area are on average performing well in all the KPAs applicable in this area. The municipalities in the West Coast on the other hand are not performing on the expected standard.

# CHAPTER 3

## MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

### 3.1 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 IntegrIDP. 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 are not always aligned with the IDPs of municipalities. As municipalities are currently in process of reviewing the macro and micro structures it is 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 and 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).

### 3.2 Institutional development and transformation

#### 3.2.1 Municipal Organisational Structure

- 3.2.1.1 Filling of posts, transformation and HR policies and systems
- 3.2.1.1.1 Number of approved and vacant posts per municipality

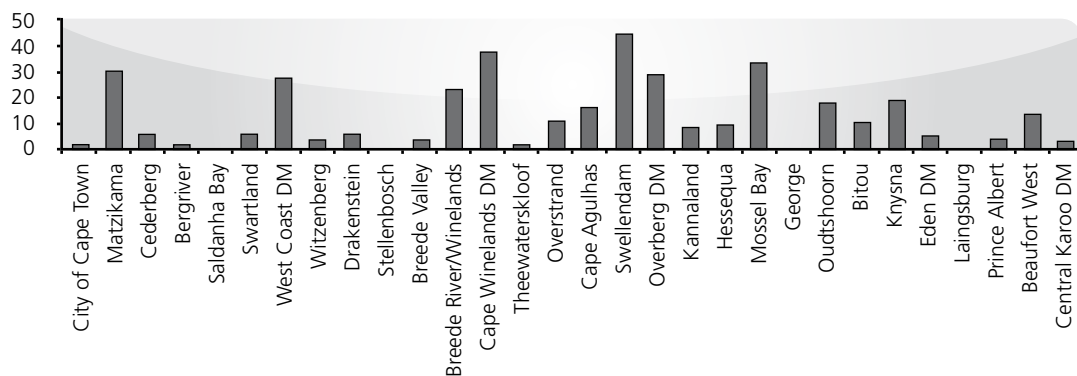
This table indicates the number of approved and vacant posts as per the different levels in the municipalities.

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
City of Cape Town	13	1 630	4 613	16 318	0	36	180	334
	% of posts vacant				2.44			
Matzikama	5	36	116	151	2	17	39	37
	% of posts vacant				30.82			
Cederberg	4	63	304	122	1	6	12	10
	% of posts vacant				5.88			
Bergriver	5	16	85	235	0	2	1	4
	% of posts vacant				2.05			
Saldanha Bay	No info				No info			
	% of posts vacant				No info			
Swartland	7	98	119	242	1	11	15	3
	% of posts vacant				6.44			
West Coast DM	5	16	5	207	0	0	1	65
	% of posts vacant				28.33			
Witzenberg	5	18	159	182	0	2	2	12
	% of posts vacant				4.39			
Drakenstein	6	158	260	1 337	0	39	31	41
	% of posts vacant				6.30			
Stellenbosch	Incomplete info submitted				Incomplete info submitted			
	% of posts vacant				No info			
Breede Valley	5	23	79	298	0	3	3	12
	% of posts vacant				4.44			
Breede River/Winelands	5	284	92	467	0	23	7	168
	% of posts vacant				23.35			
Cape Winelands DM	7	175	149	534	0	53	69	209
	% of posts vacant				38.27			
Theewaterskloof	5	207	8	210	0	2	0	8
	% of posts vacant				2.33			
Overstrand	7	271	205	480	0	55	26	33
	% of posts vacant				11.84			
Cape Agulhas	5	82	78	170	0	15	22	21
	% of posts vacant				17.31			
Swellendam	6	41	78	117	3	24	39	44
	% of posts vacant				45.45			
Overberg DM	3	69	88	144	1	14	42	33
	% of posts vacant				29.61			
Kannaland	4	4	49	63	1	1	0	9
	% of posts vacant				9.17			
Hessequa	8	59	119	268	4	20	5	16
	% of posts vacant				9.91			
Mossel Bay	7	51	101	580	1	12	16	220
	% of posts vacant				33.69			

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
George	No info				No info			
	% of posts vacant				No info			
Oudtshoorn	5	195	120	351	2	35	10	82
	% of posts vacant				19.23			
Bitou	6	26	161	273	0	6	26	21
	% of posts vacant				11.37			
Knysna	7	41	128	277	1	7	17	60
	% of posts vacant				18.76			
Eden DM	6	85	44	203	2	11	5	3
	% of posts vacant				6.21			
Laingsburg	1	4	14	32	0	0	0	0
	% of posts vacant				0			
Prince Albert	3	5	17	35	1	0	2	0
	% of posts vacant				5.00			
Beaufort West	6	18	44	257	0	10	8	30
	% of posts vacant				14.77			
Central Karoo DM	4	11	62	75	0	0	3	3
	% of posts vacant				3.95			
<b>Provincial average</b>	<b>% of posts vacant</b>				<b>6.90</b>			

Table 10: Number of approved and vacant posts per municipality  
Source: Questionnaires, May 2010 and Municipal Annual Reports

The following graph illustrates the total percentage of vacant posts per municipality as indicated in table 10. Unfortunately a 0% will be indicated if no information was submitted by a specific municipality.



Graph 2: Percentage (%) vacant posts per municipality

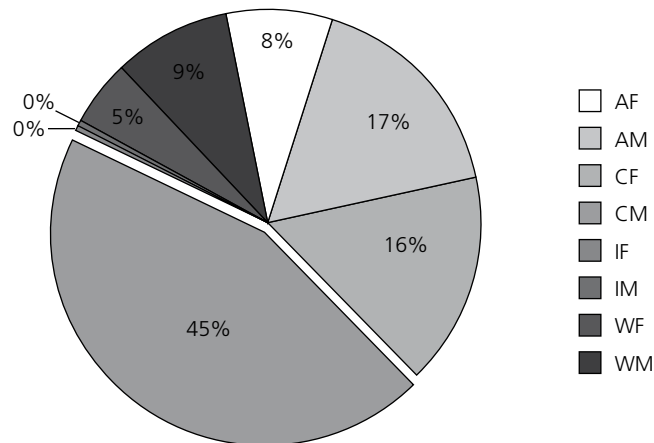
The norm for the vacancy rate is between 10% and 15%. This graph illustrates that the vacancy rate of certain municipalities is of concern.

Municipality	All levels							
	AF	AM	CF	CM	IF	IM	WF	WM
City of Cape Town	1 901	3 784	3 508	9 995	27	56	1 194	2 109
Matzikama	1	23	81	172	0	0	18	13
Cederberg	4	24	67	158	0	0	9	13
Bergriver	1	14	55	229	1	0	21	20
Saldanha Bay	No info							
Swartland	6	55	91	295	0	0	37	44
West Coast DM	9	26	79	289	0	0	14	46
Witzenberg	5	41	27	132	0	1	6	11
Drakenstein	431	302	272	859	2	2	41	102
Stellenbosch	105	241	176	476	0	0	43	65
Breede Valley	50	76	96	188	1	1	56	19
Breede River/Winelands	42	131	90	294	0	0	40	53
Cape Winelands DM	45	97	84	197	0	0	28	83
Theewaterskloof	30	72	93	310	1	1	32	24
Overstrand	39	268	102	337	2	0	98	117
Cape Agulhas	5	17	83	164	0	0	20	20
Swellendam	3	20	49	139	0	0	14	16
Overberg DM	9	57	33	134	0	0	16	29
Kannaland	1	2	28	76	0	0	7	10
Hessequa	4	28	95	263	0	0	42	23
Mossel Bay	47	184	102	336	1	4	60	115
George	No info							
Oudtshoorn	34	57	75	303	1	0	30	77
Bitou	80	173	59	118	1	1	11	22
Knysna	37	194	55	244	0	0	34	44
Eden DM	22	62	112	264	2	1	28	83
Laingsburg	1	2	5	34	2	0	5	2
Prince Albert	1	0	16	35	0	0	2	6
Beaufort West	20	60	45	173	0	0	14	11
Central Karoo DM	11	21	15	88	0	1	6	10

Table 11: Transformation statistics per municipality

Source: Questionnaires, May 2010 and Municipal Annual Reports

The following graph illustrates the total percentage (%) per race category in the municipalities as indicated in table 11.



Graph 3: Total percentage (%) per race category in the municipalities

This graph illustrates that gender equity remains a matter of concern. In addition to gender imbalances, a mixture of data from all municipalities reveals that the number of women employed in municipalities remains at middle management. Coloured male appointees in senior and middle management generally outnumber appointees in other race and gender groupings.

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

This table compares the percentage of the total number of municipal employees per race category in the municipalities with the demography of the municipal area.

Municipality	African	Coloured	Indian	White
	Demography (%) of municipality per race category			
City of Cape Town	31.6	48.1	1.4	18.7
	25.2	59.8	0.4	14.6
Matzikama	5.57	76.11	0.1	18.1
	7.8	82.1	0.0	10.1
Cederberg	7.9	78.2	0.06	13.7
	10.2	81.8	0.0	8.0
Bergriver	5	75.5	0.1	19.2
	4.4	83.3	0.3	12.0
Saldanha Bay	16.9	63.6	0.4	18.9
	No info			
Swartland	10.3	72.3	0.4	16.8
	11.6	73.1	0.0	15.3
West Coast DM	10	72	0	18
	7.6	79.5	0.0	13.0
Witzenberg	19.8	70.8	0.1	9.1
	20.3	73.3	0	6.4
Drakenstein	21.4	63.8	0.3	14.5
	36.4	56.2	0.2	7.1

Municipality	African	Coloured	Indian	White
	Demography (%) of municipality per race category			
Stellenbosch	20.4	57.5	2	21.8
	31.3	59.0	0.0	9.8
Breede Valley	20.1	65.6	0.3	13.9
	25.8	58.3	0.4	15.4
Breede River/Winelands	14.5	71	0.7	14.3
	26.6	59.1	0.0	14.3
Cape Winelands DM	19.5	64.3	0.2	8.5
	26.6	52.6	0.0	20.8
Theewaterskloof	22.8	65.8	0.1	11.2
	18.1	71.6	0.4	9.9
Overstrand	27.1	37	0.08	35.6
	31.9	45.6	0.2	22.3
Cape Agulhas	5.6	68.8	0.1	25.5
	7.1	79.9	0.0	12.9
Swellendam	9.2	71.9	0.2	18.7
	9.5	78.0	0.0	12.4
Overberg DM	19.8	59.2	0.1	20.9
	24.5	57.4	0.0	18.1
Kannaland	22.5	84.5	0.1	12.9
	2.4	83.9	0.0	13.7
Hessequa	4.4	70.1	0.09	25.7
	7.0	78.7	0.0	14.3
Mossel Bay	22.67	48.5	0.36	28.47
	27.2	51.6	0.6	20.6
George	27.2	50.3	0.2	22
	29.4	55.5	0.4	14.7
Oudtshoorn	8.1	76.5	0.1	15.3
	15.8	65.5	0.2	18.5
Bitou	37.9	40.2	0.3	21.5
	54.4	38.1	0.4	7.1
Knysna	31.9	44.1	0.1	23.8
	38.0	49.2	0.0	12.8
Eden DM	19.7	55.6	0.2	21.1
	14.6	65.5	0.5	19.3
Laingsburg	2.2	82.9	0.11	14.7
	5.9	76.5	3.9	13.7
Prince Albert	1.6	86.9	0.1	11.3
	1.7	85.0	0.0	13.3
Beaufort West	15.8	73.2	0.12	10.8
	24.8	67.5	0.0	7.7
Central Karoo DM	10.2	69.1	0.1	10.2
	21.1	67.8	0.7	10.5

Table 12: Municipal employees per race category expressed as a percentage of the demography of the municipality

Source: Questionnaires, May 2010



### 3.2.1.1.4 Municipal manager positions as at May 2010

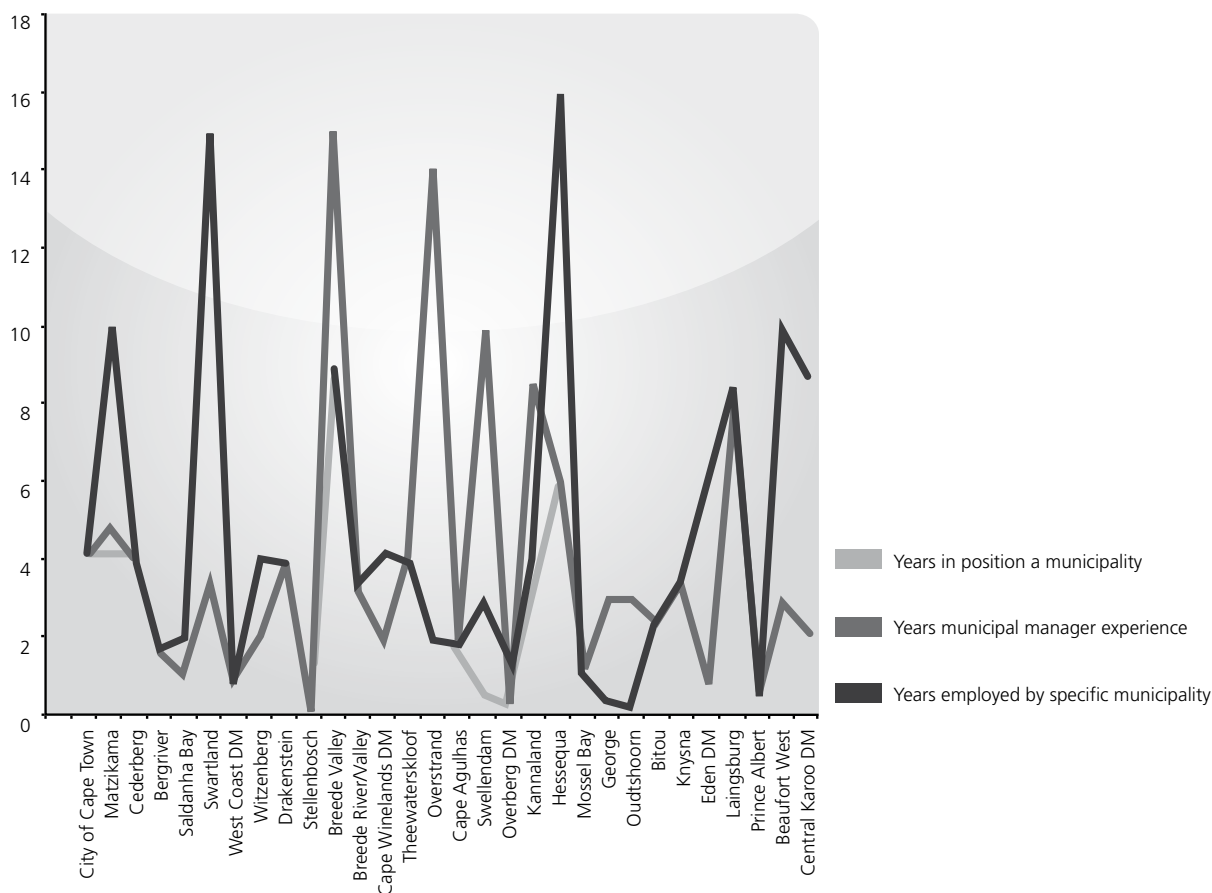
This table provides the status with the municipal manager posts and indicates their years of experience.

Municipality	Position filled (1 July 2009)	Name	Years in position at municipality	Years municipal manager experience	Years employed by specific municipality
City of Cape Town	Yes	A Ebrahim	4	4	4
Matzikama	Yes	D O'Neill	4	5	10
Cederberg	Yes	G Matthyse	4	4	4
Bergriver	Yes	Me C Liebenberg	19 months	19 months	19 months
Saldanha Bay	Yes	James Fortuin	1	1	2
Swartland	Yes	JJ Scholtz	3.5	3.5	15
West Coast DM	Yes	H Prins	10 months	10 months	10 months
Witzenberg	Yes	D Nasson	2	2	4
Drakenstein	Yes	ST Kabanyane	4	4	4
Stellenbosch	No	Me H Linde (Acting)	1 month	1 month	5
Breede Valley	Yes	A Palse	9	15	No info
Breede River/Winelands	Yes	SA Mokweni	3	3	3.3
Cape Winelands DM	Yes	M Mgajo	1.9	1.9	4.11
Theewaterskloof	Yes	S Wallace	4	4	4
Overstrand	Yes	W Zybrants	2	14	2
Cape Agulhas	Yes	R Stevens	1.7	1.7	1.7
Swellendam	Yes	N Nel	6 months	10	3
Overberg DM	Yes	D van der Heever	4 months	4 months	1.4
Kannaland	Yes	K de Lange	3.5	8.5	3.5
Hessequa	Yes	J Jacobs	6	6	16
Mossel Bay	Yes	Me M Gratz	1.1	1.1	1.1
George	No	G Ras (Acting)	3 months	3	3 months
Oudtshoorn	No	T Botha (Acting)	2 months	3	2 months
Bitou	Yes	L Ngoqu	2.4	2.4	2.4
Knysna	Yes	J Douglas	3.4	3.4	3.4
Eden DM	No	M Hoogbaard (Acting)	9 months	9 months	6
Laingsburg	Yes	P Williams	8.4	8.4	8.4
Prince Albert	Yes	J Fortuin	6 months	6 months	6 months
Beaufort West	Yes	J Booysen	3	3	10
Central Karoo DM	No	S Jooste (Acting)	2.1	2.1	8.7

Table 13: Municipal Manager positions

Source: Questionnaires, May 2010

The following graph illustrates the combined results of table 13. As indicated the number of years experience of municipal managers varies from 1 month to 16 years.



Graph 4: Municipal manager position trends

The national Cabinet commissioned a countrywide skills audit of municipalities in 2008. The aim was to obtain the quantity and quality of capacity that exists within Local Government with the objective to use the results of the audit to channel capacity building interventions to specifically redress critical skills/competence gaps. The formal skills audit in the Western Cape Province municipalities was conducted during the months of October and November 2008. A total of a hundred and eighty (180) s57 positions exist in the provincial municipalities. Out of a hundred and seventy two (172) filled positions at that stage, thirty six percent (36.05%) of the s57 participated in the skills audit. The following was determined:

- **Financial Management:** 63,7% of the s57 positions are performing at a basic level, with two of the 63,7% scoring at a below basic level.
- **People & Diversity Management:** 69,7% of the s57 positions scored at intermediate level, with four out of 33 positions scoring at an advanced level and the remaining 18,2% performing at a basic level.
- **Client Focus:** Although the performance cuts across the 3 proficiency levels, basic to advanced, 51,5% of the s57 managers performed at a basic level, with almost 30% scoring at an intermediate level and 19% scoring at an advanced level.
- **Strategic Leadership & Management:** Thirteen of the thirty three s57 composite positions performed at an intermediate level. The majority of the s57's (60,6%) scored at a basic level.
- **Project Management:** 48,5% of the s57's scored the competence at an intermediate level although the majority of them (51,5%) scored at a basic level.
- **Risk & Change Management:** The performance is spread between intermediate and basic level with the slant towards the intermediate level (54,5%).

- **Analytical Thinking & Problem Solving:** The performance is spread between basic and intermediate level. 63,6% of the s57's scored at an intermediate level, 30,3% at a basic level and 6,1% at an advanced level.
- **Communication:** Communication is the highest scored competence with 78,8% of the s57's positions performing at an intermediate level, four s57 positions scored at an advanced level with only three positions having performed at a basic level.
- **Governance (Policy Formulation, Ethics and Values):** Performance slants towards intermediate level with 21,2% having scored at and advanced level, whilst the majority of the s57's (42,4%) scored at an intermediate level.

The overall results indicated that 24,2% of the total assessed s57's scored between advanced and expert levels, and 45,2% performing at a basic level. According to the report summarising the results, the Western Cape provincial municipalities' performance presents an optimistic view of the s57's' skills capacity as some municipalities' managers are performing at an advanced level and it was suggested that managers that scored at an advanced level are to be identified as mentors for specific competences across the districts so as to enhance development.

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

The Human Resources Development Strategy (HRDS) of South Africa's key mission is to maximise the potential of our people through knowledge and skills acquisition to improve 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 lifelong learning;
4. Supporting employment growth through creative innovation and policies; and
5. Ensuring that the four objectives above are linked.

This table gives an indication on the status with the development and the implementation of specific HR policies by municipalities.

Municipality	Recruitment and selection policy	Skills Development Plan	EE Plan	HRM and HRD policies
City of Cape Town	yes	yes	yes	yes
Matzikama	yes	yes	yes	yes
Cederberg	yes	yes	yes	yes
Bergriver	yes	yes	yes	yes
Saldanha Bay	no info			
Swartland	yes	yes	yes	yes
West Coast DM	yes	yes	yes	yes
Witzenberg	yes	yes	yes	no
Drakenstein	yes	yes	yes	yes
Stellenbosch	yes	yes	yes	yes
Breede Valley	yes	yes	yes	yes
Breede River/Winelands	yes	yes	yes	yes
Cape Winelands DM	yes	yes	yes	yes
Theewaterskloof	yes	yes	yes	yes
Overstrand	yes	yes	yes	yes
Cape Agulhas	yes	yes	yes	yes
Swellendam	yes	yes	yes	yes
Overberg DM	yes	yes	yes	yes

Municipality	Recruitment and selection policy	Skills Development Plan	EE Plan	HRM and HRD policies
Kannaland	yes	yes	yes	yes
Hessequa	yes	yes	yes	yes
Mossel Bay	yes	yes	yes	yes
George	no info			
Oudtshoorn	yes	yes	yes	yes
Bitou	yes	yes	yes	yes
Knysna	yes	yes	yes	yes
Eden DM	yes	yes	yes	yes
Laingsburg	yes	yes	yes	yes
Prince Albert	yes	yes	no	yes
Beaufort West	yes	yes	no	yes
Central Karoo DM	yes	yes	yes	yes

Table 14: Development and Implementation of specific HR policies and systems per municipality

Source: Questionnaires, May 2010

### 3.2.3 Municipal capacity and skills development initiatives

The table below provides a short description of the capacity building and skills development initiatives initiated by individual municipalities. The Provincial Departments also supported the municipalities with specific initiatives as highlighted in Chapter 10 of this report.

Municipality	Capacity and skills development initiatives	
City of Cape Town	Adult Education and Training 2-4, 15th South African Cities Network, 2008 ATI Fiscal Decen & Sub-Nat Gov Fina, 2008 Local Government Budgets & Expenditure, Revenue, Advanced Analysis with ArcGIS, Advanced Skills for Secretaries & PAs, Aerial Bundle Conductors (Electricity), Infrastructure Asset Management Training, Strategic Thinking for the Public Sector, Asset Insurer/Stock Taker, Asset Management, Asset Training, A-Z of Industrial Relations, Capacitation Workshop, Policy Development, Change Management, Conflict Management, Women in Leadership, Conflict Resolution, Municipal Bylaw Training, Mentoring & Coaching Training, Incident Investigation Training, Design of EPWP Projects, Facilitation Skills, Financial Life Skills.	
	Average % of personnel budget spent on skills development in 2008/09	1.5
Matzikama	Electrical Modular Training M1 – M6, Operator Training Digger Loader, Front End Loader, Payday Salary Module Training, Personal Assistant Secretarial and Customer Service, Water and Waste Water Training, ABET Senior Certificate.	
	Average % of personnel budget spent on skills development in 2008/09	0.6
Cederberg	Water & Roads Learnership, Execute Leadership Programmes, IDP Learnership, Waste Management, Health & Safety Courses (Risk Assessment, etc), Supervisory Courses.	
	Average % of personnel budget spent on skills development in 2008/09	0.21
Bergriver	K53, E-Natis : Supervisor training (KPA), SDBIP / PMS, Roles and Responsibilities, Municipal officials, Client Services, Ass for Mun. Elec Undertakings, IMISA, Asset Training, IDP Learnership.	
	Average % of personnel budget spent on skills development in 2008/09	No info
Saldanha Bay	No info	
	Average % of personnel budget spent on skills development in 2008/09	No info
Swartland	ABET, Roads Learnership, Waste Water Treatment Learnership, Apprenticeships for Plumbing and Painting, Tertiary support in the form of bursaries for employees studying at tertiary education institutions.	
	Average % of personnel budget spent on skills development in 2008/09	<1

Municipality	Capacity and skills development initiatives	
West Coast DM	4x4 Driving with Fire vehicles, ABET Levels 2,3 &4, Advanced Billing, Advanced Supervisory, Basic supervision, Occupational health & safety, fire extinguisher level 1, Building Resilience, Call Centre, Capman EE plan, Certificate in Municipal IDP, Chairing of Disciplinary Hearings, Cleaning procedures and products, Code EC Drivers, Conflict Handling, Construction Road worker, Correspondence in Business, Dairy Standard Code of Practise, Dangerous Goods, Chlorine and BA apparatus, Developing an environmental health information system, Digger Loader Operators, Easyscript Speedwriting, EIA Legislation & procedures & Interpretation, Event Management and Planning, Excel 2003 Intermediate, Fire Fighter 1, Fire Fighter II, Fire Fighting Level I, First Aid (Level 1), First Aid Level 1,2&3, First-Aid Training (Level 1), Food related issues and legislation, Free and Open Source Software for Geospatial, GIS FOSS4G2008, HACCP Food Safety, HACCP Foundation, HACCP Management System, HIRA, Histamines in Seafood, HIV/AIDS Management Workshop, IDP course, IDP Manager, IMPSA Conference, Incident Investigation, Code EC License, Learners Drivers License Code EC, Management and Leadership Training AIDS Relief, Managing Employment Process, Meeting Procedures and Minute Taking, Microsoft Project, MS Excel 2003 Basic – Advanced, MS Excel 2007 Introduction, MS PowerPoint 2003 Basic – Advanced, MS Project II, MS Word 2003 Basic – Advanced, MS Word 2007 Introduction, NQF Support Link, Orgplus All levels, Performance Management, Personal Hygiene Role Play, Project Management, Recruitment and Selection, Registry Clerk Course, Roadwork Learnership, S.H.E. Representative, Safety Rep Training, SAICA Performance Management Workshop, SAMRAS DB4 Electronic Orders, SAMRAS Financial System, SHE Awareness, Cleaning products/-methods & hygiene & Pest control, Tax Risk in Payroll, Water Law, Water Purification Learnership, Water Reticulation Learnership, Law enforcement course.	
	Average % of personnel budget spent on skills development in 2008/09	0.35
Witzenberg	Financial, project management, Social Community Economic Development, life skills, client services, Administration.	
	Average % of personnel budget spent on skills development in 2008/09	1.8
Drakenstein	Adult Basic Education & Training (ABET), Learnerships, Skills Programmes, Short Courses, Bursary Schemes, Internships, vacation work (graduates), Experiential learning, Management Development.	
	Average % of personnel budget spent on skills development in 2008/09	1
Stellenbosch	Fire fighter One; Trade Test: Bricklayer (VD Dyanty);Pipe layer couser, ORHVS results & re-examination; K53 Training; Websence Certified Training; Disciplinary Training Post Level 1-4; Movac Training 3 & 4;Management Development programme & Capacity Building Course; Annual Fire Arms Training – Traffic /Law Enforcement; Reportwriting Course; Siemens Hi-Path – Telephone course; Personal Assistance training; K53 Training; Supervision Beginners & Advanced; Computer training; Waste water, water ratification, water purification Learnership; Roads Learnership.	
	Average % of personnel budget spent on skills development in 2008/09	1
Breede Valley	Learnerships: LGSETA (IDP National Certificate), Water, Sanitation, Plumbing, CPMD.	
	Average % of personnel budget spent on skills development in 2008/09	0.03
Breede River/Winelands	Road works learnership, water works leanership, supervisory skills and horticultural training, technical skills development programs, computer literacy and skills development programmes.	
	Average % of personnel budget spent on skills development in 2008/09	0.21
Cape Winelands DM	Fire Fighter, Self Contained Breathing Apparatus, Heavy Duty 4X4 Course, Fighting Absenteeism, Chairing Disciplinary Hearing, First Aid 3, Effective Business Writing, Contract Management, Recruitment & Selection, Computer Literacy, IsiXhosa Course, IDP Skills, ABET, Road Construction, Road Pavement Rehabilitation, etc.	
	Average % of personnel budget spent on skills development in 2008/09	1
Theewaterskloof	Water waste purification training, digger loader, ABET training, leadership and management skills, performance management, theoretical training for waste water.	
	Average % of personnel budget spent on skills development in 2008/09	0.13
Overstrand	LGNET, traffic officers, computer training, drugs & alcohol abuse, fighting absenteeism, GRAP, motor mechanic, powerpoint, recruitment & selection, SAICA auditing performance, simulator course, occupation health, driving lessons, advanced excel, against corruption, expenditure basics training, security course, desertion, resignation & retirement, driving fitness assessment, group insurance, int. Road traffic accident investigation, membrane processes, key skills for effective managers, management & leadership training, basic conditions of employment, hazardous chem substances, peace officers, pro-audit, chairperson & prosecutor, m2 – m6, EE programme, FSOPM workshop, general metering course, waste water course, water course, cherry picker training, fin mng for non-financial managers, IRP 5 seminar, MIV/AIDS. ORHVS training, speed reading, electrician, report writing, electrical installation regulations, conflict resolution training, grass management, occupational health and safety, project management, risk management.	
	Average % of personnel budget spent on skills development in 2008/09	0.3

Municipality	Capacity and skills development initiatives	
Cape Agulhas	Basic Fire Fighter, SHE Principles and Procedures, Client Service, First Aid, LGNET, Leadership and Management, HIV Awareness, Supervisor, Recruitment and Selection, Commercial and Lease Agreement, Vehicle Tracking, Risk Management.	
	Average % of personnel budget spent on skills development in 2008/09	100% of training budget
Swellendam	Skills GAP Analysis: Human Resource Management, Cherry Picker, Crane Operator, DB4 Payroll, Electrical Construction Health & Safety, High Voltage Systems, Housing, IDP Learnership, Metering (elec.), National Technical Certificate (elec. M4 – M6), Secretarial / Communication, Supply Chain Management & Purchasing, Waste Management, Water & Waste Water Treatment.	
	Average % of personnel budget spent on skills development in 2008/09	0.8
Overberg DM	Financial Interns, Assistant from DBSA, Councillor training, Training to staff: CPMD, Drivers licence, Occupational Training, Programme Management, Human Resources, Emergency Communication, Emergency Dispatcher, HAZMAT Awareness, Mun. Finance, Operator Machine Handling, Management, Registry & Records, Municipal Health, Performance Management, SDBIP.	
	Average % of personnel budget spent on skills development in 2008/09	2
Kannaland	Handyman, road maintenance, electrical maintenance, water maintenance and SDF.	
	Average % of personnel budget spent on skills development in 2008/09	1
Hessequa	Capman Training, EE Workshop, Shop steward Training, Frontline Etiquette, GRAP, First Aid Level 3, SHE Representative Course, Office Professional @ Work, investigation of vehicles, Role of Councillors.	
	Average % of personnel budget spent on skills development in 2008/09	0.16
Mossel Bay	Women in leadership, Power systems training, Water learnership NQF2, High voltage switching, ABET level 1 to 3.	
	Average % of personnel budget spent on skills development in 2008/09	1
George	Foundation development management programme, emerging management development programme, fire fighting, labour intensive construction, cherry picker, HIV/AIDS, effective minute taking, modern SHEQ risk management, K53 training, basic officer training, EAP supervisory training, project management, computer training, receptionist training.	
	Average % of personnel budget spent on skills development in 2008/09	0.4
Oudtshoorn	Executive leadership development for councillors, general labour relations, Employment Equity and skills development, disciplinary enquiry, procurement and supply chain management, ALLCAD, risk management, fire services, NATIS data capturing, essential skills for PAs, biological, chemical and radiation, project management for engineers, maintain and repair of bituminous roads, first aid 1, Microsoft 1, registry course, HIV, ORHVS for electricians, PST for electricians, diversity in the workplace, management mastery, plumbing apprenticeship, electrician apprenticeship, mechanic apprenticeship, business management, computer literacy, computer technician, Waste water learnership (NQF 2), water purification, learnership (NQF 2), Water reticulation learnership (NQF 2), IDP learnership (NQF 5).	
	Average % of personnel budget spent on skills development in 2008/09	Incorrect info submitted
Bitou	Debit & credit booklet launch, human resource development working group, essential skills for secretaries, human resource forum, engineering & technician, finance & administration, learnership assessment, occupational health and safety, computer training, water waste management, effective executive secretaries, roads construction and safety training, handyman training, electricians / sans refresher course, national green building workshop, asphalt laying course, effective minute taking, samras user group, linux system admin training, introduction to sustainability, project management, labour law department, reconciliation, practical labour law, billing, first aid, recruitment, training facilitation, drivers licenses, health and safety, risk health and safety, conversion of leave, electrical high-low voltage, ABET training (Level 1 to 4), learnerships in water and electricity, financial interships, building internships.	
	Average % of personnel budget spent on skills development in 2008/09	1
Knysna	ABET, Learnerships, Bursaries, various other work related courses as identified in Work Place Skills Plan.	
	Average % of personnel budget spent on skills development in 2008/09	0.9
Eden DM	Road Construction (Supervisor), Assessor, Leadership, Driver's Licence, Project Management, Fire Fighter 1& 2.	
	Average % of personnel budget spent on skills development in 2008/09	1

Municipality	Capacity and skills development initiatives	
Laingsburg	Management and leadership, IDP, drainage of service delivery skills, Project management, Finance and administration, records management, disaster management, health and safety, labour intensive construction, supply chain management, LED, traffic management.	
	Average % of personnel budget spent on skills development in 2008/09	No info
Prince Albert	Water purification, Computer training, Records Clerk, stock taking courses, IYM, IDP Learnership, Motor vehicle registration.	
	Average % of personnel budget spent on skills development in 2008/09	No info
Beaufort West	Occupational Health & Safety for Representatives, Managers & Supervisors, LGNET, Advance Transport & Fleet Management : NQF 6, SA Emergency Services, Skills Development Facilitation Unit Standards, Registry Clerks Course, Training on ABET - Levels 1 to 4, Computer Training - Basic skills, Water Learnership, Roadwork's Learnership, Supervisor Skills Programme, Electrical Trade Test, Fire Fighting, Assessor Training for Water L/Ship, Assessor Training for Roads works L/Ship, Telephone Skills, CPMD Programme, Diesel Mechanic Training, Special Laptop Training for Councillors.	
	Average % of personnel budget spent on skills development in 2008/09	78% of training budget spent
Central Karoo DM	BTECH civil engineering, Dangerous Goods Certificate, Supply Chain Man, BTECH business management, SAMTRAC, Basic Supervision, BA, BCOM, Drivers Licence bursaries, First Aid, LED Certificates, Water Reticulation Learnership, ABET, Incident Investigation Certificate, Computer Literacy, Minute Taking Certificate, Crane Truck, Typing, Diesel Mechanic Trade Tests, Policy Development, Intro to IDP.	
	Average % of personnel budget spent on skills development in 2008/09	2
<b>Average % of personnel budget spent on skills development in 2008/09</b>	<b>0.8</b>	

Table 15: Municipal capacity and skills development initiatives

Source: Questionnaires, May 2010 and Municipal Annual Reports

### 3.2.4 Analysis of institutional development, transformation and HR systems

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).

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. Most of the municipalities assessed reported that they had developed and implemented human resources policies.

The average vacancy rate for the province is approximately 7%, which falls within the national norm, but in some municipalities the vacancy rate is an area of concern. Almost all municipalities indicated that they find it difficult to attract and retain skilled staff, mostly due to the scarcity of people available in certain fields, i.e. technical and finance, as well as budget constraints.

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 implement their skills development plans, an average of only 0.8% of municipal personnel budgets of the municipalities that did submit information were expended in the 2008/09 financial year to actually develop the skills of their employees. The success of the implementation of these plans is mostly hampered by budgetary constraints.

Most municipalities implement the Employment Equity Plans in a dedicated manner and transformation is a key performance indicator of almost all the senior managers in municipalities. However, transformation on a top and senior level still remains a challenge in most municipalities, especially with regard to women.

### 3.3 Performance management

#### 3.3.1 Service delivery and budget implementation plans (SDBIP)

In terms of Section 69 of the Municipal Finance Management Act (MFMA), the Accounting Officer of a municipality must submit a draft SDBIP for the financial year to the Mayor of the respective municipality not later than 14 days after 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 IDP.

The 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 within 28 days after the budget has been approved.

For the 2005/06 financial year only municipalities classified as high capacity municipalities had to submit and implement SDBIPs and for the 2007/08 and 2008/09 financial years all municipalities had to submit and implement SDBIPs.

All the municipalities of the Western Cape prepared SDBIPs for the 2008/09 financial year and submitted it to Provincial Treasury for monitoring and evaluation purposes. Provincial Treasury formally provided feedback on the quality of SDBIPs to each municipality. The quality varied from very good to not complying at all.

The table indicates the compliance of municipalities with the submission of SDBIPs.

Municipality	Capacity NT	Submitted to Provincial Treasury			
		2005/06	2006/07	2007/08	2008/09
City of Cape Town	High	yes	yes	yes	yes
Matzikama	Medium	Not applicable	yes	yes	yes
Cederberg	Low	Not applicable	yes	yes	yes
Bergriver	Medium	Not applicable	yes	yes	yes
Saldanha Bay	High	yes	yes	yes	yes
Swartland	Medium	Not applicable	yes	yes	yes
West Coast DM	Medium	yes	yes	yes	yes
Witzenberg	Low	Not applicable	yes	yes	yes
Drakenstein	High	yes	yes	yes	yes
Stellenbosch	High	yes	yes	yes	yes
Breede Valley	High	yes	yes	yes	yes
Breede River/ Winelands	Medium	yes	yes	yes	yes
Cape Winelands DM	Medium	Not applicable	yes	yes	yes
Theewaterskloof	Medium	yes	yes	yes	yes
Overstrand	High	yes	yes	yes	yes
Cape Agulhas	Low	Not applicable	yes	yes	yes
Swellendam	Low	Not applicable	yes	yes	yes
Overberg DM	Medium	Not applicable	yes	yes	yes
Kannaland	Medium	Not applicable	yes	yes	yes
Hessequa	Medium	Not applicable	yes	yes	yes
Mossel Bay	High	yes	yes	yes	yes
George	High	yes	yes	yes	yes
Oudtshoorn	Medium	Not applicable	no	no	yes
Bitou	Medium	yes	yes	yes	yes
Knysna	Medium	yes	yes	yes	yes



Municipality	Capacity NT	Submitted to Provincial Treasury			
		2005/06	2006/07	2007/08	2008/09
Eden DM	Medium	yes	yes	yes	yes
Laingsburg	Medium	Not applicable	yes	yes	yes
Prince Albert	Medium	Not applicable	yes	yes	yes
Beaufort West	Medium	Not applicable	yes	yes	yes
Central Karoo DM	Medium	yes	yes	yes	yes

*Table 16: Service delivery and budget implementation plans*  
Source: Database Provincial Treasury

### 3.3.2 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.

**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 KPIs prescribed by the Minister and reports on these indicators; and
- involves the community in setting indicators and targets and reviewing municipal performance.

#### 3.3.2.1 Implementation of performance management systems (PMS) as at May 2010

The table indicates the progress with the implementation of PMS by municipalities.

Municipality	Policy and framework	PMS Committee	Level of PMS implemented			Annual Performance (PM) Report			
			Sec 57	Middle management	Lowest level	PM report	Comparisons	Service delivery priorities	Performance targets
City of Cape Town	yes	yes	yes	No info	No info	yes	yes	yes	yes
Matzikama	yes	yes	yes	In process		yes	yes	yes	yes
Cederberg	yes	yes	yes	In process		yes	yes	yes	yes
Bergriver	yes	yes	yes	In process		yes	yes	yes	yes
Saldanha Bay	yes	yes	yes	In process		yes	yes	yes	yes
Swartland	yes	yes	yes	No info	No info	yes	yes	yes	Yes
West Coast DM	yes	yes	yes	In process		yes	yes	yes	yes
Witzenberg	yes	yes	yes	In process		yes	yes	yes	yes
Drakenstein	yes	yes	yes	In process		yes	yes	yes	yes
Stellenbosch	yes	yes	yes	No info	No info	yes	yes	yes	Yes

Municipality	Policy and framework	PMS Committee	Level of PMS implemented			Annual Performance (PM) Report			
			Sec 57	Middle management	Lowest level	PM report	Comparisons	Service delivery priorities	Performance targets
Breede Valley	yes	no	yes	In process		yes	yes	yes	yes
Breede River/ Winelands	no	yes	yes	In process		yes	yes	yes	yes
Cape Winelands DM	yes	yes	yes	No info	No info	yes	yes	yes	yes
Theewaterskloof	yes	yes	yes	No info	No info	yes	yes	yes	yes
Overstrand	yes	yes	yes	In process		yes	yes	yes	yes
Cape Agulhas	yes	yes	yes	No info	No info	yes	yes	yes	yes
Swellendam	yes	no	yes	In process		yes	yes	yes	yes
Overberg DM	yes	yes	yes	In process		yes	yes	yes	yes
Kannaland	yes	no	yes	No info	No info	yes	yes	yes	yes
Hessequa	yes	no	yes	In process		yes	yes	yes	yes
Mossel Bay	yes	yes	yes	In process		yes	yes	yes	yes
George	yes	yes	yes	No info	No info	yes	yes	yes	yes
Oudtshoorn	yes	no	yes	In process		no	no	no	no
Bitou	yes	yes	yes	In process		yes	yes	yes	yes
Knysna	yes	yes	yes	In process		yes	yes	yes	yes
Eden DM	no	no	yes	In process		yes	yes	yes	yes
Laingsburg	yes	yes	yes	In process		yes	yes	yes	yes
Prince Albert	yes	no	yes	In process		yes	yes	yes	yes
Beaufort West	yes	yes	yes	In process		yes	yes	yes	yes
Central Karoo DM	yes	yes	yes	In process		yes	yes	yes	yes

*Table 17: Implementation of Performance Management Systems*

*Source: Questionnaires, May 2010*

### 3.3.3 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 52% of the municipalities did not submit their audit performance information on time to the Auditor-General, the following main findings were highlighted in the General Report of the Auditor-General on the audit outcomes of the Western Cape for Local Government for 2008/09:

#### 3.3.3.1 Performance audit outcomes for municipalities

The table summarises the main findings of the Auditor-General on the performance of municipalities.

No.	Main findings	Percentage of non-compliance by municipalities analysed
1	Lack of reporting on performance information (predetermined objectives, indicators and targets) in the annual reports of municipalities	41
2	The integrated development plan/annual performance report did not include objectives, outcomes, indicators and targets for assessing performance	52
3	Did not appoint and budget for a performance audit committee, nor was the audit committee utilised as the performance audit committee	21
4	The performance audit committee (or audit committee) did not review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipalities	55
5	Did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes	48
6	Did not adopt and/or implement a performance management system	34
7	Lack of effective, efficient and transparent systems and internal controls regarding performance management	76
8	Indicators and targets did not clearly relate to the objectives and mandate of the municipality	43
9	Targets were not specific in clearly identifying the nature and the required level of performance	36
10	Targets were not measurable in identifying the required performance	57
11	Targets were not time-bound in specifying the time period or deadline for delivery	50
12	Have not consistently reported on all its performance objectives, indicators and targets as per the approved IDP	64

Table 18: Performance audit outcomes

Source: Database Audit Reports

### 3.3.4 Analysis of municipal performance management systems

In terms of the Auditor-General reports (2008/09) and information submitted in the questionnaire, it is clear that most municipalities have implemented, or are in the process of implementing, performance management systems in line with Section 38 of the Municipal Systems Act and the relevant regulations. For the 2008/09 year all senior managers had signed performance agreements and were evaluated for bonus purposes. Although there is still much to be done, there is already an improvement in the implementation of performance management, specifically on an individual level. The department of Local Government funded a project to support some of the municipalities to implement performance management and although most of the municipalities started with implementation, the progress will only be seen in the 2009/10 financial year. A breakdown of municipal compliance with regards to performance management is indicated in table 17.

**According to the General Report of the Auditor-General on the audit outcomes of the Western Cape for Local Government for 2008/09, the root causes for the main findings as indicated in table 18 above are as follows:**

- Inadequate leadership supervision, review and monitoring to ensure compliance with internal policies and procedures for managing performance information, as well as the accuracy and completeness of reported service delivery achievements;
- Lack of integration of performance information structures and systems within existing management processes and systems;
- Inadequate processes, systems and documentation for identifying, collecting, collating, verifying and storing performance information;
- Internal audit did not assess the functionality of the processes and performance management systems, as well as audit the results of performance information;
- Non-existence of performance audit committees (or another audit committee utilised as a performance audit committee);
- Limited training and support was provided to municipalities by the National and Provincial treasuries regarding the requirements for performance management, monitoring and reporting.

### 3.3.5 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 IDPs 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 2008/09 are listed below:

Municipality	Capacity (NT)	Date on which annual report was submitted
City of Cape Town	High	27 January 2010
Matzikama	Medium	29 January 2010
Cederberg	Low	8 December 2009
Bergriver	Medium	29 January 2010
Saldanha Bay	High	22 February 2010
Swartland	Medium	28 January 2010
West Coast DM	Medium	3 December 2009
Witzenberg	Low	29 January 2010
Drakenstein	High	10 December 2009
Stellenbosch	High	26 January 2010
Breede Valley	High	29 January 2010
Breede River/Winelands	Medium	29 January 2010
Cape Winelands DM	Medium	28 January 2010
Theewaterskloof	Medium	31 January 2010
Overstrand	High	29 January 2010
Cape Agulhas	Low	24 February 2010
Swellendam	Low	31 March 2010
Overberg DM	Medium	27 January 2010
Kannaland	Medium	26 January 2010
Hessequa	Medium	26 January 2010
Mossel Bay	High	25 January 2010
George	High	20 January 2010
Oudtshoorn	Medium	Not submitted
Bitou	Medium	31 January 2010
Knysna	Medium	29 January 2010
Eden DM	Medium	29 January 2010
Laingsburg	Medium	31 March 2010
Prince Albert	Medium	31 March 2010
Beaufort West	Medium	28 February 2010
Central Karoo DM	Medium	28 February 2010

*Table 19: Submission of annual reports*

*Source: Database Provincial Treasury*

### 3.4 Summary grid of overall performance of municipalities on Key Performance Indicators

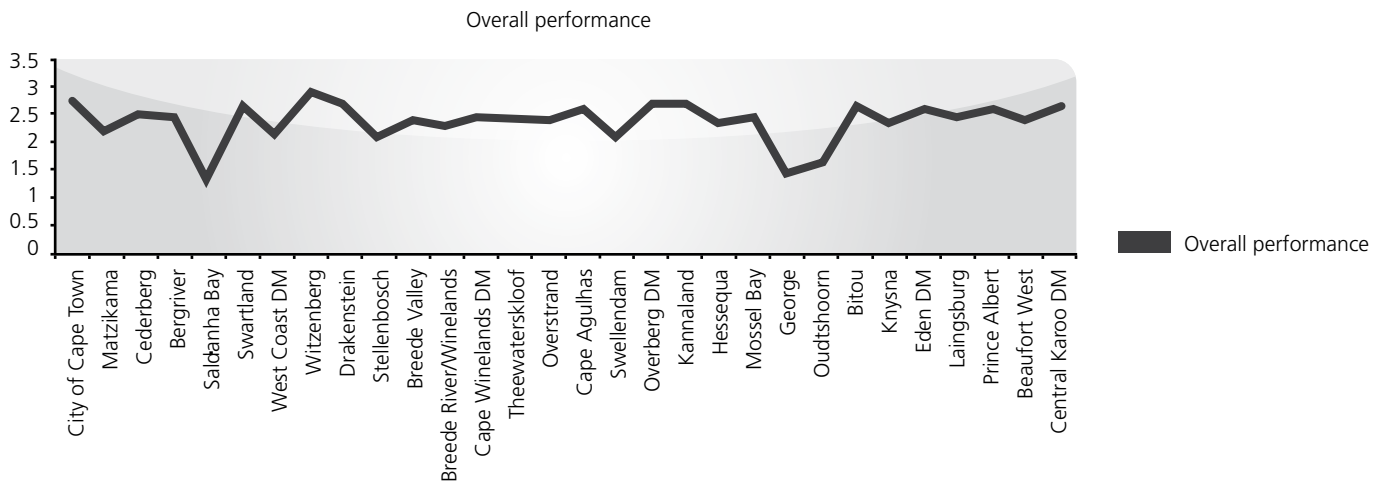
The following table is a summary of the overall performance of municipalities relating to municipal transformation and institutional development. The assessment was based on the following assumptions and principles:

- Indicator linked to Qualitative Assessment: 1=Not Adequate; 2=Not fully addressed; 3= Addressed
- **Assessment:**
  - **"No info" in tables= "-"**
  - **Vacant posts: MM:** Refers to table 13 – Administrator=1, Acting=2, Filled=3
  - **% Vacant posts: Other:** Refers to table 10 – If more than 25%=1, if between 15-25%=2, if below 15%=3
  - **Transformation:** Refers to table 12 (difference with demographic in most categories over and/or under) – if huge =1, if small difference=2, if more or less equal=3
  - **HR policies and systems:** Refers to table 14: If "no" to more than 2 policies=1, if "no" to 1 policy=2, if "yes" to all=3
  - **Skills development:** Refers to table 15: If less than 1%=1, if 1% or more=3
  - **PMS implementation:** Implementation: Refers to table 17 – If number of "no's"=1, in process with implementation=2, if "yes" to all=3
  - **PMS implementation:** Annual report: Refers to table 19 – if not submitted=1, if submitted= 3

Municipality	HR Management					PMS implementation		Municipal/ District average
	Vacant posts		Transformation	HR Policies and systems	Skills development	PMS implementation	Annual report	
	MM	Other						
City of Cape Town	3	3	2	3	3	2	3	2.7
Matzikama	3	1	2	3	1	2	3	2.1
Cederberg	3	3	2	3	1	2	3	2.4
Bergriver	3	3	2	3	1	2	3	2.4
Saldanha Bay	3	-	-	-	1	2	3	1.3
Swartland	3	3	3	3	1	2	3	2.6
West Coast DM	3	1	2	3	1	2	3	2.1
Average for West Coast DM area	3.0	2.2	2.2	3.0	1.0	2.0	3.0	2.3
Witzenberg	3	3	3	3	3	2	3	2.9
Drakenstein	3	3	2	3	3	2	3	2.7
Stellenbosch	2	-	2	3	3	2	3	2.1
Breede Valley	3	3	2	3	1	2	3	2.4
Breede River/Winelands	3	2	2	3	1	2	3	2.3
Cape Winelands DM	3	1	2	3	3	2	3	2.4
Average for Cape Winelands DM area	2.8	2.4	2.2	3.0	2.3	2.0	3.0	2.5
Theewaterskloof	3	3	2	3	1	2	3	2.4
Overstrand	3	3	2	3	1	2	3	2.4
Cape Agulhas	3	2	2	3	3	2	3	2.6
Swellendam	3	1	2	3	1	2	3	2.1
Overberg DM	3	3	2	3	3	2	3	2.7
Average for Overberg DM area	3.0	2.4	2.0	3.0	1.8	2.0	3.0	2.4
Kannaland	3	3	2	3	3	2	3	2.7
Hessequa	3	3	1	3	1	2	3	2.3
Mossel Bay	3	1	2	3	3	2	3	2.4
George	2	-	2	-	1	2	3	1.4
Oudtshoorn	2	2	1	3	-	2	1	1.6
Bitou	3	3	1	3	3	2	3	2.6
Knysna	3	2	2	3	1	2	3	2.3
Eden DM	2	3	2	3	3	2	3	2.6
Average for Eden DM area	2.6	2.1	1.6	2.6	1.9	2.0	2.8	2.2
Laingsburg	3	3	2	3	1	2	3	2.4
Prince Albert	3	3	3	3	1	2	3	2.6
Beaufort West	3	3	2	3	1	2	3	2.4
Central Karoo DM	2	3	2	3	3	2	3	2.6
Average for Central Karoo DM area	2.75	3.0	2.3	3.0	1.5	2.0	3.0	2.5

Table 20: Assessment of overall performance on Municipal Transformation and Institutional Development

The following graph illustrates the combined results of table 20. Unfortunately a low assessment rating will be indicated if no information was submitted by a specific municipality.



Graph 5: Assessment of overall performance on municipal transformation and institutional development

The graph highlights that municipalities such as Oudtshoorn on average did not perform as well as other municipalities in the province. Unfortunately the assessments were influenced by the fact that some municipalities did not submit information, such as Saldanha Bay and George.

# CHAPTER 4

## BASIC SERVICE DELIVERY

### 4.1 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. Although municipalities are constitutionally mandated, the delivery of basic services is not as easy as it seems. 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 the backlog in service delivery. The Department of Local Government and Housing 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 2009. The information in the tables was submitted by municipalities during May 2010.

### 4.2 Provision of basic services

#### 4.2.1 Serviced households – level of services

This table indicates the level per type of service as was indicated by municipalities in the questionnaire that was distributed.

Municipality	Type of service	Total nr of households (Municipal data)	Total nr of households serviced	%	Nr of indigent households	%
City of Cape Town	Housing	833 933	Incorrect info provided		341 585	38.6
	Water (on site)	833 933	833 933	100.0	341 585	38.6
	Sanitation	883 933	863 638	97.7	321 290	36.3
	Refuse removal (at least once a week at site)	975 110	975 110	100	191 958	19.7
	Electricity (in house)	852 779	762 424	89.4	225 826	60.9
	Streets and storm water system (frontage to a gravel street)	No info	No info	No info	No info	No info
Matzikama	Housing	12 136	7 200	59.3	1 767	14.5
	Water (on site)	12 136	7 200	59.3	1 767	14.5
	Sanitation	12 136	7 200	59.3	1 767	14.5
	Refuse removal (at least once a week at site)	12 136	7 200	59.3	1 767	14.5
	Electricity (in house)	12 136	7 200	59.3	1 520	12.5
	Streets and storm water system (frontage to a gravel street)	12 136	7 200	59.3	1 767	14.5

Municipality	Type of service	Total nr of households (Municipal data)	Total nr of households serviced	%	Nr of indigent households	%
Cederberg	Housing	11 220	No info	No info	No info	No info
	Water (on site)		6 644	59.2	1 539	13.7
	Sanitation		6 644	59.2	1 539	13.7
	Refuse removal (at least once a week at site)		6 644	59.2	1 539	13.7
	Electricity (in house)		6 644	59.2	1 539	13.7
Bergriver	Housing	7 605	7 605	100	1 008	13
	Water (on site)	7 605	7 605	100	1 008	13
	Sanitation	7 605	7 605	100	1 008	13
	Refuse removal (at least once a week at site)	7 605	7 605	100	1 008	13
	Electricity (in house)	7 605	7 605	100	1 008	13
	Streets and storm water system (frontage to a gravel street)	7 605	7 605	100	1 008	13
Saldanha Bay	No info					
Swartland	Housing	Info provided not in the correct format				
	Water (on site)	20 488	20 488	100	3 952	19.3
	Sanitation	No info	No info	No info	3 722	-
	Refuse removal (at least once a week at site)	20 488	20 488	100	3 970	19.4
	Electricity (in house)	20 488	20 488	100	2 551	12.4
	Streets and storm water system (frontage to a gravel street)	20 488	20 488	100	3 983	19.4
West Coast DM	Housing	890	890	100	890	100
	Water (on site)		890	100	890	100
	Sanitation		890	100	890	100
	Refuse removal (at least once a week at site)		890	100	890	100
	Electricity (in house)		890	100	890	100
	Streets and storm water system (frontage to a gravel street)		890	100	890	100
Witzenberg	No info					
Drakenstein	Housing	No info	No info	No info	No info	No info
	Water (on site)	48 569	48 349	99.5	7 155	14.8
	Sanitation	48 569	48 349	99.5	7 155	14.8
	Refuse removal (at least once a week at site)	48 569	48 349	99.5	7 155	14.8
	Electricity (in house)	48 569	All formal houses	100	6 241	12.8
	Streets and storm water system (frontage to a gravel street)	48 569	Erven along 54km of streets. All formal erven has access to a street.	100	No info	No info



Municipality	Type of service	Total nr of households (Municipal data)	Total nr of households serviced	%	Nr of indigent households	%
Stellenbosch	Housing	38 291	28 343	74	8 099	21
	Water (on site)	38 191	28 343	74	8 099	21
	Sanitation	3 8191	28 343	74	8 099	21
	Refuse removal (at least once a week at site)	23 000	23 000	100	6 000	26
	Electricity (in house)	No info	No info	No info	No info	No info
	Streets and storm water system (frontage to a gravel street)	23 000	23 000	100	6 000	26
Breede Valley	Housing	Incorrect info provided				
		No info				
Breede River/Winelands	Housing	No info	No info	No info	No info	No info
	Water (on site)	21 856	No info	No info	No info	No info
	Sanitation	21 856	13 562	62	4 444	20
	Refuse removal (at least once a week at site)	21 856	21 856	100	4 497	21
	Electricity (in house)	21 856	14 162	65	4 502	21
	Streets and storm water system (frontage to a gravel street)	21 856	14 471	66	4 656	21
Cape Winelands DM	Do not render any services in DMA area					
Theewaterskloof	Housing	19 866	19 866	100	7 039	35.4
	Water (on site)	19 866	13 002	65	7 039	35.4
	Sanitation	Incorrect info provided				
	Refuse removal (at least once a week at site)	19 866	19 866	100	7 039	35.4
	Electricity (in house)	19 866	13 954	72	7 039	35.4
	Streets and storm water system (frontage to a gravel street)	19 866	16 910	85	7 039	35.4
Overstrand	Housing	No info	No info	No info	No info	No info
	Water (on site)	29 602	24 681	83	2 577	8
	Sanitation	29 602	25 341	85	2 577	8
	Refuse removal (at least once a week at site)	29 602	26 237	88	2 577	8
	Electricity (in house)	29 602	29 797	100	2 577	8
	Streets and storm water system (frontage to a gravel street)	29 602	24681	83	2 577	8
Cape Agulhas	Housing	No info	No info	No info	No info	No info
	Water (on site)	7 737	7 414	95.8	2 156	29.2
	Sanitation	7 737	7 340	94.9	2 156	29.4
	Refuse removal (at least once a week at site)	7 737	7 737	100.0	2 156	27.9
	Electricity (in house)	7 737	7 334	94.8	2 156	29.4
	Streets and storm water system (frontage to a gravel street)	No info	No info	No info	No info	No info

Municipality	Type of service	Total nr of households (Municipal data)	Total nr of households serviced	%	Nr of indigent households	%
Swellendam	Housing	No info provided				
	Water (on site)	5 737	5 737	100	1 723	30.0
	Sanitation	5 737	5 737	100	1 723	30.0
	Refuse removal (at least once a week at site)	5 737	5 737	100	1 723	30.0
	Electricity (in house)	5 737	5 737	100	1 723	30.0
	Streets and storm water system (frontage to a gravel street)	5 737	5 737	100	1 723	30.0
Overberg DM	Do not render any services in DMA area					
Kannaland	Housing	6 156	5 700	92.5	1 346	23.6
	Water (on site)		5 700	92.5	1 346	23.6
	Sanitation		5 700	92.5	1 346	23.6
	Refuse removal (at least once a week at site)		5 700	92.5	1 346	23.6
	Electricity (in house)		5 700	92.5	1 346	23.6
Hessequa	Housing	12 664	Insufficient info			
	Water (on site)		8 437	66.6	2 449	29.02
	Sanitation		12 046	95.12	2 000	16.6
	Refuse removal (at least once a week at site)		12 046	95.12	2 000	16.6
	Electricity (in house)		12 046	95.12	2 449	20.33
Mossel Bay	Incorrect and insufficient info provided					
George	No info					
Oudtshoorn	Housing	18 000	14 875	82.64	3 724	20.68
	Water (on site)	15 410	14 875	96.52	3 724	24.16
	Sanitation	15 410	14 827	96.21	3 724	25.11
	Refuse removal (at least once a week at site)	15 410	14 875	96.52	3 724	24.16
	Electricity (in house)	15 410	14 875	96.52	3 724	24.16
	Streets and storm water system (frontage to a gravel street)	15 410	14 875	96.52	3 724	24.16
Bitou	Insufficient info provided					
Knysna	Insufficient info provided					
Eden DM	All households in DMA area are serviced					
Laingsburg	Housing	1 945	1 945	100	746	38.35
	Water (on site)		1 945	100	746	38.35
	Sanitation		1 945	100	746	38.35
	Refuse removal (at least once a week at site)		1 945	100	746	38.35
	Electricity (in house)		1 945	100	746	38.35

Municipality	Type of service	Total nr of households (Municipal data)	Total nr of households serviced	%	Nr of indigent households	%
Prince Albert	Housing	2 614	2 614	100	815	31.2
	Water (on site)	2 614	2 614	100	815	31.18
	Sanitation	2 614	Some households in transnet houses still on bucket system	99	815	31.2
	Refuse removal (at least once a week at site)	2 614	2 614	100	815	31.2
	Electricity (in house)	2 614	2 614	100	815	31.2
	Streets and storm water system (frontage to a gravel street)	2 614	2 614	100	815	31.2
Beaufort West	Housing	8 378	No info			
	Water (on site)		8 158	99	4 621	56.64
	Sanitation		No info			
	Refuse removal (at least once a week at site)		8 378	100	1 083	12.92
	Electricity (in house)		8 378	100	4 621	55.15
Central Karoo DM	Housing	1 460	1 460	100	800	54.8
	Water (on site)		1 460	100	800	54.8
	Sanitation		1 460	100	800	54.8
	Refuse removal (at least once a week at site)		1 460	100	800	54.8
	Electricity (in house)		1 460	100	800	54.8

Table 21: Serviced households – level of services

Source: Questionnaires, May 2010

#### 4.2.2 Basic service delivery backlogs

This table indicates the backlog per type of service as was indicated by municipalities in the questionnaire that was distributed.

Municipality	Type of service	Area/s	Total nr of households	Total cost to address
City of Cape Town	Housing	Whole area	335 000	No info
	Water (on site)	N/A	0	N/A
	Sanitation	Whole area	20 295	44,6 million
	Refuse removal (at least once a week at site)	N/A	0	N/A
	Electricity (in house)	Whole area	89 355	447 million
	Streets and stormwater	Whole area	1400 km of roads	1,2 billion
Matzikama	Housing	Whole area	4 936	250 million
	Water (on site)	Whole area	4 936	31 million
	Sanitation	Whole area	4 936	17 million
	Refuse removal (at least once a week at site)	Whole area	4 936	2 million
	Electricity (in house)	Whole area	4 936	7 million
	Streets and stormwater	Whole area	4 936	12 million

Municipality	Type of service	Area/s	Total nr of households	Total cost to address
Cederberg	Housing	Whole area	4 617	155 million
	Water (on site)	Whole area	25	62.5 million
	Sanitation	Whole area	259	No info
	Refuse removal (at least once a week at site)	Whole area	0	16 million
	Electricity (in house)	Whole area	886	30 million
	Streets and stormwater	Whole area	10.5km of roads. Upgrading of stormwater	300 million
Bergriver	Housing	Whole area	3 734	364 million
	Water	Whole area	3 734	10 million
	Sanitation	Whole area	3 734	16 million
	Refuse Removal	Whole area	3 734	5 million
	Electricity	Whole area	3 734	12 million
	Streets and stormwater	Whole area	3 734	5 million
Saldanha Bay	Info			
Swartland	Housing	Whole area	11 012	1,123 billion
	Water	No Backlog		
	Sanitation	Upgrade from septic tank to water bourne sewer: Riebeek West, Koringberg, Chatsworth, Riverlands, Kalbaskraal, Moorreesburg, Yzerfontein	1 736	14,2 million
	Refuse Removal	No Backlog		
	Electricity	No Backlog		
	Streets and stormwater	Upgrading of streets: Riebeek West, Koringberg, Chatsworth, Riverlands, Kalbaskraal, Moorreesburg, Abbotsdale, Darling	2 856	122,8 million
West Coast DM	All backlogs addressed before 2008/09			
Witzenberg	Housing	Ceres/ Bella Vista, Nduli, Op die Berg	1 626	65 million
	Water			
	Refuse Removal			
Drakenstein	Housing	Whole area	13 943	1.141 billion
	Water	Whole area	13 943	265 million
	Sanitation	Whole area	13 943	197 million
	Refuse Removal	Paarl West/ East	2 500	No info
	Electricity	Whole area, linked to housing provision		
	Streets and stormwater	Whole area	No info	56 million
Stellenbosch	Housing	Whole area	19 700	2.5 billion
	Water (on site)	Whole area	100	No info
	Sanitation	Whole area	55	No info
	Refuse removal (at least once a week at site)	Langrug/Kayamandi/ Klapmuts	10 000	6.5 million
	Electricity (in house)	No info	0	N/A
	Streets and stormwater	N/A	N/A	N/A
Breede Valley	Housing	Whole area	16 061	No info
	No info			

Municipality	Type of service	Area/s	Total nr of households	Total cost to address
Breede River/Winelands	Housing	Whole area	7 885	484 million
	Water (on site)	Whole area	7 885	57 million
	Sanitation	Whole area	0	-
	Refuse removal (at least once a week at site)	Whole area	7 885	504 640 p/m
	Electricity (in house)	Whole area	7 885	Included in housing figure
	Streets and stormwater	Whole area	7 885	198 million
Cape Winelands DM	Do not render any services in DMA area			
Theewaterskloof	Housing	Whole area	10 845	824 million
	Water (on site)	Whole area	6 864	34 million
	Sanitation	Whole area	0	0
	Refuse removal (at least once a week at site)	Whole area	0	0
	Electricity (in house)	Whole area	5 912	21 million
	Streets and stormwater	Whole area	2956	30 million
Overstrand	All Services	Whole Area	9 347	934 million
Cape Agulhas	Housing	Whole Area	2 905	256 million
	Electricity (in house)	Whole Area	331	700 000
Swellendam	Housing	Whole area	2 983	223 million
	Water		2 983	23,5 million.
	Sanitation		2 983	73 million
	Electricity		2 983	27,0 million
	Streets and stormwater		2 983	19,8 million
Overberg DM	Do not render any services in DMA area			
Kannaland	Housing	Whole area	1 911	105 million
	Water	Storage, maintenance	No info	12.4 million
	Sanitation	Treatments plants, 125 pit latrines Van Wyksdorp	No info	28.5 million
	Refuse Removal	Waste disposal sites	No info	12 million
	Streets and stormwater	Upgrading of dirt roads & resurfacing of existing roads	No info	13.5 million
	Electricity	Upgrading of Calitzdorp supply, maintenance	No info	27 million
Hessequa Mossel Bay	Housing	Whole area	3 456	No info
	Streets and stormwater	Whole area	4 453	10 million
	Housing	Whole area	9 800	290 million
	Water			
	Sanitation			
	Refuse Removal			
	Streets and stormwater	Wolwedans, Joe Slovo, Asazani/Izinyoka, Elangeni	1 600	10 million
Electricity				
George	No info			
Oudtshoorn	Housing	Whole area	3 125	140 million
	Water		3 125	80 million
	Sanitation		3 125	17 million
	Refuse Removal		3 125	4 million
	Electricity		3 125	30 million
	Streets and stormwater		3 125	29 million

Municipality	Type of service	Area/s	Total nr of households	Total cost to address
Bitou	All services	Whole area	9 000	657 million
Knysna	Housing	Whole area	7 986	700 million
	Water (on site)			
	Sanitation			
	Refuse removal (at least once a week at site)	-	0	-
	Electricity (in house)	Hlalani	245	2 million
	Streets and stormwater	unknown	unknown	unknown
Eden DM	All households in DMA receive basic services			
Laingsburg	Streets and stormwater	Whole area	26	3 million
Prince Albert	All services	Leeu-Gamka, Klaarstroom and Prince Albert	900	49.5 million
Beaufort West	Housing	Beaufort West, Merweville, Nelspoort	4 059	No info
	Electricity (in house)	No info	400	35 million
Central Karoo DM	Housing	Murraysburg	70	4.2 million
		Murraysburg	10 km	14 million

Table 22: Basic service delivery backlogs

Source: Questionnaires, May 2010

#### 4.2.3 Analysis of basic service delivery

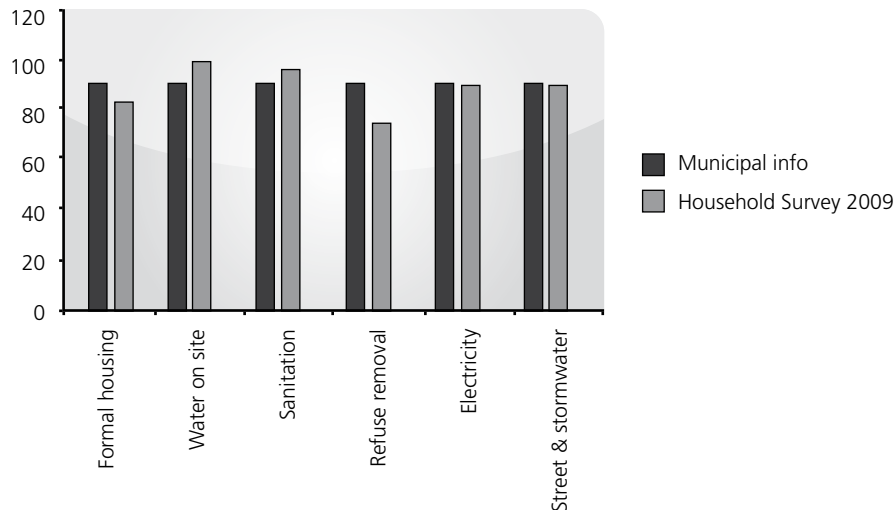
As the case with the reports of previous years, the lack of credible information at municipal level is of great concern. Most municipalities have relevant good information with regard to the situation in their urban areas, but very weak information pertaining to their rural areas. Most municipalities only provided information on their formal household areas, but according to the information provided in table 21 on “serviced households – level of services” the following was determined:

- An average of 90% of households are serviced with formal housing of which an average of 35% are indigent households
- An average of 88% of households are serviced with water on site of which an average of 30% are indigent households;
- An average of 94% of households are serviced with sanitation of which an average of 30% are indigent households;
- An average of 94% of households are serviced with refuse removal on site of which 27% are indigent households;
- An average of 92% of households are serviced with electricity in house of which 31% are indigent households
- An average of 90% of households is serviced with streets and stormwater of which 20% are indigent households.

**According to the General Household Survey of 2009, which took into consideration data from formal as well as informal areas, the following average percentages are indicated for the Western Cape:**

- The percentage of households with piped water in dwelling, off-site or on-site, increased from 98.8% in 2002 to 99.6% in 2009;
- The percentage of households that have no toilet facility decreased from 5.7% in 2002 to 3.8% in 2007 and increased to 4.2% in 2009;
- The percentage of households whose refuse is removed by their municipalities, decreased from 84.0% in 2002 to 73.6% in 2009;
- The percentage of households with electricity in house increased from 88.9% in 2002 to 96.0% in 2007 and decreased to 90.0% in 2009.

The following graph summarise the above average percentage (%) per type of service of municipal information against the General Household Survey 2009.



Graph 6: Average percentage (%) per type of service – Municipal information vs. General Household Survey 2009

The survey indicates the main reasons for the increase in the percentage of households that do not receive services are the growth in certain areas of informal settlements and the economic recession forcing people to move from formal serviced areas to informal areas.

**Although the information received from municipalities with regard to backlogs (table 22) was poor, the following was determined:**

- About 481 000 households are on housing waiting lists and to address will cost approximate R41 billion;
- About 44 000 households do not have access to piped water on site and it will cost approximately R584 million to address;
- About 47 000 households do not have access to proper sanitation and it will cost approximately R400 million to address;
- The refuse of about 33 000 households is not removed on site and it will cost approximately R100 million to address;
- About 122 000 households do not have electricity in house and it will cost approximately R721 million to address;
- There is an approximately R2 billion backlog with regards to municipal roads and stormwater.

As indicated above, the information received from municipalities with regard to backlogs was poor and also differ to a great extent in some instances from departmental information. This is probably due to the information being provided at different times during the year and that municipalities include the cost for related bulk services, investigations, etc for this report that is not included in departmental information.

**Municipalities indicated the following as their main challenges with regard to basic service delivery:**

- Huge backlogs and insufficient funds to address these;
- Insufficient funds to properly maintain and upgrade existing basic service infrastructure; and
- Shortage of skilled technical staff and financial constraints to attract and retain skilled staff.

### 4.3 Completion of sectoral plans

This table indicates the compliance by municipalities with the development of sectoral plans.

Municipality	Spatial Development Framework	Water Services Development Plan	Integrated Transport Plan	Disaster management
City of Cape Town	Yes, but not approved	yes	yes	yes
Matzikama	yes	yes	District Plan	yes
Cederberg	yes	yes	District Plan	yes
Bergriver	yes	yes	District Plan	yes
Saldanha Bay	No info			
Swartland	yes	yes	District Plan	yes
West Coast DM	yes	yes	yes	yes
Witzenberg	yes	yes	District Plan	yes
Drakenstein	In process	yes	District Plan	yes
Stellenbosch	In process	yes	District Plan	yes
Breede Valley	No info			
Breede River/Winelands	yes	yes	District Plan	yes
Cape Winelands DM	yes	yes	yes	yes
Theewaterskloof	yes	yes	District Plan	yes
Overstrand	yes	yes	District Plan	yes
Cape Agulhas	yes	yes	District Plan	yes
Swellendam	yes	yes	District Plan	yes
Overberg DM	yes	yes	yes	yes
Kannaland	yes	yes	District Plan	yes
Hessequa	yes	yes	District Plan	yes
Mossel Bay	yes	yes	District Plan	yes
George	No info			
Oudtshoorn	yes	yes	District Plan	yes
Bitou	yes	yes	District Plan	yes
Knysna	yes	yes	District Plan	yes
Eden DM	yes	yes	yes	yes
Laingsburg	yes	yes	District Plan	yes
Prince Albert	yes	yes	District Plan	yes
Beaufort West	yes	yes	District Plan	yes
Central Karoo DM	yes	yes	yes	yes

*Table 23: Completion of sectoral plans*

*Source: Questionnaires, May 2010*

#### 4.4 Percentage (%) of capital budget spent on each service for 2008/09

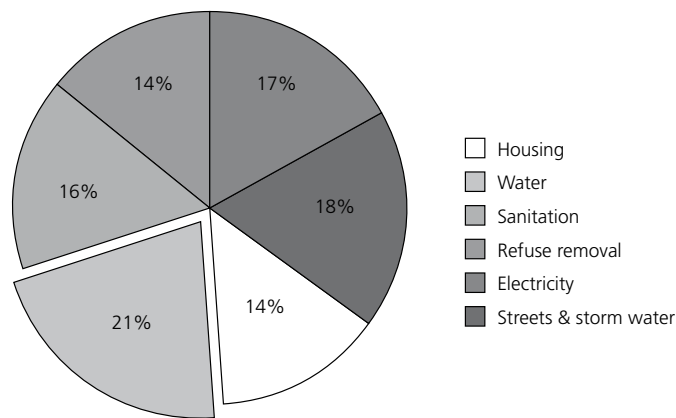
This table indicates the percentage (%) of capital budget spent per type of service as was indicated by municipalities. Certain municipalities indicated the percentage (%) spent of the budget that was allocated for the specific type of service, instead of the percentage (%) of the capital budget that was spent on the type of service.



Municipality	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water
City of Cape Town	89.74	97	95.5	99.5	96.2	97
Matzikama	0.4	19.5	21.5	2.5	15.3	24.3
Cederberg	59.06	70.38	80.72	0	33.6	0
Bergriver	0	5	3	30	14	6
Saldanha Bay	No info					
Swartland	0.7	6.1	20.6	0.6	22.1	36.3
West Coast DM	0	47	0.06	0	0	0
Witzenberg	No info					
Drakenstein	23	9	18	1	11	7
Stellenbosch	12	No info	25			
Breede Valley	No info					
Breede River/Winelands	50.68	99.04	0	90.21	92.23	99.18
Cape Winelands DM	Do not render any services in DMA area					
Theewaterskloof	22.8	37.4	0	1.9	6.8	5.9
Overstrand	23	98	98	99	92	98
Cape Agulhas	100	100	100	97.5	98.3	100
Swellendam	46	100	66	95	109	95
Overberg DM	Do not render any services in DMA area					
Kannaland	42.4	0.8	112.6	2.8	13.0	3.4
Hessequa	0	13.1	17.6	0	8.3	47.11
Mossel Bay	2.31	26.96	11.94	0.05	18.57	31
George	No info					
Oudtshoorn	Incorrect info provided					
Bitou	99	100	100	85.5	100	100
Knysna	32	21	9	7	10	11
Eden DM	No info					
Laingsburg	0	0	0	0	0	0.5
Prince Albert	0	67.94	6.77	0	1.13	24.16
Beaufort West	100	93.3	8	81	62	47.8
Central Karoo DM	0	26.09	0	0	0.59	33.28

*Table 24: Percentage (%) of capital budget spent on each service*  
*Source: Questionnaire, May 2010*

The following graph illustrates the combined results of table 24 and indicates the total average percentage (%) capital spent per type of service.



*Graph 7: Total average percentage (%) capital spent per type of service*

The graph illustrates that the percentage spent on all services are more or less on average the same.

#### 4.5 Percentage (%) of total capital budget spent

The table below indicates the performance on capital budgets for the period under review.

Municipality	% of capital budget spent				Reasons for under spending 2008/09
	2005/06	2006/07	2007/08	2008/09	
City of Cape Town	71.39	76.76	78.61	96.2	N/A
Matzikama	31.63	26.23	95.00	70.00	Not all projects were capitalised and completed
Cederberg	52.52	49.97	61.00	60.67	The project lifecycle resulted in certain projects only commencing during the course of the financial year with a resulting conclusion date in the following year
Bergriver	52.20	48.93	45.00	58.00	Housing grant of R15 million not spent
Saldanha Bay	89.94	82.75	59.5	64.80	No info
Swartland	92.57	77.11	88.00	81.66	No info
West Coast DM	70.95	52.83	100	99.66	N/A
Witzenberg	49.22	79.80	101.9	79.45	EIA and SCM processes
Drakenstein	85.92	64.94	79.00	95.61	No info
Stellenbosch	62.46	62.51 (Spending on own funds for capital was 94.8%)	100.00	85.00	No info
Breede Valley	83.08	77.05	No info	82.49	No info
Breede River/Winelands	83.77	354.48	77.50	76.18	Delay in housing projects
Cape Winelands DM	55.82	55.82	78.00	100	N/A
Theewaterskloof	81.23	63.28	100.00	70.56	
Overstrand	86.38	87.44	97.00	94.00	No info
Cape Agulhas	82.49	68.19 – % for total budget (90% spent on own capital funds budget)	55.30	98.8	N/A
Swellendam	66.90	56.94	45.70	55.81	No info
Overberg DM	84.44	59.15	99	27	Expansion on properties, did not materialise due to ownership question
Kannaland	19.01	83.75	177.63	48	DBSA development fund and additional money received from MIG
Hessequa	73.26	69.90	88.66	83.5	Breedezicht development-expenditure less than budgeted; Stilbaai 66/11KV installation project delayed due to external factors; Various projects procured under budget; Valuation roll transferred to operating budget-non capital item
Mossel Bay	49.38	74.99	83.20	93.54	One of the town planning projects was dealt with by means of the Council Resolution ( E64-06/2009)
George	96.50	91.40	98.90	99.35	N/A

Municipality	% of Capital budget spent				Reasons for under spending 2008/09
	2005/06	2006/07	2007/08	2008/09	
Oudtshoorn	Not available	Capital budget detail not in fin. statements, still IMFO standards	80.00	65.00	Housing construction halted and new contractor to be appointed, SCM regulations
Bitou	32.82	39.66	76.46	90.31	No info
Knysna	83.36	89.55	68.30	89.98	No info
Eden DM	78.54	Cannot be accurately determined due to implementation of GAMAP/ GRAP- re-evaluation of land and buildings took place, which gives unrealistic %	85.00	95.81	No info
Laingsburg	82.71	65.90	54.67	90.04	No info
Prince Albert	50.63	79.34	58.78	73.00	Housing project could not be implemented, due to insufficient funds
Beaufort West	63.05	54.41	81.2	64.00	Expenditure in respect of low cost housing (top structures)
Central Karoo DM	84.63	115.88	45.00	44.88	MPCC in process
<b>Average % for Province</b>	<b>66.56</b>	<b>73.63</b>	<b>76.24</b>	<b>80.17</b>	

Table 25: Percentage (%) of capital budget spent

Source: Questionnaires, May 2010 & Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

#### 4.6 Analysis of completion of sectoral plans, percentage (%) capital spent on each service and percentage (%) of total capital budget spent

Most municipalities indicated the required sectoral plans in their IDPs as indicated in table 23, but the quality of these plans vary. With regard to spatial planning, the Department of Environmental Affairs and Development Planning indicated in their analysis of the applicable sectoral plans for 2008/09, that several spatial plans have improved when compared to previous years, but that unfortunately, the overall spatial argument of the Spatial Development Frameworks was not sufficiently apparent in the IDPs and associated projects. They also indicated that several municipalities have made progress with the capturing of the arguments for greater social justice, spatial restructuring and equitable service delivery, but that this was not made explicit enough in terms of interventive spatial strategies and targeted projects (with special reference to links with the HSPs, LEDs, public transport and infrastructure plans).

With regard to waste management, the Department of Environmental Affairs and Development Planning indicated in their analysis that although all the 30 municipalities developed first generation Integrated Waste Management Plans (IWMPs), most of these plans have not been adopted officially by the respective municipal councils and are not properly funded, resulting in the hampering of the implementation process waste management as it is not seen as a priority by municipalities in general. The lack of priority was also reflected in the budget allocations and the shift of end-of-pipe management of waste to integrated waste management was not evident in the IDPs. Although the majority of municipal waste management facilities do not comply with environmental authorisations, it is not prioritised as a need or concern to be addressed in IDPs and is therefore not funded.

Due to the fact that inadequate information was received on the percentage of capital spent on each service, an analysis to determine if municipalities spent their capital budgets in line with the needs as identified in the level of services data and backlogs was not possible.

The average percentage of capital budget spent for the province has improved from approximately 66.67% in 2005/06 to 80.17% in 2008/09. The capital spent is not sufficient if all the provincial service delivery challenges in the various municipal areas and major backlogs in infrastructure are taken into account. The main reason generally cited by municipalities for not spending their entire capital budget is challenges experienced with regard to low-cost housing projects as indicated in table 25.

As mentioned in par. 4.2.3 above, most municipalities indicated that a lack of funding for bulk services is hampering their delivery on basic services. An analysis of municipal financial statements shows that most municipalities are to a great extent reliant on capital grants to fund their capital expenditure. This clearly indicates that the revenue base of most municipalities is insufficient to generate enough funding to address existing backlogs and to maintain and upgrade existing infrastructure. Municipal maintenance budgets are the first to be reduced when budgets cuts are made.

## 4.7 Free basic services

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

This table indicates the status with regard to the provision of free basic services as indicated by municipalities in the questionnaire that was distributed.

Municipality	Electricity		Water		Sanitation		Refuse removal	
	No of indigent households receiving free service	Units per household (kwh)	No of indigent households receiving free service	Units per household (kl)	No of indigent households receiving free service	Units/ R value pm per household	No of indigent households receiving free service	Units/ R value pm per household
City of Cape Town	276 202	50	260 900	6	324 377	29.94	191 958	34.00
Matzikama	1 520	50	1 767	6	1 767	82.53	1 767	51.88
Cederberg	1 539	50	1 539	6	1 539	63.73	1 539	54.09
Bergriver	1 149	50	1 149	6	1 149	79.78	1 149	70.21
Saldanha Bay	No info							
Swartland	2 551	50	3 953	10	3 722	72.54	3 970	53.50
West Coast DM	428	100	428	6	235	28.00	645	26.00
Witzenberg	1 939	50	1 939	6	1 939	No info	1 939	No info
Drakenstein	6 241	50	7 155	6	7 155	75.00	7 155	75.00
Stellenbosch	5 826	50	5 826	6	5 826	34.85	5 826	36.09
Breede Valley	6 227	50	6 227	10	6 227	120.00	6 227	105.00
Breede River/Winlands	3 897	50	4 444	6	3 688	79.00	3 694	59.00
	777	20			809	47.40	808	35.40
Cape Winelands DM	Do not render any services in DMA area							
Theewaterskloof	2 300	50	7 039	6	7 039	12.28	7 039	31.14
Overstrand	2 615	50	2 615	6	2 615	156.14	2 615	85.09
Cape Agulhas	2 156	50	2 156	6	2 156	28.10	2 156	26.76
Swellendam	1 505	50	1 723	6	No info			
Overberg DM	Local municipal function							
Kannaland	803	50	1 346	6	788	85.41	1 346	79.91

Municipality	Electricity		Water		Sanitation		Refuse removal	
	No of indigent households receiving free service	Units per household (kwh)	No of indigent households receiving free service	Units per household (kl)	No of indigent households receiving free service	Units/ R value pm per household	No of indigent households receiving free service	Units/ R value pm per household
Hessequa	2 163	50	2 163	6	2 163	77.30	2 163	60.12
Mossel Bay	5 427	50	6 379	6	5 672	145.62	7 151	61.34
George	No info							
Oudtshoorn	3 795	70	3 795	6	3 795	47.05	3 795	45.17
Bitou	1 870	50	1 870	6	1 870	61.77	1 870	50.16
Knysna	6 373	50	3 176	6	1 547	87.50	1 547	90.17
Eden DM	Eskom		412	6	412	28.24	412	22.34
Laingsburg	746	50	746	6	746	56.69	746	33.63
Prince Albert	815	50	815	6	815	112.14	815	78.45
Beaufort West	4 261	50	4 261	6	3 616	33.43	1 083	27.08
Central Karoo DM	800	50	800	6	150	26.50	150	29.00
					250	13.25		
<b>Provincial total and average</b>	<b>341 986</b>	<b>49.6</b>	<b>332 684</b>	<b>6.1</b>	<b>390 128</b>	<b>64.8</b>	<b>257 626</b>	<b>50.8</b>

Table 26: Free basic services provided per type of service per household  
Source: Questionnaires, May 2010

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

As in previous years, all municipalities (those responsible for the provision of specific services) provide the nationally required free basic services to their indigent households where the households are linked to the grid. Some 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 electricity increased from about 313 000 households in 2007/08 to about 344 000 in 2008/09, and from about 324 000 for free basic water in 2007/08 to about 335 000 in 2008/09.

The average amount credited on indigent debtor accounts for free basic sanitation increased from R62.8 per month in 2007/08 to R64.8 per month in 2008/09, and for free basic refuse removal from R49.2 per month in 2007/08 to R50.8 per month in 2008/09.

Most municipalities also have agreements in place with Eskom to refund free basic electricity that are rendered to indigent households in Eskom service areas. Municipalities finance free basic services with their equitable share grant that they receive annually from the national government.

### 4.8 Municipal Infrastructure Grant (MIG)

#### 4.8.1 MIG expenditure

This table indicates the performance of municipalities on the MIG grant for the past 4 years.

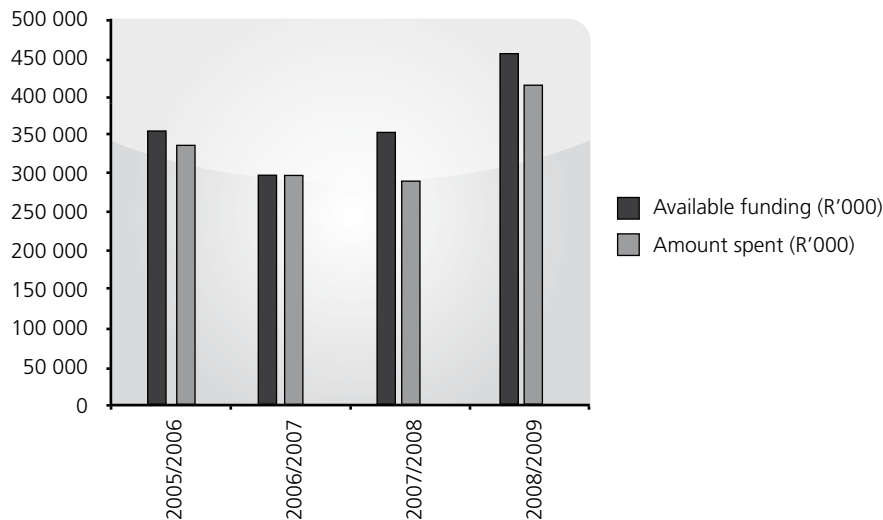
Municipality	Description	2005/06	2006/07	2007/08	2008/09
City of Cape Town	Available funding (R'000)	211 325	196 656	219 485	273 357
	Amount spent (R'000)	211 325	196 656	166 891	233 042
	% Spent	100	100	76	85
Matzikama	Available funding (R'000)	3 078	5 729	3 366	6 381
	Amount spent (R'000)	1 646	5 437	2 249	6 381
	% Spent	53	95	67	100
Cederberg	Available funding (R'000)	4 031	1 999	2 159	4 889
	Amount spent (R'000)	1 657	1 999	2 159	4 889
	% Spent	41	100	100	100
Bergriver	Available funding (R'000)	0	0	0	4 432
	Amount spent (R'000)	0	0	0	4 432
	% Spent	0	0	0	100
Saldanha Bay	Available funding (R'000)	2 758	2 928	3 291	6 287
	Amount spent (R'000)	2 758	2 928	3 291	6 287
	% Spent	100	100	100	100
Swartland	Available funding (R'000)	4 597	3 555	2 872	5 770
	Amount spent (R'000)	4 597	3 555	2 872	5 770
	% Spent	100	100	100	100
West Coast DM Municipality	Available funding (R'000)	6 503	4 329	2 246	6 786
	Amount spent (R'000)	3 844	4 311	1 573	6 786
	% Spent	59	99	70	100
Witzenberg	Available funding (R'000)	Part of district municipality allocation	3 795	4 265	7 491
	Amount spent (R'000)		3 693	4 265	7 491
	% Spent		97	100	100
Drakenstein	Available funding (R'000)	13 950	9 821	11 037	15 857
	Amount spent (R'000)	11 322	9 821	11 037	15 857
	% Spent	81	100	100	100
Stellenbosch	Available funding (R'000)	14 912	9 407	7 200	11 116
	Amount spent (R'000)	10 435	8 192	7 200	8 634
	% Spent	70	87	100	78
Breede Valley	Available funding (R'000)	7 406	6 905	7 760	11 809
	Amount spent (R'000)	7 406	6 905	7 760	11 809
	% Spent	100	100	100	100
Breede River/Winelands	Available funding (R'000)	3 550	4 223	4 402	7 660
	Amount spent (R'000)	3 550	4 223	4 402	7 660
	% Spent	100	100	100	100
Cape Winelands DM	Available funding (R'000)	4 408	0	344	2 647
	Amount spent (R'000)	4 408	0	344	2 647
	% Spent	100	0	100	100
Theewaterskloof	Available funding (R'000)	8 133	6 673	22 916	11 486
	Amount spent (R'000)	8 133	5 082	21 533	11 486
	% Spent	100	76	94	100
Overstrand	Available funding (R'000)	4 463	4 574	3 834	6 958
	Amount spent (R'000)	4 072	4 574	2 963	6 958
	% Spent	91	100	77	100
Cape Agulhas	Available funding (R'000)	Part of district municipality allocation	3 689		
	Amount spent (R'000)		3 689		
	% Spent		100		

Municipality	Description	2005/06	2006/07	2007/08	2008/09
Swellendam	Available funding (R'000)	Part of district municipality allocation			4 099
	Amount spent (R'000)				4 099
	% Spent				100
Overberg DM	Available funding (R'000)	3 856	2 410	2 709	3
	Amount spent (R'000)	3 856	2 410	2 709	3
	% Spent	100	100	100	100
Kannaland	Available funding (R'000)	Part of district municipality allocation	3 817	15 862	4 294
	Amount spent (R'000)		3 817	15 856	4 294
	% Spent		100	100	100
Hessequa	Available funding (R'000)	400	Part of district municipality allocation	3 526	4 923
	Amount spent (R'000)	400		2 709	1 160
	% Spent	100		77	24
Mossel Bay	Available funding (R'000)	3 577	5 749	3 917	7 061
	Amount spent (R'000)	3 577	5 749	3 917	7 061
	% Spent	100	100	100	100
George	Available funding (R'000)	9 048	9 461	13 287	15 356
	Amount spent (R'000)	9 048	9 461	13 287	15 356
	% Spent	100	100	100	100
Oudtshoorn	Available funding (R'000)	6 162	3 609	4 056	7 232
	Amount spent (R'000)	6 162	3 609	4 056	7 232
	% Spent	100	100	100	100
Bitou	Available funding (R'000)	6 271	2 601	2 924	5 834
	Amount spent (R'000)	6 271	2 601	2 924	5 834
	% Spent	100	100	100	100
Knysna	Available funding (R'000)	6 011	5 968	7 082	10 508
	Amount spent (R'000)	4 398	5 968	7 082	10 508
	% Spent	73	100	100	100
Eden DM	Available funding (R'000)	8 528	6 707	1 068	3 542
	Amount spent (R'000)	8 291	6 707	1 068	3 542
	% Spent	97	100	100	100
Laingsburg	Available funding (R'000)	Part of district municipality allocation		0	2 664
	Amount spent (R'000)			0	2 664
	% Spent			0	100
Prince Albert	Available funding (R'000)	Part of district municipality allocation		0	2 842
	Amount spent (R'000)			0	2 842
	% Spent			0	100
Beaufort West	Available funding (R'000)	Part of district municipality allocation		0	3 821
	Amount spent (R'000)			0	3 821
	% Spent			0	100
Central Karoo DM	Available funding (R'000)	26 145	3 208	3 579	3 984
	Amount spent (R'000)	23 545	3 208	3 579	3 984
	% Spent	90	100	100	100
<b>Total</b>	<b>Available funding (R'000)</b>	<b>359 122</b>	<b>304 136</b>	<b>353 186</b>	<b>462 778</b>
	<b>Amount spent (R'000)</b>	<b>340 710</b>	<b>300 918</b>	<b>295 728</b>	<b>416 218</b>
	<b>% Spent</b>	<b>95</b>	<b>99</b>	<b>84</b>	<b>90</b>

Table 27: MIG expenditure

Source: Database Department of Local Government and Housing

The following graph illustrates the total performance on MIG expenditure for the past four years as indicated in table 27.



Graph 8: Total performance on MIG Expenditure for the past 4 years

#### 4.8.2 Analysis of MIG expenditure

The average percentages spent on the MIG grant have declined from almost 100% in 2006/07 to 90% in the 2008/09. The reasons for the lower spending and challenges experienced are the same as for the low overall spending on capital budgets as mentioned in 4.2.3 above.

### 4.9 Housing

#### 4.9.1 Housing grant expenditure

This table indicates the performance of municipalities on the housing fund for the past 4 years.

Municipality	Description	2005/06 (April 2005 - March 2006)	2006/07 (April 2006 - March 2007)	2007/08 (April 2007 - March 2008)	2008/09 (April 2008 - March 2009)
City of Cape Town	Allocation (R'000)	416 716	335 037	450 425	550 086
	Amount spent (R'000)	371 066	324 672	447 286	508 751
	% Spent	89	97	99	92
	No of houses built	12 122	11 875	5 536	9 161
	No of sites serviced	10 778	12 713	5 653	6 922
Matzikama	Allocation (R'000)	948	8 600	2 223	20 178
	Amount spent (R'000)	5 465	2 873	12 877	24 637
	% Spent	574	33	579	122
	No of houses built	274	111	0	545
	No of sites serviced	0	0	547	143
Cederberg	Allocation (R'000)	908	1 077	2 128	4 382
	Amount spent (R'000)	226	1 079	5 829	0
	% Spent	25	100	274	0
	No of houses built	12	0	0	0
	No of sites serviced	0	313	301	0



Municipality	Description	2005/06 (April 2005 - March 2006)	2006/07 (April 2006 - March 2007)	2007/08 (April 2007 - March 2008)	2008/09 (April 2008 - March 2009)
Bergriver	Allocation (R'000)	2 304	2 734	5 400	1 601
	Amount spent (R'000)	0	299	2 901	283
	% Spent	0	11	54	18
	No of houses built	0	0	0	0
	No of sites serviced	0	25	0	105
Saldanha Bay	Allocation (R'000)	4 066	4 825	9 530	17 112
	Amount spent (R'000)	4 061	15 754	13 902	19 965
	% Spent	99	326	146	117
	No of houses built	0	0	0	373
	No of sites serviced	800	542	397	0
Swartland	Allocation (R'000)	1 543	9 500	3 618	15 707
	Amount spent (R'000)	8 127	7 952	11 036	13 884
	% Spent	527	83	305	88
	No of houses built	0	0	0	0
	No of sites serviced	435	365	258	420
West Coast DM	Allocation (R'000)	169	0	0	0
	Amount spent (R'000)	284	0	0	0
	% Spent	168	0	0	0
	No of houses built	6	0	0	0
	No of sites serviced	0	0	0	0
Witzenberg	Allocation (R'000)	3 510	9 750	8 107	20 841
	Amount spent (R'000)	12 977	3 797	19 470	25 726
	% Spent	369	39	240	123
	No of houses built	105	0	199	465
	No of sites serviced	264	262	176	315
Drakenstein	Allocation (R'000)	12 871	15 275	29 728	38 244
	Amount spent (R'000)	10 799	16 129	22 520	17 984
	% Spent	83	106	76	47
	No of houses built	316	208	561	347
	No of sites serviced	757	208	40	0
Stellenbosch	Allocation (R'000)	12 871	14 000	29 728	22 293
	Amount spent (R'000)	10 868	18 222	34 597	11 299
	% Spent	84	130	116	51
	No of houses built	71	11	45	392
	No of sites serviced	390	828	0	0
Breede Valley	Allocation (R'000)	13 662	43 500	31 555	41 786
	Amount spent (R'000)	5 815	22 925	12 881	36 974
	% Spent	42	53	41	88
	No of houses built	573	245	69	255
	No of sites serviced	884	251	0	1 551
Breede River/Winelands	Allocation (R'000)	4 680	10 554	10 810	14 908
	Amount spent (R'000)	1 518	3 689	3 735	9 359
	% Spent	32	35	35	63
	No of houses built	50	140	46	48
	No of sites serviced	0	0	0	42

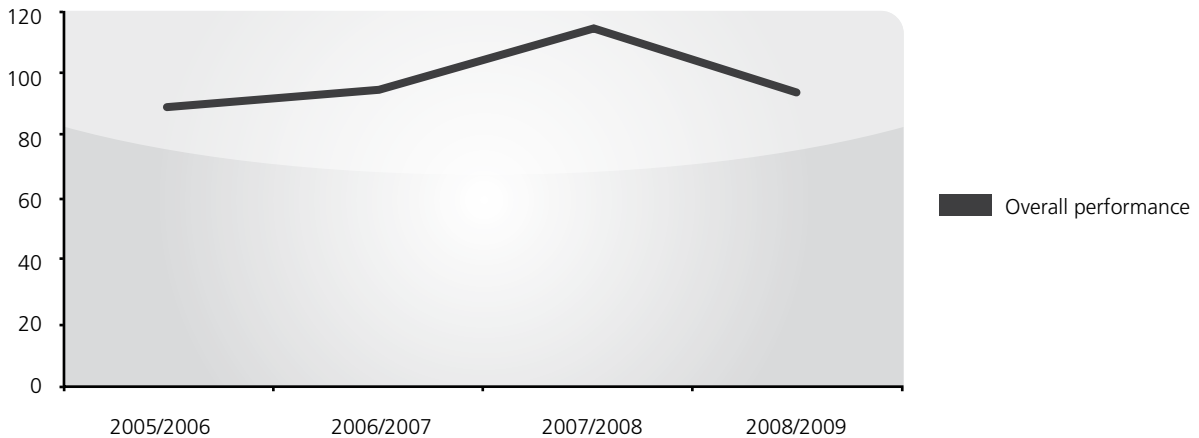
Municipality	Description	2005/06 (April 2005 - March 2006)	2006/07 (April 2006 - March 2007)	2007/08 (April 2007 - March 2008)	2008/09 (April 2008 - March 2009)
Cape Winelands DM	Allocation (R'000)	0	0	0	0
	Amount spent (R'000)	117	0	0	627
	% Spent	0	0	0	0
	No of houses built	0	0	0	0
	No of sites serviced	0	0	0	0
Theewaterskloof	Allocation (R'000)	10 167	27 000	23 425	19 718
	Amount spent (R'000)	16 373	15 341	29 873	18 568
	% Spent	161	57	128	94
	No of houses built	180	311	637	126
	No of sites serviced	1 030	510	266	0
Overstrand	Allocation (R'000)	4 054	12 000	9 340	1 052
	Amount spent (R'000)	3 826	5 508	3 205	58
	% Spent	94	46	34	6
	No of houses built	145	134	50	0
	No of sites serviced	0	184	414	0
Cape Agulhas	Allocation (R'000)	1 763	7 092	4 063	2 668
	Amount spent (R'000)	564	8 261	2 851	5 066
	% Spent	31	116	70	190
	No of houses built	0	74	76	0
	No of sites serviced	76	73	0	250
Swellendam	Allocation (R'000)	2 702	3 207	6 226	3 518
	Amount spent (R'000)	4 905	5 049	5 049	0
	% Spent	181	157	81	0
	No of houses built	95	280	280	0
	No of sites serviced	0	0	0	0
Overberg DM	Allocation (R'000)	0	0	0	0
	Amount spent (R'000)	0	0	0	0
	% Spent	0	0	0	0
	No of houses built	0	0	0	0
	No of sites serviced	0	0	0	0
Kannaland	Allocation (R'000)	666	5 790	8 562	3 059
	Amount spent (R'000)	0	6 402	1 543	0
	% Spent	0	111	18	0
	No of houses built	0	0	387	64
	No of sites serviced	0	335	28	0
Hessequa	Allocation (R'000)	3 065	8 637	3 793	15 263
	Amount spent (R'000)	11 659	12 310	7 100	16 157
	% Spent	380	143	187	106
	No of houses built	383	301	297	0
	No of sites serviced	684	0	0	809
Mossel Bay	Allocation (R'000)	3 998	4 744	9 262	12 577
	Amount spent (R'000)	6 027	17 322	17 901	12 408
	% Spent	150	365	193	99
	No of houses built	1	0	3 266	28
	No of sites serviced	242	257	0	28

Municipality	Description	2005/06 (April 2005 - March 2006)	2006/07 (April 2006 - March 2007)	2007/08 (April 2007 - March 2008)	2008/09 (April 2008 - March 2009)
George	Allocation (R'000)	6 751	8 012	29 844	27 194
	Amount spent (R'000)	4 561	5 427	15 640	24 717
	% Spent	67	68	52	91
	No of houses built	437	88	189	90
	No of sites serviced	155	18	0	1 335
Oudtshoorn	Allocation (R'000)	4 209	4 996	9 752	12 243
	Amount spent (R'000)	2 775	9 740	8 903	24 368
	% Spent	65	195	91	199
	No of houses built	80	25	58	519
	No of sites serviced	0	663	0	0
Bitou	Allocation (R'000)	6 547	14 700	15 168	9 475
	Amount spent (R'000)	14 972	10 783	23 380	5 606
	% Spent	228	73	154	59
	No of houses built	137	499	89	99
	No of sites serviced	700	295	265	0
Knysna	Allocation (R'000)	6 396	17 591	14 819	25 577
	Amount spent (R'000)	20 095	24 265	41 552	38 109
	% Spent	314	314	280	149
	No of houses built	61	73	725	374
	No of sites serviced	600	1039	400	975
Eden DM	Allocation (R'000)	173	0	0	0
	Amount spent (R'000)	0	0	18 428	0
	% Spent	0	0	0	0
	No of houses built	0	0	0	0
	No of sites serviced	0	0	0	0
Laingsburg	Allocation (R'000)	1 251	1 485	3 096	447
	Amount spent (R'000)	400	1 907	655	0
	% Spent	32	128	21	0
	No of houses built	0	70	29	0
	No of sites serviced	0	0	0	0
Prince Albert	Allocation (R'000)	528	627	1 307	1 870
	Amount spent (R'000)	6 119	0	0	0
	% Spent	115	0	0	0
	No of houses built	52	0	0	0
	No of sites serviced	0	0	0	0
Beaufort West	Allocation (R'000)	812	10 300	2 009	18 552
	Amount spent (R'000)	9 129	7 433	18 190	31 305
	% Spent	1124	72	905	169
	No of houses built	270	399	0	569
	No of sites serviced	513	0	448	140
Central Karoo DM	Allocation (R'000)	190	0	0	0
	Amount spent (R'000)	7 420	0	36	0
	% Spent	3905	0	0	0
	No of houses built	276	0	0	0
	No of sites serviced	0	0	0	0
<b>Total</b>	<b>Allocation (R'000)</b>	<b>527 649</b>	<b>581 033</b>	<b>706 014</b>	<b>900 351</b>
	<b>Amount spent (R'000)</b>	<b>472 393</b>	<b>547 139</b>	<b>795 047</b>	<b>845 851</b>
	<b>% Spent</b>	<b>90</b>	<b>94</b>	<b>113</b>	<b>94</b>
	<b>No of houses built</b>	<b>15 646</b>	<b>14 844</b>	<b>12 259</b>	<b>13 445</b>
	<b>No of sites serviced</b>	<b>17 278</b>	<b>18 881</b>	<b>9 193</b>	<b>13 035</b>

Table 28: Housing grant expenditure

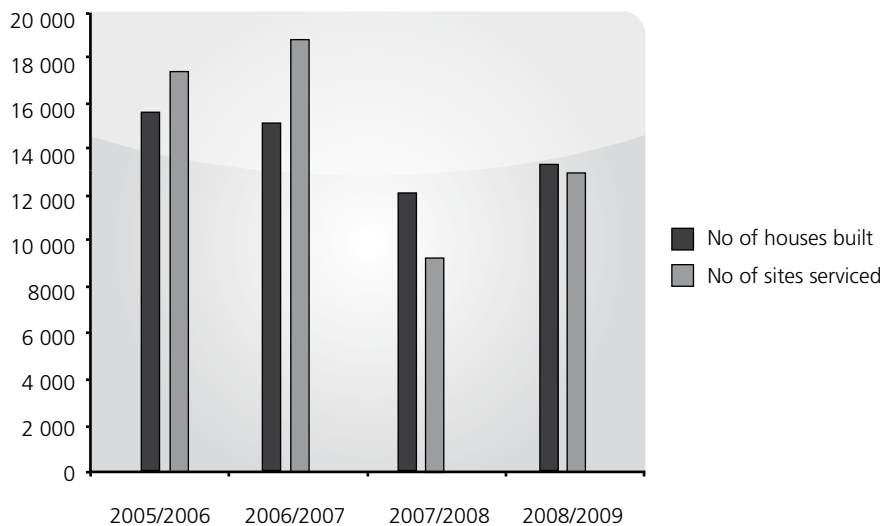
Source: Database Department of Local Government and Housing

The following graph illustrates the total percentage (%) spent on the available housing funds for the past four years.



Graph 9: Total percentage (%) spent on the available housing funds

The following graph illustrates the number of houses built and the number of sites serviced for the past four years.



Graph 10: No of houses built and sites serviced

#### 4.9.2 Analysis of performance on housing allocations

The average percentage of housing allocations spent increased from 90% in 2005/06 to 94% in 2008/09 and 13 445 houses were built and 13 035 sites serviced during the 2008/09 financial year. In total, 56 194 houses were built and 58 387 sites serviced during the past four financial years.

According to information received from municipalities an average of 89% of households are serviced with formal housing and there are currently approximately 470 000 households on housing waiting lists. The cost to address the housing backlog amounts to approximately R40 billion.

The General Household Survey for 2009 indicated that the Western Cape is one of the provinces with the highest percentage of households whose main dwelling was informal (17.1%). It also indicated that although good progress has been made with the provision of housing that 30% of households in the province reported problems with the quality of the walls and roofs of their houses.

#### 4.10 Summary grid of overall performance of municipalities on KPIs

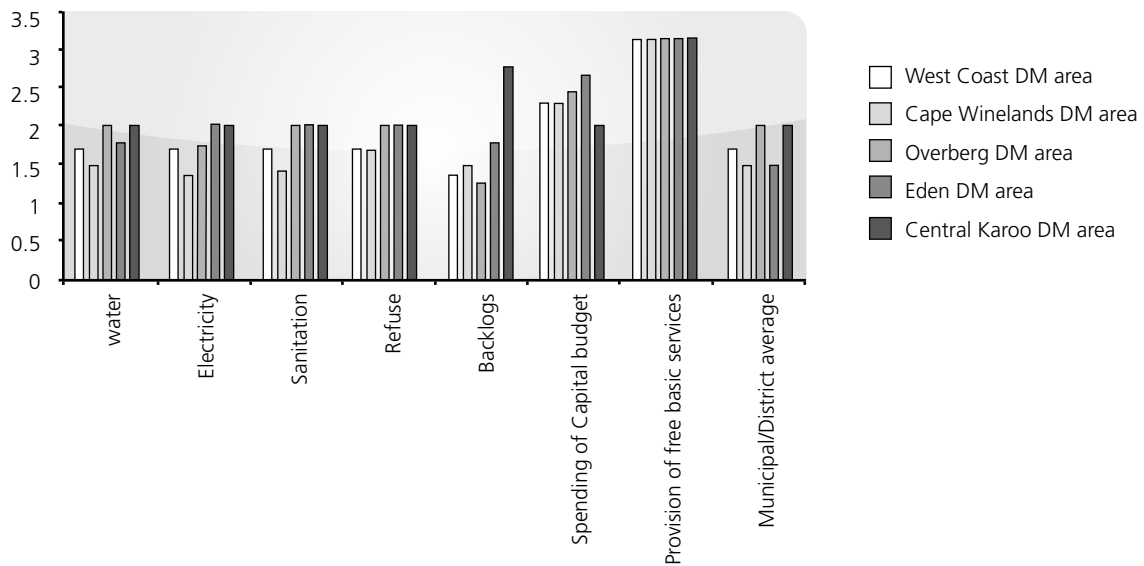
The following table is a summary of the overall performance of municipalities relating to basic service delivery. The assessment was based on the following assumptions and principles:

- Indicator linked to Qualitative Assessment: 1=Not Adequate; 2=Not fully addressed; 3= Addressed
- **Assessment:**
  - **"No info" in tables= "-"**
  - **Level of service delivery:** Refers to table 21 – All=2 (Still room for improvement in all Municipalities, especially with regard to rural ares); where serviced % is below 80%: =1
  - **Backlogs:** Refers to table 22 – (per individual municipality,backlog in relation to size and total budget of municipality ) - if huge=1; if medium=2, if low=3
  - **Spending of capital budget:** Refers to table 25 –under 60%=1, between 60-80%=2, above 80%=3
  - **Provision of free basic services:** Refers to table 26: all 3- all municipalities provide to households that are linked to the grid

Municipality	Level of Service Delivery				Backlogs	Spending of capital budget	Provision of free basic services	Municipal/District average
	Water	Electricity	Sanitation	Refuse				
City of Cape Town	2	2	2	2	1	3	3	2.1
Matzikama	1	1	1	1	1	2	3	1.4
Cederberg	1	1	1	1	1	2	3	1.4
Bergriver	2	2	2	2	1	1	3	1.9
Saldanha Bay	-	-	-	-	-	2	3	0.7
Swartland	2	2	2	2	1	3	3	2.1
West Coast DM	2	2	2	2	3	3	3	2.4
Average for West Coast DM area	1.7	1.7	1.7	1.7	1.3	2.3	3.0	1.7
Witzenberg	-	-	-	-	2	2	3	1.0
Drakenstein	2	2	2	2	2	1	3	2.0
Stellenbosch	1	1	1	2	1	3	3	1.7
Breede Valley	-	-	-	-	-	3	3	0.9
Breede River/Winelands	-	1	1	1	1	2	3	1.3
Cape Winelands DM	Do not render any services in DMA area					3	No services	3.0
Average for Cape Winelands DM area	1.5	1.3	1.3	1.7	1.5	2.3	3.0	1.6
Theewaterskloof	2	1	2	2	1	2	3	1.8
Overstrand	2	2	2	2	2	3	3	2.3
Cape Agulhas	2	2	2	2	1	3	3	2.1
Swellendam	2	2	2	2	1	1	3	1.9
Overberg DM	Do not render any services in DMA area					3	No services	3.0
Average for Overberg DM area	2.0	1.8	2.0	2.0	1.2	2.4	3.0	2.2
Kannaland	2	2	2	2	1	1	3	1.9
Hessequa	1	2	2	2	2	3	3	2.1
Mossel Bay	-	-	-	-	2	3	3	1.1
George	-	-	-	-	-	3	3	0.9
Oudtshoorn	2	2	2	2	2	2	3	2.1
Bitou	-	-	-	-	1	3	3	1.0
Knysna	-	-	-	-	1	3	3	1.0
Eden DM	2	2	2	2	3	3	3	2.4
Average for Eden DM area	1.8	2.0	2.0	2.0	1.7	2.6	3.0	1.6
Laingsburg	2	2	2	2	3	3	3	2.4
Prince Albert	2	2	2	2	2	2	3	2.1
Beaufort West	2	2	2	2	2	2	3	2.1
Central Karoo DM	2	2	2	2	3	1	3	2.1
Average for Central Karoo DM area	2.0	2.0	2.0	2.0	2.5	2.0	3.0	2.2

Table 29: Assessment of overall performance on Basic Service Delivery

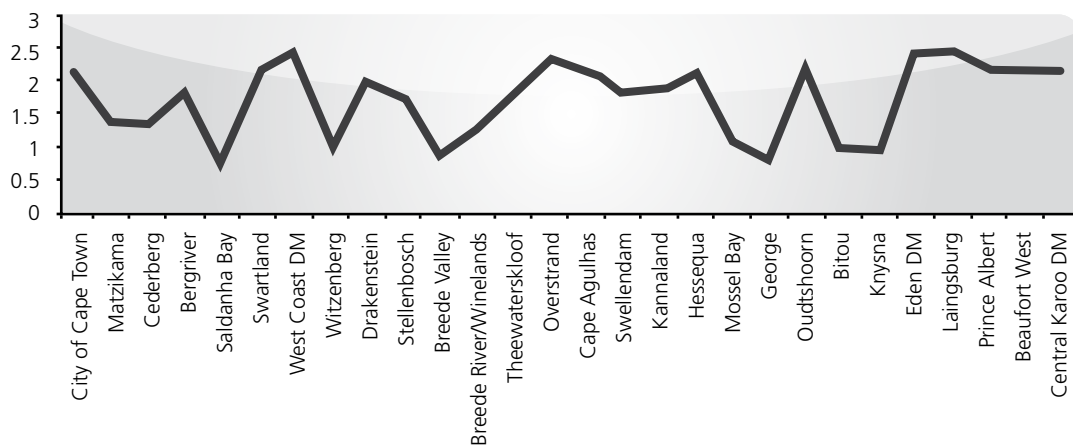
The following graph illustrates the combined performance on basic service delivery per district area as indicated in table 29. Unfortunately a low assessment rating will be indicated if no information was submitted by a specific municipality.



Graph 11: Combined performance on basic service delivery per district area

The graph illustrates the combined performance on basic service delivery per district area. Unfortunately the assessments were influenced by the fact that 'n number of municipalities did not submit information on basic service delivery. It indicates that the overall assessments on the different types of basic services are on average more or less the same. It also indicates that the municipalities in the Overberg and Central Karoo districts are on overall average performing better than the municipalities in the other districts.

The following graph illustrates the combined overall results on basic service delivery per municipality as indicated in table 29. Unfortunately a low assessment rating will be indicated if no information was submitted by a specific municipality.



Graph 12: Assessment of overall performance on basic service delivery

# CHAPTER 5

## MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

### 5.1 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 those 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.

### 5.2 Budget and budget related matters

#### 5.2.1 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). This table indicates the dates on which budgets were approved for the past four years.

Municipality	Date approved by council			
	2005/06	2006/07	2007/08	2008/09
City of Cape Town	31 May 2005	31 May 2006	30 May 2007	28 May 2008
Matzikama	31 May 2005	26 May 2006	31 May 2007	26 May 2008
Cederberg	31 May 2005	30 May 2006	29 May 2007	25 May 2008
Bergriver	31 May 2005	30 May 2006	12 June 2007	29 May 2008
Saldanha Bay	31 May 2005	23 May 2006	31 May 2007	26 May 2008
Swartland	26 May 2005	25 May 2006	9 May 2007	25 May 2008
West Coast DM	26 April 2005	31 May 2006	30 May 2007	26 May 2008
Witzenberg	7 June 2005	31 May 2006	30 May 2007	29 May 2008
Drakenstein	30 May 2005	30 May 2006	29 May 2007	28 May 2008
Stellenbosch	10 May 2005	16 May 2006	29 May 2007	25 May 2008
Breede Valley	1 June 2005	30 May 2006	6 June 2007	29 May 2008
Breede River/Winelands	20 April 2005	30 May 2006	29 May 2007	29 May 2008
Cape Winelands DM	12 May 2005	18 May 2006	24 May 2007	26 May 2008
Theewaterskloof	24 May 2005	31 May 2006	30 May 2007	25 May 2008
Overstrand	31 May 2005	31 May 2006	30 May 2007	28 May 2008
Cape Agulhas	24 May 2005	31 May 2006	29 May 2007	28 May 2008
Swellendam	26 May 2005	30 May 2006	31 May 2007	26 May 2008
Overberg DM	1 June 2005	31 May 2006	31 May 2007	28 May 2008
Kannaland	6 June 2005	23 May 2006	31 May 2007	29 May 2008
Hessequa	26 May 2005	30 May 2006	29 May 2007	26 May 2008
Mossel Bay	31 May 2005	30 May 2006	30 May 2007	15 May 2008
George	11 May 2005	23 May 2006	30 May 2007	26 May 2008

Municipality	Date approved by council			
Oudtshoorn	31 May 2005	6 June 2006	21 June 2007	28 May 2008
Bitou	25 May 2005	31 May 2006	24 April 2007	26 May 2008
Knysna	31 May 2005	30 May 2006	31 May 2007	29 May 2008
Eden DM	31 May 2005	31 May 2006	31 May 2007	29 May 2008
Laingsburg	30 May 2005	30 May 2006	24 May 2007	26 May 2008
Prince Albert	25 May 2005	21 June 2006	30 May 2007	26 May 2008
Beaufort West	24 May 2005	5 June 2006	12 June 2007	27 May 2008
Central Karoo DM	27 May 2005	6 May 2006	4 June 2007	29 May 2008
<i>Table 30: Approval of budgets</i>				
<i>Source: Database PT &amp; Municipalities</i>				

## 5.2.2 Budget and IDP linkages

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

This table indicates the percentage of the capital budget spent on IDP-related projects as indicated by municipalities in the questionnaire that was distributed.

Municipality	2004/05	2005/06	2006/07	2007/08	2008/09
	%	%	%	%	%
City of Cape Town	63	71	77	100	100
Matzikama	No info	No info	100	100	100
Cederberg	No info	No info	100	100	100
Bergriver	No info	No info	100	100	100
Saldanha Bay	83	70	100	100	100
Swartland	100	100	100	100	100
West Coast DM	29	83	100	100	100
Witzenberg	100	100	100	100	100
Drakenstein	100	100	100	100	100
Stellenbosch	100	100	100	100	100
Breede Valley	80	90	100	100	100
Breede River/Winelands	No info	No info	100	100	100
Cape Winelands DM	LM function	LM function	LM function	LM function	LM function
Theewaterskloof	32	60	88	90	100
Overstrand	100	100	100	100	100
Cape Agulhas	100	100	100	100	100
Swellendam	No info	No info	No info	No info	100
Overberg DM	98	98	100	100	100
Kannaland	No info	No info	No info	No info	100
Hessequa	60	75	No info	No info	100
Mossel Bay	94	92	98	100	100
George	100	100	100	100	100
Oudtshoorn	No info	No info	No info	No info	100
Bitou	7	23	36	50	100
Knysna	100	100	100	100	100



Municipality	2004/05	2005/06	2006/07	2007/08	2008/09
Eden DM	100	100	100	100	100
Laingsburg	100	100	100	100	100
Prince Albert	100	100	100	100	100
Beaufort West	No info	No info	100	100	100
Central Karoo DM	100	100	100	100	100

*Table 31: Percentage (%) of capital budget spent on IDP related projects*

*Source: Questionnaires, May 2010*

### 5.2.2.2 Analysis of IDP-budget link

The IDP-budget linkages of municipalities for 2008/09 was analysed in May 2009. According to this analysis, 26 of the 30 municipalities' draft budgets were generally responsive and show alignment to their IDP priorities of mainly the provision of basic services and facilitating the growth of local economic development through infrastructure investment.

The IDP-budget link cannot be viewed in isolation from resource constraints and it is a reality that limited natural resources, an 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 is worsened by limits to municipal tariff increases by National Treasury, a growing reliance on government grants and the MIG and housing income streams not being synchronised to enable infrastructure to support new housing developments.

The national KPIs of basic services delivery, local economic development, municipal transformation and institutional development, good governance and public participation and financial viability features most prominently in all municipalities and indicates that municipalities are guided by national, provincial and district objectives.

It remains a challenge for municipalities with low capacity or poor economic potential to develop budgets, which actually go beyond "basic services and housing". These budgets generally focus on basic services whilst the developmental role of local government remains under-developed.

### 5.2.3 Performance against budgets

This table indicates the performance against budgets for the past four years.

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
	07/08	12 528 206	12 699 063	170 857	12 081 021	12 197 970	-116 949
	08/09	17 035 737	17 007 440	-28 297	14 34 8760	13 871 253	477 507
Matzikama	05/06	70 361	79 374	9 013	60 558	78 139	-17 581
	06/07	74 056	94 307	20 251	74 057	91 312	-17 255
	07/08	84 590	114 673	30 083	88 801	109 654	-20 853
	08/09	115 793	160 427	44 634	121 559	126 224	-4 665
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
	07/08	71 972	70 189	-1 783	71 445	70 490	955
	08/09	110 903	108 690	-2 213	110 617	105 954	4 663

Municipality	Financial year	Revenue			Operating expenditure		
		Budget R'000	Actual R'000	Difference R'000	Budget R'000	Actual R'000	Difference R'000
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
	07/08	115 032	107 197	-7 835	90 746	98 935	-8 189
	08/09	113 655	123 298	9 643	115 913	115 330	583
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
	07/08	378 314	382 665	4 351	349 686	306 003	43 683
	08/09	395 992	417 006	21 014	395 992	340 072	55 920
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
	07/08	277 674	257 259	-20 415	206 893	190 967	15 926
	08/09	227 244	277 666	50 422	247 658	232 285	15 373
West Coast DM	05/06	184 134	174 406	-9 728	184 134	148 863	35 271
	06/07	187 327	202 823	15 495	187 327	165 722	21 605
	07/08	191 155	193 571	2 416	193 155	154 992	38 163
	08/09	206 249	228 540	22 291	206 249	206 894	-645
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
	07/08	161 529	164 061	2 532	161 515	167 020	-5 505
	08/09	199 701	187 376	-12 325	198 571	188 474	10 097
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
	07/08	595 821	620 908	25 087	595 821	611 784	-15 963
	08/09	786 352	824 788	38 436	786 352	777 306	9 046
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
	07/08	465 728	500 053	34 325	447 647	465 728	-18 081
	08/09	543 423	589 038	45 615	543 423	540 904	2 519
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
	07/08	330 405	338 255	7 850	332 025	322 767	9 258
	08/09	468 641	462 440	-6 201	459 551	422 258	37 293
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
	07/08	201 324	211 565	10 241	201 317	199 027	2 290
	08/09	249 004	268 332	19 328	264 576	252 548	12 028
Cape Winelands DM	05/06	277 472	257 555	-19 917	277 472	231 821	45 651
	06/07	305 423	284 142	-21 281	258 490	250 628	7 862
	07/08	287 864	659 461	371 597	287 864	647 944	-360 080
	08/09	317 254	327 564	10 310	317 254	309 930	7 324

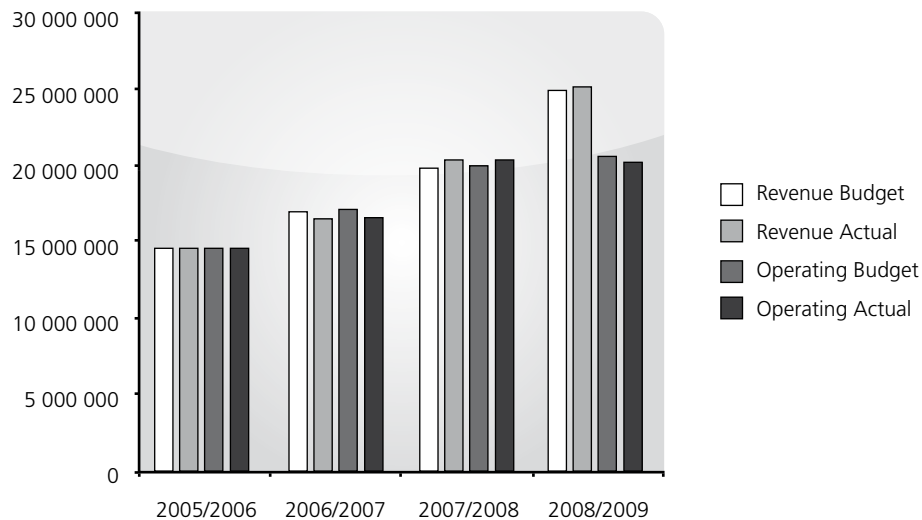
Municipality	Financial year	Revenue			Operating expenditure		
		Budget R'000	Actual R'000	Difference R'000	Budget R'000	Actual R'000	Difference R'000
Theewaters-kloof	05/06	188 112	183 147	-4 965	188 112	179 627	8 485
	06/07	206 671	191 675	-14 996	206 671	183 193	23 478
	07/08	260 394	238 631	-21 763	260 394	232 324	28 070
	08/09	235 916	218 778	-17 138	230 374	208 656	21 718
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
	07/08	360 638	378 766	18 128	318 177	307 938	10 239
	08/09	435 510	423 407	-12 103	412 733	399 963	12 770
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
	07/08	91 683	93 940	2 257	91 683	85 006	6 677
	08/09	102 350	122 432	20 082	102 354	107 909	-5 555
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
	07/08	67 444	81 903	14 459	67 437	69 984	-2 547
	08/09	81 390	98 677	17 287	80 866	92 742	-11 876
Overberg DM	05/06	46 674	46 723	49	51 119	46 723	4 396
	06/07	126 264	129 638	3 374	130 661	135 921	-5 260
	07/08	94 464	90 163	(4301)	94 092	89 216	4 876
	08/09	97 042	91 909	5 133	96 959	93 114	3 845
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
	07/08	52 609	50 895	-1 714	52 934	51 305	1 629
	08/09	67 748	66 800	-948	62 796	55 044	7 752
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
	07/08	169 595	137 931	-31 664	142 563	125 501	17 062
	08/09	225 126	217 388	-7 738	182 095	166 320	15 775
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
	07/08	481 605	396 088	-85 517	478 461	352 318	126 143
	08/09	472 321	449 577	-22 744	471 106	405 020	66 086
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
	07/08	623 102	667 553	44 451	623 068	608 558	14 510
	08/09	654 206	642 421	-11 785	670 404	670 005	399
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
	07/08	Financial statements have not been submitted to date					
	08/09	Financial statements have not been submitted to date					

Municipality	Financial year	Revenue			Operating expenditure		
		Budget R'000	Actual R'000	Difference R'000	Budget R'000	Actual R'000	Difference R'000
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
	07/08	180 873	197 402	16 529	168 666	175 876	-7 210
	08/09	241 934	231 364	-10 570	226 577	225 887	690
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
	07/08	323 380	294 312	-29 068	273 079	281 499	-8 420
	08/09	344 234	352 110	7 876	334 409	327 114	7 295
Eden DM	05/06	149 243	134 912	14 331	179 927	128 546	51 382
	06/07	218 033	163 268	-54 765	218 535	163 267	55 268
	07/08	306 828	254 386	-52 442	351 558	299 469	52 089
	08/09	190 883	278 822	87 939	169 382	257 350	-87 968
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
	07/08	19 359	20 764	1 405	19 349	20 759	-1 410
	08/09	14 451	21 072	6 621	18 147	22 887	-4 740
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
	07/08	14 084	14 084	0	14 020	14 020	0
	08/09	19 232	27 625	8 393	18 604	23 305	-4 701
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
	07/08	113 745	119 032	5 287	100 622	112 098	-11 476
	08/09	116 717	150 322	33 605	98 386	140 431	-42 045
Central Karoo DM	05/06	62 372	65 477	3 105	62 993	64 163	-1 170
	06/07	51 136	48 466	-2 669	53 591	47 614	5 977
	07/08	52 398	46 929	-5 469	54 994	51 237	3 757
	08/09	66 442	56 251	-10 191	61 566	51 408	10 158
<b>Total</b>	<b>05/06</b>	<b>14 726 113</b>	<b>14 722 071</b>	<b>-4 042</b>	<b>14 726 113</b>	<b>14 722 071</b>	<b>461 729</b>
	<b>06/07</b>	<b>17 242 452</b>	<b>16 435 149</b>	<b>-807 303</b>	<b>17 242 452</b>	<b>16 435 149</b>	<b>1 363 132</b>
	<b>07/08</b>	<b>18 901 443</b>	<b>19 404 649</b>	<b>503 206</b>	<b>18 901 443</b>	<b>19 404 649</b>	<b>-201 177</b>
	<b>08/09</b>	<b>24 135 449</b>	<b>24 437 560</b>	<b>302 111</b>	<b>21 353 232</b>	<b>20 737 247</b>	<b>615 985</b>

Table 32: Performance against budgets

Source: Municipal Financial Statements 2005/06 & 2006/07, 2007/08 & 2008/09

The following graph illustrates the combined results on the performance against budgets.



Graph 13: Total performance against budgets

The graph illustrates that most municipalities are on average performing well against their budgets.

#### 5.2.4 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	Description	2006/07	2007/08	2008/09
City of Cape Town	Total available: R'000	799 785	2 261 758	2 338 802
	Total spent: R'000	583 962	1 354 231	3 237 209
	% Spent	73	60	138
Matzikama	Total available: R'000	33 651	42 594	79 093
	Total spent: R'000	28 446	39 859	79 267
	% Spent	85	94	100
Cederberg	Total available: R'000	33 281	45 995	65 091
	Total spent: R'000	22 899	33 423	53 455
	% Spent	69	73	82
Bergriver	Total available: R'000	19 004	8 903	15 190
	Total spent: R'000	15 859	6 276	11 939
	% Spent	83	70	79
Saldanha Bay	Total available: R'000	45 872	40 920	55 206
	Total spent: R'000	39 097	29 958	40 722
	% Spent	85	73	74
Swartland	Total available: R'000	36 478	20 575	25 286
	Total spent: R'000	32 244	15 764	25 837
	% Spent	88	77	102

West Coast DM Municipality	Total available: R'000	12 976	16 295	18 480
	Total spent: R'000	20 879	18 085	23 653
	% Spent	161	111	128
Witzenberg	Total available: R'000	56 879	19 825	92 486
	Total spent: R'000	39 640	0	77 499
	% Spent	70	0	84
Drakenstein	Total available: R'000	107 847	133 874	184 433
	Total spent: R'000	64 420	69 191	133 056
	% Spent	60	52	72
Stellenbosch	Total available: R'000	80 411	60 984	58 053
	Total spent: R'000	57 225	47 923	57 053
	% Spent	71	79	98
Breede Valley	Total available: R'000	75 143	62 823	138 858
	Total spent: R'000	64 087	46 529	128 961
	% Spent	85	74	93
Breede River/Winelands	Total available: R'000	38 505	37 888	49 681
	Total spent: R'000	28 378	31 688	30 267
	% Spent	74	84	61
Cape Winelands DM	Total available: R'000	20 870	25 176	18 127
	Total spent: R'000	8 821	10 293	9 838
	% Spent	42	41	54
Theewaterskloof	Total available: R'000	36 919	69 493	41 431
	Total spent: R'000	30 634	65 766	33 004
	% Spent	83	95	80
Overstrand	Total available: R'000	29 741	13 735	23 040
	Total spent: R'000	28 311	22 806	22 805
	% Spent	95	166	99
Cape Agulhas	Total available: R'000	16 204	13 735	27 057
	Total spent: R'000	14 729	11 146	21 517
	% Spent	91	81	80
Swellendam	Total available: R'000	8 679	6 277	24 844
	Total spent: R'000	8 093	No info	17 258
	% Spent	93	No info	69
Overberg DM	Total available: R'000	84 814	7 394	6 072
	Total spent: R'000	80 604	4 775	2 571
	% Spent	95	65	42
Kannaland	Total available: R'000	33 597	61 999	27 942
	Total spent: R'000	23 535	49 939	14 973
	% Spent	70	81	54
Hessequa	Total available: R'000	76 014	59 076	92 920
	Total spent: R'000	33 612	35 484	68 128
	% Spent	44	60	73
Mossel Bay	Total available: R'000	69 447	54 508	81 890
	Total spent: R'000	56 386	81 441	67 571
	% Spent	81	149	83

George	Total available: R'000	77 296	163 288	212 514
	Total spent: R'000	47 279	163 288	202 937
	% Spent	61	100	95
Oudtshoorn	Total available: R'000	System unable to provide detail	Fin. statements have not been submitted to date	Fin. statements have not been submitted to date
	Total spent: R'000			
	% Spent			
Bitou	Total available: R'000	26 876	45 412	76 306
	Total spent: R'000	7 975	28 344	43 134
	% Spent	30	62	57
Knysna	Total available: R'000	83 747	97 960	109 412
	Total spent: R'000	53 090	76 705	84 063
	% Spent	63	78	77
Eden DM	Total available: R'000	61 145	58 788	78 863
	Total spent: R'000	43 759	31 122	48 456
	% Spent	72	53	61
Laingsburg	Total available: R'000	10 537	7 806	9 018
	Total spent: R'000	7 007	5 105	8 219
	% Spent	66	65	91
Prince Albert	Total available: R'000	5 999	7 190	15 412
	Total spent: R'000	5 192	6 378	12 421
	% Spent	87	89	81
Beaufort West	Total available: R'000	18 012	44 835	74 162
	Total spent: R'000	14 658	36 439	52 885
	% Spent	81	81	71
Central Karoo DM	Total available: R'000	45 421	41 321	49 263
	Total spent: R'000	31 966	21 454	51 147
	% Spent	70	52	104
<b>Total</b>	<b>Total available: R'000 (City of Cape Town included)</b>	<b>2 045 150</b>	<b>3 510 415</b>	<b>4 088 932</b>
	<b>Total available: R'000 (City of Cape Town excluded)</b>	<b>1 245 365</b>	<b>1 268 669</b>	<b>1 750 130</b>
	<b>Total spent: R'000 (City of Cape Town included)</b>	<b>1 492 787</b>	<b>2 332 266</b>	<b>4 659 845</b>
	<b>Total spent: R'000 (City of Cape Town excluded)</b>	<b>908 825</b>	<b>989 181</b>	<b>1 422 636</b>
	<b>% Spent (City of Cape Town included)</b>	<b>73</b>	<b>66</b>	<b>113</b>
	<b>% Spent (City of Cape Town excluded)</b>	<b>79</b>	<b>77</b>	<b>81</b>

Table 33: Performance against total grants, donations and contributions received

Source: Municipal Financial Statements 2006/07, 2007/08 & 2008/09

Note: Total amount available does not in all instances include the balance at the end of 2005/06, 2006/07 and 2007/08, due to non-disclosure by some municipalities in their financial statements

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

Municipalities receipted a total amount of R24.4 billion for 2008/09 with regard to their operating revenue, which is R5 billion or 26% more than in 2007/08, but on average, operating revenue performance for 2008/09 reflects a slight deterioration of 1% when compared to 2007/08. At the end of 2008/09, the total operating expenditure amounted to R20.7 billion or 97% of the total budget. If compared to 2007/08 the actual performance against budget decreased with 4%.

Municipalities' overall performance against conditional grants received increased from 66% in 2007/08 to 113% in 2007/08, if the City of Cape Town is included, and increased from 77% to 81% if the City of Cape Town is excluded. The City of Cape Town spent 138% of their conditional grants received, mainly due to expenditure on the 2010 FIFA World Cup: Green Point Stadium. Although the total % spent is above 80%, there is still room for improvement. Municipalities indicate in their financial statements that some allocations from other spheres of government are received at a very late stage during their budget cycle that results in funds not spent before the end of their financial year. As mentioned before, municipalities rely heavily on conditional grants such as the Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme Grant and the Water Services Subsidy Grant to fund capital expenditure.

A recent report by the Public Service Commission indicates that challenges experienced in the spending of conditional grants can in most instances relate to the absence of appropriate accountability regimes between the national, provincial and local spheres of government that make it difficult for provincial governments to hold the municipalities accountable for conditional grants transferred by national departments for implementation of programmes at the local level and the predominant culture of working in silos, which makes it difficult for officials to work and collaborate across vertical and horizontal boundaries. They recommended that the existing systems for managing and reporting on performance must be reviewed, that Offices of the Premier must be strengthened to ensure that there is sufficient capacity to monitor and support provincial departments and municipalities in the implementation of joint programmes, and that the alignment of the planning frameworks should be accelerated to facilitate better intergovernmental co-operation in the resourcing and delivery of critical services.

## 5.3 Submission of financial statements and the Reports of the Auditor-General

### 5.3.1 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.

#### 5.3.1.1 Submission dates and types of Auditor-General reports received

This table indicates on which financial statements were submitted and the types of Auditor-General reports received by municipalities for the past four financial years.



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					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Matzikama	Medium	2005/06	19 Sep 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Cederberg	Low	2005/06	12 April 2007					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	1 Sep 2009					
Bergriver	Medium	2005/06	18 Sep 2006					
		2006/07	15 Oct 2007					
		2007/08	5 Sep 2008					
		2008/09	22 Sep 2009					
Saldanha Bay	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Swartland	Medium	2005/06	11 Sep 2006					
		2006/07	21 Sep 2007					
		2007/08	21 Sep 2008					
		2008/09	31 Aug 2009					
West Coast DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Witzenberg	Low	2005/06	13 Sep 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Drakenstein	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Stellenbosch	High	2005/06	30 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	28 Aug 2008					
		2008/09	31 Aug 2009					
Breede Valley	High	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	15 Sep 2009					

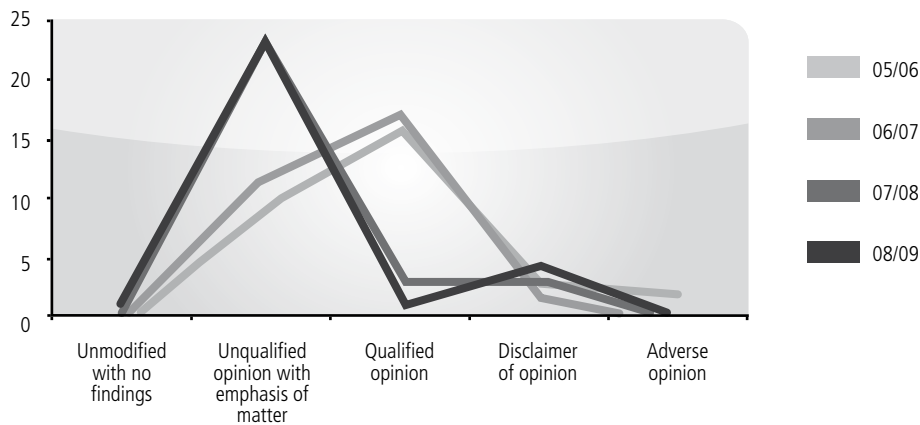
Municipality	Capacity NT	Financial year	Date submitted	Type of report from the AG				
				Unmodified with no findings	Unqualified opinion with emphasis of matter	Qualified opinion	Disclaimer of opinion	Adverse Opinion
Breede River/ Winelands	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Cape Winelands DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Theewaterskloof	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Overstrand	High	2005/06	31 Aug 2006					
		2006/07	17 Sep 2007					
		2007/08	2 Sep 2008					
		2008/09	31 Aug 2009					
Cape Agulhas	Low	2005/06	4 Aug 2006					
		2006/07	8 Aug 2007					
		2007/08	28 Aug 2008					
		2008/09	7 Sep 2009					
Swellendam	Low	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	11 Sep 2008					
		2008/09	11 Sep 2009					
Overberg DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	19 Nov 2008					
		2008/09	31 Aug 2009					
Kannaland	Medium	2005/06	30 Aug 2006					
		2006/07	31 Oct 2007					
		2007/08	25 Aug 2008					
		2008/09	3 Sep 2009					
Hessequa	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Mossel Bay	High	2005/06	7 Sep 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
George	High	2005/06	14 Sep 2006					
		2006/07	13 Sep 2007					
		2007/08	31 Aug 2008					
		2008/09	23 Sep 2009					

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
Oudtshoorn	Medium	2005/06	22 Nov 2006					
		2006/07	31 Oct 2007					
		2007/08	Final financial statements have not been submitted to date					
		2008/09	Final financial statements have not been submitted to date					
Bitou	Medium	2005/06	29 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Knysna	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Eden DM	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Laingsburg	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Prince Albert	Medium	2005/06	31 Aug 2006					
		2006/07	31 July 2007					
		2007/08	20 Oct 2008					
		2008/09	31 Aug 2009					
Beaufort West	Medium	2005/06	31 Aug 2006					
		2006/07	31 Aug 2007					
		2007/08	31 Aug 2008					
		2008/09	31 Aug 2009					
Central Karoo DM	Medium	2005/06	31 Aug 2006					
		2006/07	8 Aug 2007					
		2007/08	8 Aug 2008					
		2008/09	31 Aug 2009					
<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>0</b>	<b>11</b>	<b>17</b>	<b>2</b>	<b>0</b>
		<b>2007/08</b>		<b>0</b>	<b>23</b>	<b>3</b>	<b>3</b>	<b>0</b>
		<b>2008/09</b>		<b>1</b>	<b>23</b>	<b>1</b>	<b>4</b>	<b>0</b>

Table 34: Submission dates and types of Auditor-General reports received

Source: Database Auditor-General

The following graph illustrates comparison with the types of Auditor-General reports received for the past four years.



Graph 14: Comparison with previous years: Type of Auditor-General reports issued

The graph illustrates that there has been a huge improvement in the audit outcomes of municipalities, particularly in the category of qualified opinions over the past four years from 9 municipalities being unqualified in 2005/06 to 23 in 2008/09 year.

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

**Note: Only the findings that were raised in most municipalities for the 2005/06, 2006/07, 2007/08 and 2008/09 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 & irregular & unauthorised expenditure

Municipality	Financial year	Key findings										
		1	2	3	4	5	6	7	8	9	10	11
City of Cape Town	05/06											
	06/07											
	07/08											
	08/09	Unmodified opinion, no issues were raised										
Matzikama	05/06											
	06/07											
	07/08											
	08/09											

Municipality	Financial year	Key findings										
		1	2	3	4	5	6	7	8	9	10	11
Cederberg	05/06											
	06/07											
	07/08											
	08/09											
Bergriver	05/06											
	06/07											
	07/08											
	08/09											
Saldanha Bay	05/06											
	06/07											
	07/08											
	08/09											
Swartland	05/06											
	06/07											
	07/08											
	08/09	No issues of this nature were raised										
West Coast DM	05/06											
	06/07											
	07/08											
	08/09	No issues of this nature were raised										
Witzenberg	05/06											
	06/07											
	07/08											
	08/09											
Drakenstein	05/06											
	06/07											
	07/08											
	08/09											
Stellenbosch	05/06											
	06/07											
	07/08											
	08/09											
Breede Valley	05/06											
	06/07											
	07/08											
	08/09											
Breede River/ Wine-lands	05/06											
	06/07											
	07/08											
	08/09	No issues of this nature were raised										
Cape Winelands DM	05/06											
	06/07											
	07/08											
	08/09	No issues of this nature were raised										

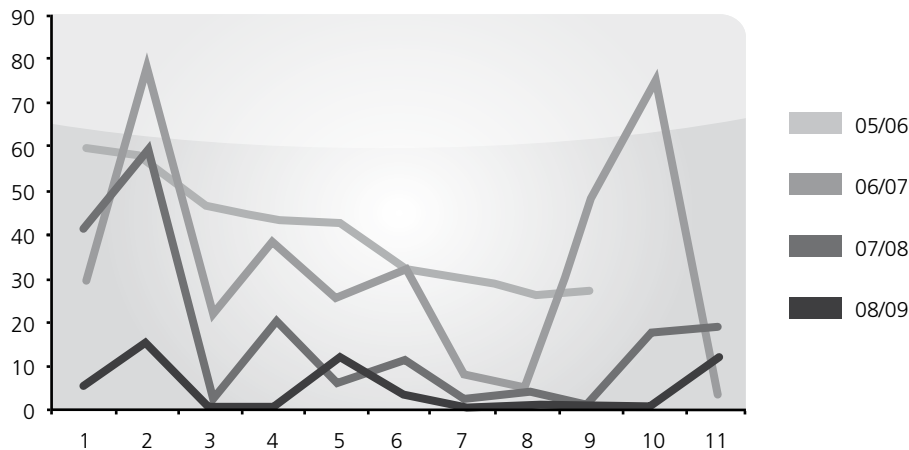
Municipality	Financial year	Key findings										
		1	2	3	4	5	6	7	8	9	10	11
Theewaterskloof	05/06											
	06/07											
	07/08											
	08/09											
Overstrand	05/06											
	06/07											
	07/08											
	08/09											
Cape Agulhas	05/06											
	06/07											
	07/08											
	08/09											
Swellendam	05/06											
	06/07											
	07/08											
	08/09											
Overberg DM	05/06											
	06/07											
	07/08											
	08/09											
Kannaland	05/06											
	06/07											
	07/08											
	08/09											
Hessequa	05/06											
	06/07											
	07/08											
	08/09	No issues of this nature were raised										
Mossel Bay	05/06											
	06/07											
	07/08											
	08/09											
George	05/06											
	06/07											
	07/08											
	08/09											
Oudtshoorn	05/06											
	06/07											
	07/08	Final financial statements have not been submitted to date										
	08/09	Final financial statements have not been submitted to date										

Municipality	Financial year	Key findings										
		1	2	3	4	5	6	7	8	9	10	11
Bitou	05/06											
	06/07											
	07/08											
	08/09											
Knysna	05/06											
	06/07											
	07/08											
	08/09	No issues of this nature were raised										
Eden DM	05/06											
	06/07											
	07/08											
	08/09											
Laingsburg	05/06											
	06/07											
	07/08											
	08/09											
Prince Albert	05/06											
	06/07											
	07/08											
	08/09											
Beaufort West	05/06											
	06/07											
	07/08											
	08/09											
Central Karoo DM	05/06											
	06/07											
	07/08											
	08/09											
<b>Total findings</b>	<b>05/06</b>	<b>60</b>	<b>57</b>	<b>47</b>	<b>43</b>	<b>43</b>	<b>33</b>	<b>30</b>	<b>27</b>	<b>27</b>	<b>Not in PT DB in 05/06</b>	<b>20</b>
	<b>06/07</b>	<b>29</b>	<b>78</b>	<b>21</b>	<b>39</b>	<b>25</b>	<b>33</b>	<b>8</b>	<b>4</b>	<b>46</b>	<b>75</b>	<b>4</b>
	<b>07/08</b>	<b>40</b>	<b>60</b>	<b>2</b>	<b>22</b>	<b>6</b>	<b>11</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>18</b>	<b>19</b>
	<b>08/09</b>	<b>5</b>	<b>16</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>13</b>

Table 35: Key findings in the reports of the Auditor-General

Source: Auditor-General reports

The following graph illustrates comparison of audit findings for the past four years.



Graph 15: Comparison of audit findings for past 4 years

### 5.3.3 Analysis of the reports of the Auditor-General

Over the past four years from 2005/06, there has been a huge improvement in the audit outcomes of municipalities, particularly in the category of qualified opinions, from 9 municipalities being unqualified in 2005/06 to 23 in 2008/09, but disclaimers of opinion were given to 4 municipalities, one more than in 2007/08 as indicated in table 34. It is also encouraging that the majority of municipalities' audit outcomes remained stable at financially unqualified from 2007/08 to 2008/09. Of the 29 municipalities that were audited, two regressed (Cederberg and Swellendam), two improved (Hessequa and Berg River) and 25 remained the same compared to the 2007/08 financial year.

There is also a huge improvement in the total number of issues raised as indicated in table 35. Non-compliance with legislation, supply chain management, fruitless & wasteful & irregular & unauthorised expenditure, effectiveness of internal audit and risk management are the issues that were raised the most in the reports of the Auditor-General for 2008/09.

#### **Non-compliance with legislation with mainly the following key requirements was raised:**

- Non-payment of creditors within 30 days from date of receipt of invoices (MFMA);
- Not maintaining a system of internal control over assets (MFMA);
- Non-declaration of financial interests by councillors (MSA);
- Not carrying out performance assessments (MSA).

As mentioned by the Auditor-General in the General Report on Audit Outcomes of the Western Cape Local Government for 2008/09, not attending to these issues matters can contribute to deteriorated future audit outcomes and municipalities must implement self-assessment procedures with compliance checklists together with ongoing monitoring and review by management to prevent lapses in compliance with laws and regulations and municipal internal auditors must review the adequacy of internal controls in this regard.

## 5.4 Outstanding debt and debt management

### 5.4.1 Outstanding consumer debt per service



Municipality	Financial year	Type of service						
		Rates	Trading services (Electricity & water)	Economic services (Sewerage & refuse)	Housing rentals	Other	Total	
		R'000	R'000	R'000	R'000	R'000	R'000	
City of Cape Town	05/06	1 525 858	2 040 130	841 445	307 325	369 322	5 084 080	
	06/07	983 954	1 803 889	740 311	225 659	367 035	4 120 848	
	07/08	1 228 355	1 950 373	835 985	310 377	369 129	4 694 219	
	08/09	1 527 334	2 498 445	1 045 937	365 716	386 232	5 823 664	
Matzikama	05/06	13 430			3 174	0	16 604	
	06/07	16 622			2 708	2 471	17 228	
	07/08	20 916			2 645	2 427	25 988	
	08/09	24 174			3 041	-	27 215	
Cederberg	05/06	Not indicated in this format in financial statements						31 120
	06/07	5 400	10 891	8 375	1 059	1 466	27 191	
	07/08	4 810	8 471	6 678	459	601	21 019	
	08/09	8 086	13 964	7 993	451	1 544	32 038	
Bergriver	05/06	5 882	5 482	2 504	0	3 555	17 423	
	06/07	6 292	5 933	2 419	0	5 060	19 704	
	07/08	8 627	7 160	0	0	6 928	22 715	
	08/09	8 710	8 833	5 888	309	11 341	35 081	
Saldanha Bay	05/06	21 050	8 599	12 738	22 438	75 972	21 050	
	06/07	24 985	20 463	9 829	26 626	94 159	24 985	
	07/08	16 824	30 824	22 628	9 586	8 473	88 335	
	08/09	15 923	22 938	16 888	9 899	1 305	66 955	
Swartland	05/06	5 115	6 767	4 806	384	0	17 075	
	06/07	5 061	10 554	4 060	224	0	19 901	
	07/08	5 852	12 638	4 569	225	0	23 284	
	08/09	6 780	15 889	5 271	194	0	28 135	
West Coast DM	05/06	13	3 270	25	48	1 542	4 898	
	06/07	25	4 479	25	51	1 401	5 981	
	07/08	39	4 375	30	59	3 667	8 170	
	08/09	79	4 629	34	95	63	4 901	
Witzenberg	05/06	Not indicated in this format in financial statements						39 805
	06/07	Not indicated in this format in financial statements						47 995
	07/08	Not indicated in this format in financial statements						58 513
	08/09	Not indicated in this format in financial statements						65 330
Drakenstein	05/06	18 524	44 702	21 161	6 138	2 868	93 393	
	06/07	29 425	51 955	38 473	10 865	3 543	134 261	
	07/08	30 222	61 977	54 959	20 358	0	167 516	
	08/09	28 607	87 224	68 105	21 480	0	205 417	
Stellenbosch	05/06	18 584	22 713	13 883	-	55 180	18 584	
	06/07	17 868	24 902	14 850	-	57 620	17 868	
	07/08	16 266	24 322	14 371	16 749	0	71 708	
	08/09	23 946	31 947	17 465	25 209	0	98 568	
Breede Valley	05/06	18 630	31 309	23 966	7 182	14 142	95 229	
	06/07	18 254	25 412	14 759	6 797	15 005	80 227	
	07/08	17 867	26 226	16 473	10 487	6 665	77 718	
	08/09	12 830	33 710	14 828	6 571	8 181	76 120	

Municipality	Financial year	Type of service					
		Rates	Trading services (Electricity & water)	Economic services (Sewerage & refuse)	Housing rentals	Other	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Breede River/ Winelands	05/06	Not indicated in this format in financial statements					27 329
	06/07	0	10 016	5 901	1 243	2 187	19 348
	07/08	0	10 085	5 158	1 136	6 060	77 718
	08/09	4 060	12 720	6 147	710	1 429	25 066
Cape Winelands DM	05/06	No consumer debtors					
	06/07	No consumer debtors					
	07/08	No consumer debtors					
	08/09	No consumer debtors					
Theewaters- kloof	05/06	Not indicated in this format in financial statements					56 007
	06/07	Not indicated in this format in financial statements					71 926
	07/08	Not indicated in this format in financial statements					92 832
	08/09	23 058	26 177	33 022	0	9 315	91 572
Overstrand	05/06	6 880	19 010	9 330	979	0	36 200
	06/07	9 671	17 232	7 556	9	2 689	37 160
	07/08	9 084	18 903	9 380	10	3 739	41 116
	08/09	Not indicated in this format in financial statements					53 326
Cape Agulhas	05/06	1 763	4 190	1 671	189	2 439	10 252
	06/07	1 703	3 981	1 449	118	3 605	10 856
	07/08	1 583	3 992	1 618	116	3 802	11 111
	08/09	2 067	6 186	1 920	92	1 302	11 567
Swellendam	05/06	Not indicated in this format in financial statements					23 146
	06/07	Not indicated in this format in financial statements					26 262
	07/08	Not indicated in this format in financial statements					25 610
	08/09	8 967	9 509	11 083	235	6 975	36 769
Overberg DM	05/06	Not indicated in this format in financial statements					3 784
	06/07	0	28	5	36	2 909	2 978
	07/08	0	19	4	41	193	257
	08/09	0	15	7	70	232	324
Kannaland	05/06	5 313	4 804	11 823	331	0	22 271
	06/07	6 543	5 698	13 979	369	0	26 589
	07/08	7 877	2 857	15 479	413	0	26 626
	08/09	10 556	4 116	19 468	111	595	34 846
Hessequa	05/06	5 309	6 564	6 006	2 838	5 582	26 299
	06/07	4 735	6 310	5 268	207	5 219	21 739
	07/08	4 922	6 345	4 082	78	3 614	19 041
	08/09	4 808	6 271	3 950	77	3 517	18 624
Mossel Bay	05/06	7 833	20 553	19 204	444	4 848	52 882
	06/07	7 256	27 952	26 168	440	4 627	66 443
	07/08	6 110	22 668	22 750	1 680	2 052	55 260
	08/09	6 497	23 532	20 506	296	2 999	53 830
George	05/06	15 918	29 274	25 339	772	18 331	89 634
	06/07	12 305	30 038	21 779	629	12 134	76 885
	07/08	13 153	43 637	19 125	610	4 191	80 716
	08/09	16 771	43 818	18 754	2 153	2 615	84 111

Municipality	Financial year	Type of service					
		Rates	Trading services (Electricity & water)	Economic services (Sewerage & refuse)	Housing rentals	Other	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Oudtshoorn	05/06	Not indicated in this format in financial statements					50 794
	06/07	Not indicated in this format in financial statements					78 017
	07/08	Financial statements have not been submitted to date					-
	08/09	Financial statements have not been submitted to date					-
Bitou	05/06	Not indicated in this format in financial statements					26 437
	06/07	5 639	10 217	9 825	378	3 647	31 457
	07/08	6 747	9 980	10 167	542	3 314	30 750
	08/09	8 778	12 283	13 465	805	3 450	39 871
Knysna	05/06	10 083	13 686	5 489	5 436	7 036	41 730
	06/07	10 844	16 410	5 753	3 810	7 834	44 651
	07/08	10 214	18 149	12 661	1 840	5 841	48 705
	08/09	16 339	28 648	16 591	2 618	3 774	67 970
Eden DM	05/06	1 835	2 077	1 362	50	1 874	7 198
	06/07	0	2 758	1 773	345	1 831	6 707
	07/08	0	4 122	2 230	619	3 059	10 030
	08/09	2 380	4 642	2 691	0	3 542	13 255
Laingsburg	05/06	726	377		0	0	1 103
	06/07	644	288		0	0	932
	07/08	925			198	896	2 019
	08/09	1 124	510	67	0	1 702	
Prince Albert	05/06	Not indicated in this format in financial statements					2 169
	06/07	Not indicated in this format in financial statements					1 778
	07/08	Not indicated in this format in financial statements					2 284
	08/09	724	3 087	0	43	322	4 564
Beaufort West	05/06	3 760	5 207	7 093	427	10 811	27 298
	06/07	4 632	6 651	8 628	459	13 426	33 796
	07/08	2 120	3 789	4 804	136	17 044	27 893
	08/09	4 025	5 470	6 991	107	11 542	28 135
Central Karoo DM	05/06	421	2 093	1 161	0	246	3 921
	06/07	478	2 434	1 737	0	276	4 925
	07/08	738	2 785	2 370	0	210	6 103
	08/09	659	1 276	1 639	0	85	3 659
<b>Total</b>	<b>05/06</b>						<b>5 947 715</b>
	<b>06/07</b>						<b>5 124 096</b>
	<b>07/08</b>						<b>5 761 977</b>
	<b>08/09</b>						<b>7 032 615</b>

Table 36: Outstanding consumer debt per service

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

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

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

Municipality	Total Outstanding Debt						
	2005/06	2006/07	2007/08	2008/09	Difference 2005/06 & 2006/07	Difference 2006/07 & 2007/08	Difference 2007/08 & 2008/09
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
City of Cape Town	5 084 080	4 120 848	4 694 219	5 823 664	-963 232	573 371	1 129 445
Matzikama	16 604	17 228	25 988	27 215	624	8 760	1 227
Cederberg	31 120	27 191	21 019	32 038	-3 929	-6 172	11 019
Bergriver	17 423	19 704	26 653	35 081	2 281	6 949	8 428
Saldanha Bay	21 050	72 194	88 335	66 955	51 144	16 141	-21 380
Swartland	19 837	23 284	27 962	28 135	3 447	4 678	173
West Coast DM	4 898	5 981	8 170	4 901	1 083	2 189	-3 269
Witzenberg	39 805	47 995	58 513	65 330	8 190	10 518	6 817
Drakenstein	93 393	141 973	167 515	205 417	48 580	25 542	37 902
Stellenbosch	18 584	17 868	71 708	98 568	-716	53 840	26 860
Breede Valley	95 229	80 227	77 718	76 120	-15 002	-2 509	-1 598
Breede River/ Winelands	27 329	19 348	22 439	25 066	-7 981	3 091	2 627
Cape Winelands DM	No consumer debtors						
Theewaterskloof	56 007	71 926	92 832	91 572	15 919	20 906	-1 260
Overstrand	36 200	37 160	41 116	53 326	960	3 956	12 210
Cape Agulhas	10 252	10 856	11 111	11 567	604	255	456
Swellendam	23 146	26 262	25 610	36 769	3 116	-652	11 159
Overberg DM	3 784	2 978	257	324	-806	-2 721	67
Kannaland	22 271	26 589	26 626	34 846	4 318	37	8 220
Hessequa	26 299	21 739	19 041	18 624	-4 560	-2 698	-417
Mossel Bay	52 882	66 443	55 260	53 830	13 561	-11 183	-1 430
George	89 634	70 994	80 716	84 111	-18 640	9 722	3 395
Oudtshoorn	50 794	78 017	Financial statements have not been submitted to date		27 223	Financial statements have not been submitted to date	
Bitou	26 437	29 706	30 750	39 871	3 269	1 044	9 121
Knysna	41 730	44 651	48 705	67 970	2 921	4 054	19 265
Eden DM	7 198	8 552	10 030	13 255	1 354	1 478	3 225
Laingsburg	1 103	1 483	2 019	1 702	380	536	-317
Prince Albert	2 169	1 778	2 284	4 564	-391	506	2 280
Beaufort West	27 298	33 796	27 893	28 135	6 498	-5 903	242
Central Karoo DM	3 921	4 925	6 103	3 659	1 004	1 178	-2 444
<b>Total</b>	<b>5 947 715</b>	<b>5 089 570</b>	<b>5 761 977</b>	<b>7 032 615</b>	<b>-858 145</b>	<b>672 407</b>	<b>1 270 638</b>

Table 37: Total consumer debt outstanding per municipality

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

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

### 5.4.3 Consumer debtor age analysis

Municipality	Financial year	Debtor age analysis				
		< 30 days	30-60 days	60-90 days	> 90 days	Total
		R'000	R'000	R'000	R'000	R'000
City of Cape Town	05/06	703 486	197 139	141 979	4 041 476	5 084 080
	06/07	908 300	154 140	294 138	2 764 270	4 120 848
	07/08	830 825	171 772	183 875	3 507 747	4 694 219
	08/09	1 638 016	233 163	195 424	3 757 061	5 823 664
Matzikama	05/06	Not indicated in this format in financial statements				16 604
	06/07	5 745	690	953	9 234	16 622
	07/08	6 055	1 067	856	18 010	25 988
	08/09	7 386	1 264	956	17 608	27 215
Cederberg	05/06	Not indicated in this format in financial statements				31 120
	06/07	2 838	2 191	712	21 450	27 191
	07/08	2 332	1 108	557	17 022	21 019
	08/09	4 664	2 764	1 499	23 111	32 038
Bergriver	05/06	Not indicated clearly in financial statements				17 423
	06/07	Not indicated clearly in financial statements				19 704
	07/08	7 213	900	712	17 828	26 653
	08/09	15 021	1 095	1 429	17 536	35 081
Saldanha Bay	05/06	Not indicated clearly in financial statements				75 972
	06/07	12 750	2 132	5 802	51 510	72 194
	07/08	13 651	2 051	2 730	69 902	88 334
	08/09	21 619	2 191	1 811	41 331	66 955
Swartland	05/06	7 983	1 857	1 226	6 009	17 075
	06/07	9 586	1 997	534	7 784	19 837
	07/08	14 204	2 287	583	6 210	23 284
	08/09	17 433	2 793	634	7 275	28 135
West Coast DM	05/06	2 907	287	167	1 537	4 898
	06/07	4 470	52	31	1 428	5 981
	07/08	6 949	119	80	1 022	8 170
	08/09	4 373	152	157	219	4 901
Witzenberg	05/06	7 581	1 490	981	29 753	39 805
	06/07	7 654	1 603	1 122	33 448	47 995
	07/08	8 687	1 733	1 165	46 928	58 513
	08/09	8 652	2 369	1 768	52 707	65 330
Drakenstein	05/06	35 831	5 704	4 220	47 638	93 393
	06/07	45 703	18 182	10 234	67 854	141 973
	07/08	45 866	9 183	7 141	105 326	167 516
	08/09	53 733	9 617	7 333	134 733	205 417
Stellenbosch	05/06	17 257	2 253	1 372	34 298	55 180
	06/07	16 603	2 181	1 335	37 501	57 620
	07/08	16 276	2 587	1 871	50 974	71 708
	08/09	21 961	4 683	2 776	69 148	98 568

Municipality	Financial year	Debtor age analysis				
		< 30 days	30-60 days	60-90 days	> 90 days	Total
		R'000	R'000	R'000	R'000	R'000
Breede Valley	05/06	13 795	2 842	2 167	76 425	95 229
	06/07	17 471	2 295	2 496	57 965	80 227
	07/08	17 574	2 764	2 065	55 315	77 718
	08/09	34 152	3 022	1 925	37 021	76 120
Breede River/ Winelands	05/06	Not indicated in this format in financial statements				27 329
	07/08	8 475	1 262	901	11 801	22 439
	08/09	10 908	1 890	1 119	11 149	25 065
Cape Winelands DM	05/06	No consumer debtors				
	06/07	No consumer debtors				
	07/08	No consumer debtors				
	08/09	No consumer debtors				
Theewaters- kloof	05/06	Not indicated in this format in financial statements				56 007
	06/07	Not indicated in this format in financial statements				71 926
	07/08	Not indicated in this format in financial statements				92 833
	08/09	Not indicated in this format in financial statements				91 572
Overstrand	05/06	14 646	3 416	1 273	16 865	36 200
	06/07	17 525	4 491	1 725	13 419	37 160
	07/08	22 238	1 548	967	16 363	41 116
	08/09	Not indicated in this format in financial statements				53 326
Cape Agulhas	05/06	3 204	1 256	271	3 297	1 420
	06/07	3 533	1 344	269	2 170	2 820
	07/08	4 208	1 093	275	5 535	11 111
	08/09	5 948	1 278	367	3 974	11 567
Swellendam	05/06	2 090	581	477	114 457	18 067
	06/07	2 192	775	759	16 845	21 047
	07/08	2 700	874	721	21 315	25 610
	08/09	13 020	945	908	21 896	36 769
Overberg DM	05/06	Not indicated in this format in financial statements				3 784
	06/07	Not indicated in this format in financial statements				2 978
	07/08	21	66	37	133	257
	08/09	46	11	2	265	324
Kannaland	05/06	1 370	519	759	19 623	22 271
	06/07	1 424	565	491	24 108	26 589
	07/08	1 842	506	392	23 886	26 626
	08/09	2 129	643	528	31 546	34 846
Hessequa	05/06	4 206	1 409	933	19 751	26 299
	06/07	4 589	1 757	822	14 571	21 739
	07/08	8 425	1 222	724	8 670	19 041
	08/09	6 813	1 944	757	9 110	18 624
Mossel Bay	05/06	16 058	1 870	1 459	33 495	52 882
	06/07	20 805	1 928	1 722	41 988	66 443
	07/08	18 299	1 868	1 306	33 787	55 260
	08/09	21 401	1 946	1 665	28 818	53 830

Municipality	Financial year	Debtor age analysis				
		< 30 days	30-60 days	60-90 days	> 90 days	Total
		R'000	R'000	R'000	R'000	R'000
George	05/06	1 856	17 795	4 366	65 617	89 634
	06/07	27 012	2 094	1 636	46 143	76 885
	07/08	37 946	3 033	1 543	38 194	80 716
	08/09	46 798	2 415	1 758	33 140	84 111
Oudtshoorn	05/06	Not indicated in this format in financial statements				50 794
	06/07	Not indicated in this format in financial statements				78 017
	07/08	Financial statements have not been submitted to date				-
	08/09	Financial statements have not been submitted to date				-
Bitou	05/06	Not indicated in this format in financial statements				26 437
	06/07	8 430	1 693	934	18 649	29 706
	07/08	8 475	1 566	798	19 911	30 750
	08/09	7 619	1 069	612	30 571	39 871
Knysna	05/06	9 351	2 621	1 038	28 720	41 730
	06/07	10 853	4 074	1 503	28 221	44 651
	07/08	12 073	4 525	1 661	30 446	48 705
	08/09	19 306	7 210	2 888	38 566	67 970
Eden DM	05/06	Not indicated in this format in financial statements				7 198
	06/07	380	191	204	5 932	6 707
	07/08	-9	438	269	9 332	10 030
	08/09	4 327	687	398	7 843	13 255
Laingsburg	05/06	Not indicated in this format in financial statements				1 103
	06/07	Not indicated in this format in financial statements				932
	07/08	Not indicated in this format in financial statements				2 019
	08/09	Not indicated in this format in financial statements				1 702
Prince Albert	05/06	Not indicated in this format in financial statements				2 169
	06/07	Not indicated in this format in financial statements				1 778
	07/08	Not indicated in this format in financial statements				2 284
	08/09	620	648	291	3 005	4 564
Beaufort West	05/06	Not indicated in this format in financial statements				27 298
	06/07	3 415	1 362	878	28 141	33 796
	07/08	4 782	1 298	884	20 929	27 893
	08/09	4 368	834	789	22 144	28 135
Central Karoo DM	05/06	178	143	112	3 488	3 921
	06/07	159	145	147	4 474	4 925
	07/08	179	149	142	5 633	6 103
	08/09	151	121	81	3 306	3 659
<b>Total</b>	<b>05/06</b>	<b>931 390</b>	<b>332 282</b>	<b>254 004</b>	<b>4 519 673</b>	<b>6 025 793</b>
	<b>06/07</b>	<b>1 199 778</b>	<b>291 713</b>	<b>422 721</b>	<b>3 252 226</b>	<b>5 157 639</b>
	<b>07/08</b>	<b>1 099 286</b>	<b>215 019</b>	<b>212 255</b>	<b>4 235 417</b>	<b>5 761 977</b>
	<b>08/09</b>	<b>1 970 464</b>	<b>284 754</b>	<b>227 876</b>	<b>4 549 521</b>	<b>7 032 615</b>

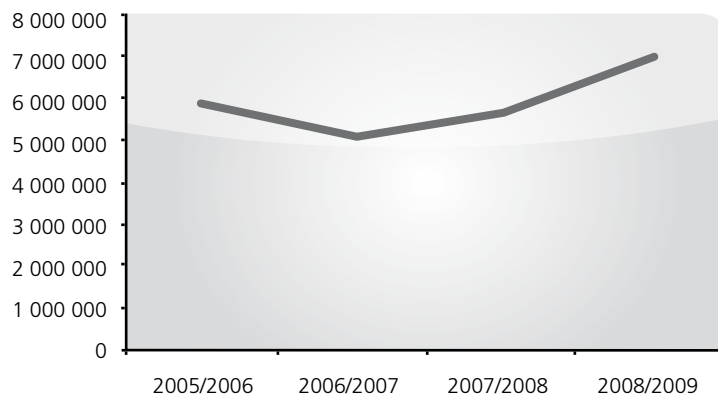
Table 38: Consumer debt age analysis

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

Notes:

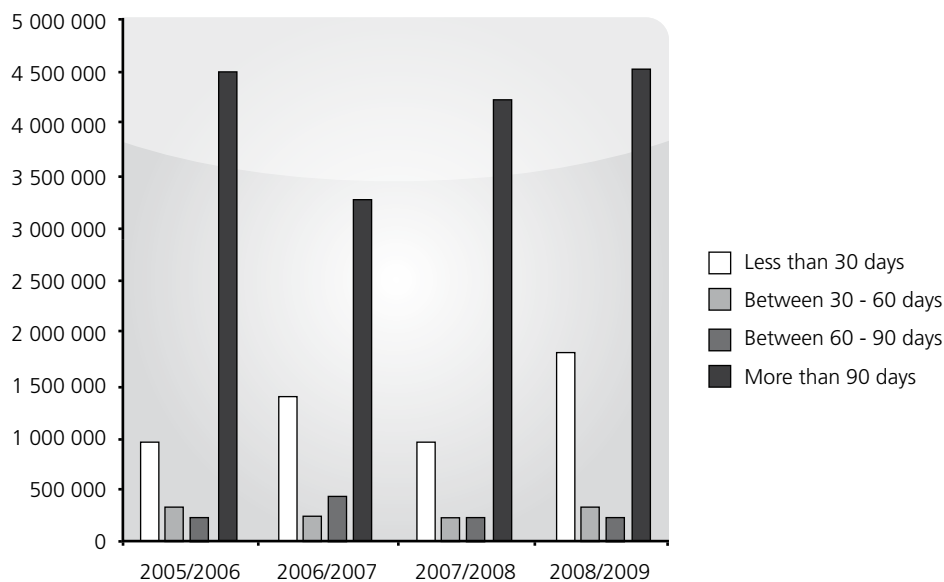
- Provisions for bad debt were not taken into account in the total amount outstanding per municipality
- Due to phased implementation of GRAP, figures under correction due to different formats of financial statements

The following graph illustrates the comparison of outstanding debtors for the past four years.



Graph 16: Comparison of outstanding debtors for the past 4 years

The following graph illustrates the comparison of debtor's age analysis for the past four years.



Graph 17: Comparison of debtor's age analysis for the past 4 years

#### 5.4.4 Analysis of consumer debtors

It is important to note that provisions for bad debt were not taken into account in the total amount outstanding for debtors per municipality and that due to the phased implementation of GRAP over the past years, the figures are in some instances not always available in the specific format needed for the report due to the different formats of the notes in the financial statements of municipalities.

The year-on-year comparison indicates that total outstanding debtors with provision for bad debt not taken into account have increased by 22,1% or R1.2 billion from R5,7 billion as at the end of 2007/08 financial year to R7,0 billion as at the end of 2008/09. Of this increase, the outstanding debtors of the City of Cape Town alone increased with R1.1 billion or 24.1%. Most of this increased amount for the City of Cape Town is outstanding for less than 30 days and is therefore part of their current outstanding debtors.



The total increase for all other municipalities' amounts to R 141 million or 13.2%. Of the total amount outstanding for the 2008/09 financial year, 64,7% is for debt older than 90 days. When evaluating the balance sheets of municipalities it is alarming to note that current assets mainly consist of outstanding debtors which will not realise immediate cash to service their current liabilities, i.e. creditors, etc. Although all municipalities have approved credit control policies in place, it is often not enforced effectively due to capacity challenges and other resource shortages.

## 5.5 Performance against additional viability indicators

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

### 5.5.1 Staff cost as percentage (%) of total operating expenditure (excludes Councillor allowances)

Municipality	2004/05	2005/06	2006/07	2007/08	2008/09		
					Total Expenditure salaries and allowances	Total Operating Expenditure	Percentage
					R'000	R'000	%
	%	%	%	%			
City of Cape Town	32	28	31	28	4 537 568	13 871 253	33
Matzikama	38	35	32	31	36 004	126 224	29
Cederberg	37	39	42	42	26 244	105 954	25
Bergriver	43	43	40	39	46 926	115 330	41
Saldanha Bay	36	32	31	29	107 534	340 072	32
Swartland	29	31	32	34	75 075	232 285	32
West Coast DM	25	23	21	21	43 052	206 894	21
Witzenberg	33	35	36	34	63 800	188 474	34
Drakenstein	32	31	31	29	205 081	777 306	26
Stellenbosch	34	33	34	33	167 829	540 904	31
Breede Valley	32	33	30	28	110 277	422 258	26
Breede River/Winelands	28	29	30	33	78 176	252 548	31
Cape Winelands DM	37	30	27	11	80 924	309930	26
Theewaterskloof	25	23	24	25	71 982	208 656	34
Overstrand	33	32	33	34	124 190	399 963	31
Cape Agulhas	37	35	32	36	37 808	107 909	35
Swellendam	41	41	37	36	30 417	92 742	33
Overberg DM	39	48	36	43	45 573	93 114	48
Kannaland	32	29	15	25	14 971	55 044	27
Hessequa	45	33	33	37	51 119	166 320	31
Mossel Bay	34	31	39	29	127 640	405 020	32
George	25	24	25	34	179 164	670 005	27
Oudtshoorn	39	43	43		Financial Statements not submitted to date		
Bitou	-	39	37	31	74 288	225 887	33
Knysna	30	33	40	31	100 602	327 114	31
Eden DM	42	36	32	21	69 594	257 350	27
Laingsburg	36	38	32	32	7 722	22 887	34
Prince Albert	44	45	41	38	6 832	23 305	29
Beaufort West	41	41	38	29	34 646	140 431	25
Central Karoo DM	18	19	20	22	9 432	51 408	18
<b>Total</b>	<b>32</b>	<b>29</b>	<b>31</b>	<b>28</b>	<b>6 564 470</b>	<b>20 736 587</b>	<b>32</b>

Table 39: Staff cost as percentage (%) of total operating expenditure (excludes councillor allowances)

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

## 5.5.2 Level of reliance on grants

Municipality	2004/05	2005/06	2006/07	2007/08	2008/09	
	Ratio	Ratio	Ratio	Ratio	Net current assets	Net current liabilities R'000
City of Cape Town	11	14	18	5 174 837	17 007 440	30
Matzikama	13	31	35	76 357	160 427	48
Cederberg	15	16	16	21 964	108 690	20
Bergriver	9	18	8	11 644	123 298	9
Saldanha Bay	6	15	11	55 206	417 006	13
Swartland	17	12	8	25 286	277 666	9
West Coast DM	11	11	8	82 186	228 540	36
Witzenberg	11	21	12	71 135	187 376	38
Drakenstein	13	11	22	119 690	824 788	15
Stellenbosch	15	12	12	54 665	589 038	9
Breede Valley	25	20	19	121 414	462 440	26
Breede River/Winelands	8	9	18	44 051	268 332	16
Cape Winelands DM	36	55	4	250 159	327 564	76
Theewaterskloof	27	31	29	37 705	218 778	17
Overstrand	7	8	6	12 464	423 407	3
Cape Agulhas	6	7	15	22 562	122 432	18
Swellendam	0	2	8	22 748	98 677	23
Overberg DM	23	62	73	68 694	97 909	74
Kannaland	23	44	32	27 962	66 800	42
Hessequa	23	23	13	72 267	217 388	33
Mossel Bay	14	13	14	70 981	449 577	16
George	12	19	24	85 552	642 421	13
Oudtshoorn	5	8	Financial statements have not been submitted to date			
Bitou	20	8	17	56 312	231 364	24
Knysna	10	24	25	84 063	352 110	24
Eden DM	2	34	85	140 018	278 822	50
Laingsburg	63	52	38	9 182	21 072	44
Prince Albert	51	49	51	12 720	27 625	46
Beaufort West	12	27	40	69 220	150 322	46
Central Karoo DM	51	39	88	50 956	56 251	91
<b>Total</b>	<b>12</b>	<b>16</b>	<b>19</b>	<b>6 952 000</b>	<b>24 437 560</b>	<b>28</b>

Table 40: Level of reliance on grants

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

### 5.5.3 Liquidity ratio

Municipality	2004/05	2005/06	2006/07	2007/08	2008/09		
	Ratio	Ratio	Ratio	Ratio	Net current assets	Net current liabilities R'000	Ratio
City of Cape Town	1.4:1	1.3:1	1.2:1	1.3:1	7 194 601	5 113 890	1.4:1
Matzikama	3.7:1	4.2:1	1.4:1	1.3:1	37 921	26 361	1.4:1
Cederberg	2.1:1	1.6:1	2.6:1	2.3:1	63 794	27 197	2.3:1
Bergriver	2.6:1	4.6:1	2.4:1	2.3:1	61 695	30 166	2.0:1
Saldanha Bay	4.5:1	3.2:1	3.5:1	4.7:1	427 913	101 646	4.2:1
Swartland	1.0:1	0.7:1	0.8:1	3.0:1	232 677	56 546	4.1:1
West Coast DM	0.4:1	0.3:1	3:1	2.7:1	158 965	41 921	3.8:1
Witzenberg	0.8:1	0.9:1	0.8:1	0.9:1	64 405	50 846	1.3:1
Drakenstein	2.5:1	1.8:1	1.7:1	1.6:1	312 663	218 205	1.4:1
Stellenbosch	2.6:1	2.4:1	2.3:1	2.2:1	405 428	145 163	2.8:1
Breede Valley	1.6:1	1.9:1	2.4:1	2.0:1	179 620	74 822	2.4:1
Breede River/Winelands	2.9:1	3.5:1	2.2:1	2.7:1	123 896	51 727	2.4:1
Theewaterskloof	1.6:1	1.5:1	2.3:1	1.7:1	51 334	46 519	1.1:1
Overstrand	1.5:1	1.6:1	1.7:1	1.1:1	116 116	162 160	0.7:1
Cape Agulhas	7.2:1	9.2:1	6.7:1	5.6:1	81 152	19 876	4.1:1
Swellendam	5.0:1	9.3:1	6.5:1	3.1:1	32 991	20 892	1.6:1
Overberg DM	2.4:1	1.88:1	1.2:1	1.5:1	19 321	14 802	1.3:1
Kannaland	1.9:1	2.3:1	0.7:1	0.8:1	18 612	26 106	0.7:1
Hessequa	1.9:1	2.2:1	1.7:1	1.6:1	124 508	78 525	1.6:1
Mossel Bay	3.5:1	3.8:1	3.1:1	4.9:1	270 144	80 195	3.4:1
George	2.9:1	3.2:1	2.9:1	3.2:1	586 046	142 414	4.1:1
Oudtshoorn	2.8:1	3.4:1	4.4:1	Financial statements have not been submitted to date			
Bitou	1.3:1	2.9:1	4.1:1	1.8:1	100 550	79 450	1.3:1
Knysna	2.0:1	2.1:1	1.6:1	0.95:1	115 973	94 853	1.2:1
Eden DM	1.7:1	2.8:1	2.5:1	0.95:1	88 219	76 871	1.1:1
Laingsburg	17.1:1	3.9:1	4.3:1	5.0:1	15 510	5 333	2.9:1
Prince Albert	9.5:1	8.1:1	11.1:1	6.8:1	21 930	9 338	2.3:1
Beaufort West	2.5:1	1.4:1	1.7:1	1.6:1	51 709	40 992	1.3:1
Central Karoo DM	1.4:1	1.3:1	1.4:1	0.78:1	7 895	11 169	0.7:1
<b>Total</b>	<b>1.6:1</b>	<b>1.5:1</b>	<b>1.5:1</b>	<b>1.5:1</b>	<b>11 333 067</b>	<b>6 707 529</b>	<b>1.7:1</b>

Table 41: Liquidity ratio: Measurement against debts and liabilities to determine the ability to meet debt obligations

Source: Municipal Financial Statements 2005/06, 2006/07, 2007/08 & 2008/09

### 5.5.4 Analysis of viability indicators

The total average for staff cost as % of operating expenditure for 2008/09 is 32%. The nationally accepted norm is between 35-40% and most municipalities fall within this bracket. Medium and low capacity municipalities with a low revenue base are really struggling to stay within this norm and they indicate that legislative compliance and increasing reporting requirements in terms of new legislation are putting this expenditure under enormous pressure.

The total average grant dependency for 2008/09 is 28%, which is low in comparison with other provinces, but as mentioned earlier in this report they are becoming more reliant on capital grants. The grant dependency rate also increased from 19% in

2007/08 to 28% in 2008/09. Municipalities with a limited revenue base are becoming more reliant on operational grants as well, i.e. the equitable share. As the regional council levies of district municipalities were replaced by the equitable share, they have become almost totally reliant on national government grants.

The total average of the liquidity ratio increased from 1.5:1 in 2007/08 to 1.7:1 in 2008/09. The norm for a healthy liquidity ratio is 1.5:1 and although most municipalities fall within this norm, outstanding debtors forms the biggest of their current assets, except for District Municipalities who have a much smaller consumer base or no consumers at all. 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 older 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 statement is also submitted to the Provincial Legislature on a quarterly basis. These statements provide detail on the revenue and expenditure, as well as various other financial information of municipalities.

The identification of the correct figures for the different tables was in some instances hampered and/or could not be determined as municipalities, depending on their capacity, are at various stages with the implementation of GAMAP/GRAP and therefore the format of and information disclosed in their annual financial statements vary.

## 5.6 Summary grid of overall performance of municipalities on KPIs

The following table is a summary of the overall performance of municipalities relating to municipal financial viability and management. The assessment was based on the following assumptions and principles:

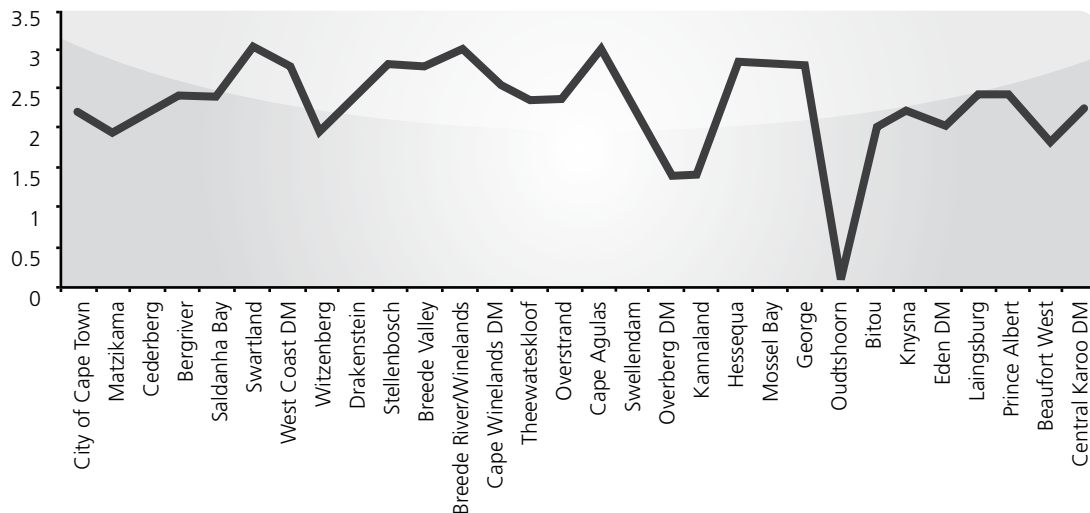
- **Indicator linked to Qualitative Assessment:** 1=Not Adequate; 2=Not fully addressed; 3= Addressed
- **Assessment:**
  - o **Audit reports:** Refers to table 34: – Disclaimer=1, Qualified=2, unqualified=3
  - o **Outstanding debtors:** Refers to table 38: –75% over 90 days=1, between 50-75 %over 90 days=2, under 50% over 90 day=3
  - o **Staff cost as % of OPEX:** Refers to table 39: - above 40%=1, between 35-40%=2, under 35%=3
  - o **Level of reliance on grants:** Refers to table 40: above 40%=1, between 20-40%=2, under 20%=3
  - o **Liquidity ratio:** Refers to table 41: under 1.5:1=1, equal 1.5:1=2, over 1.5:1=3

Municipality	Audit reports	Outstanding debtors	Staff cost as % of OPEX	Level of reliance on grants	Liquidity ratio	Municipal/ District average
City of Cape Town	3	2	3	2	1	2.2
Matzikama	3	2	3	1	1	2.0
Cederberg	1	2	3	2	3	2.2
Bergriver	3	2	1	3	3	2.4
Saldanha Bay	1	2	3	3	3	2.4
Swartland	3	3	3	3	3	3.0
West Coast DM	3	3	3	2	3	2.8
Average for West Coast DM area	2.3	2.3	2.7	2.3	2.7	2.5
Witzenberg	3	1	3	2	1	2.0
Drakenstein	3	2	3	3	1	2.4
Stellenbosch	3	2	3	3	3	2.8
Breede Valley	3	3	3	2	3	2.8
Breede River/Winelands	3	3	3	3	3	3.0
Cape Winelands DM	3	3	3	1	3	2.6
Average for Cape Winelands DM area	3.0	2.3	3.0	2.3	2.3	2.6
Theewaterskloof	3	2	3	3	1	2.4

Municipality	Audit reports	Outstanding debtors	Staff cost as % of OPEX	Level of reliance on grants	Liquidity ratio	Municipal/District average
Overstrand	3	2	3	3	1	2.4
Cape Agulhas	3	3	3	3	3	3.0
Swellendam	1	2	3	2	3	2.2
Overberg DM	3	1	1	1	1	1.4
Average for Overberg DM area	2.6	2	2.6	2.4	1.8	2.28
Kannaland	1	1	3	1	1	1.4
Hessequa	3	3	3	2	3	2.8
Mossel Bay	3	2	3	3	3	2.8
George	2	3	3	3	3	2.8
Oudtshoorn	-	-	-	-	-	-
Bitou	3	1	3	2	1	2.0
Knysna	3	2	3	2	1	2.2
Eden DM	3	2	3	1	1	2.0
Average for Eden DM area	2.6	2.0	3.0	2.0	1.9	2.3
Laingsburg	3	2	3	1	3	2.4
Prince Albert	3	2	3	1	3	2.4
Beaufort West	3	1	3	1	1	1.8
Central Karoo DM	3	1	3	2	2	2.2
Average for Central Karoo area	3.0	1.5	3.0	1.3	2.3	2.2

Table 42: Assessment of overall performance on financial viability and management

The following graph illustrates the overall assessments of performance on financial viability and management. Unfortunately a "0" rating will be indicated if no information was available for a specific municipality.



Graph 18: Evaluation on municipal performance on financial viability and management

The graph illustrates that municipalities such as Swellendam, Kannaland and Oudtshoorn are not performing on the expected standard, mostly due to their receipt of a disclaimed opinion from the Auditor-General on their financial statements for the 2008/09 financial year and that the final financial statements for Oudtshoorn for 2008/09 is still outstanding.

# **CHAPTER 6**

## **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **6.1 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.

Local government 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 is about governing the area, municipality and its citizens in accordance with the spirit of the Constitution of the Republic of South Africa. It includes community consultations, participation and empowerment as a central feature. Focus must be directed towards strengthening wards, ward-based plans and the institution, in order to design mechanisms to improve community participation and the governance of the municipality.

Consideration must be given to the quality and extent of community participation in municipal affairs. While Community Participation and empowerment will form the core, the governance of the Institution is equally important. The good functioning of the Council and sub-committees such as the Audit Committee, Finance Committee, etc, is a further element of good governance.

The design and adoption of policies and by-laws to ensure the effective performance of the municipality, including its Council, is also crucial.

## 6.2 Good governance indicators as at May 2010

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
				Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee				
City of Cape Town	yes	yes	yes	7	24	181	53	NA	0	0	yes	no	yes	no
Matzikama	yes	yes	no	13	10	18	23	2	0	0	no	no	yes	yes
Cederberg	yes	yes	yes	8	12	36	11	3	0	0	yes	yes	yes	no
Bergriver	yes	yes	no	11	18	35	16	0	0	0	yes	yes	yes	no
Saldanha Bay	No info													
Swartland	yes	yes	yes	9	13	20	14	3	0	0	yes	yes	yes	no
West Coast DM	yes	yes	yes	9	13	44	44	3	0	0	yes	yes	yes	no
Witzenberg	yes	yes	yes	13	7	30	NI	2	1	0	yes	no	yes	no
Drakenstein	yes	no	yes	14	29	13	50	NA	0	0	yes	yes	yes	yes
Stellenbosch	yes	yes	yes	5	2	11	2	NI	NI	NI	yes	no	yes	yes
Breede Valley	yes	yes	yes	8	8	NI	NI	NI	0	0	yes	yes	yes	NI
Breede River Winelands	yes	yes	yes	15	12	40	27	4		0	yes	no	yes	no
Cape Winelands DM	yes	yes	yes	8	12	28	13	7	0	0	yes	yes	yes	no
Theewaterskloof	yes	yes	yes	15	21	31	31	NI	0	0	yes	yes	yes	no
Overstrand	yes	yes	yes	12	12	25	NI	2	0	0	yes	yes	yes	no
Cape Agulhas	yes	yes	yes	19	40	36	27	1	0	0	yes	yes	yes	yes
Swellendam	yes	yes	yes	16	23	32	55	2	1	0	yes	no	no	yes
Overberg DM	no	no	yes	6	7	20	5	3	0	0	yes	yes	yes	no
Kannaland	yes	yes	yes	16	2	0	3	1	0	0	yes	yes	yes	no
Hessequa	yes	yes	yes	4	21	54	12	0	0	0	yes	no	yes	no
Mossel Bay	yes	yes	yes	18	10	40	48	NA	0	0	yes	no	yes	yes
George	No info													
Oudtshoorn	yes	yes	yes	25	19	12	9	NI	0	0	yes	no	yes	yes
Bitou	yes	yes	yes	1	4	1	2	1	0	0	yes	yes	yes	yes
Knysna	yes	yes	yes	6	8	32	NI	NI	0	0	yes	yes	yes	yes
Eden DM	yes	yes	yes	10	11	42	NI	NI	0	0	yes	yes	yes	yes
Laingsburg	yes	yes	yes	27	NA	16	6	18	0	0	yes	yes	yes	no
Prince Albert	yes	yes	yes	6	NA	20	9	8	0	NA	yes	yes	yes	no
Beaufort West	yes	yes	yes	14	7	40	8	12	0	0	yes	yes	yes	no
Central Karoo DM	yes	yes	yes	12	5	37	5	4	0	0	yes	yes	yes	no

Table 43: Good governance indicators

Source: Questionnaire: May 2010

NI = No information

### 6.2.1 Analysis of good governance indicators

Of the 28 municipalities that submitted information, 96% have adopted administrative delegations; 93% have adopted delegations in terms of Section 59 of the Municipal Systems Act and 96% have adopted codes of conduct for councillors and municipal officials.

The average number of meetings for Council, Executive Mayoral Committee, Portfolio Committee, Municipal Management and IDP forums were fairly high and 99% of Municipal Council and Executive/Mayoral Committees achieved the requisite quorums for meetings. This reflects positively on the overall good governance of municipalities.

In 96% of municipalities that submitted information codes of conduct are adopted for Council and staff as required by the Municipal Systems Act and 68% communicated these codes to their communities. The interest of Councillors and staff has been declared and active registers and declarations are maintained in 100% of municipalities. Ten municipalities reported that some of their councillors and staff are in arrears, but that mechanisms are being put in place to rectify the situation.

There was a huge improvement in the development of anti-corruption policies by municipalities that submitted information from only 30% of municipalities in 2007/08 to 78% in 2008/09.

### 6.3 Ward committees

Ward committees are established in terms of Chapter 4 of the Municipal Systems Act, 2000, and the Municipal Structures Act, 1998. The ward committee system was designed to ensure that people's inputs are taken into account during planning and decision-making processes at municipal level.

Ward committees have been established in all municipalities, with the exception of Laingsburg and Prince Albert municipalities who in terms of Section 72 of the Local Government Municipal Structures Act do not qualify for the establishment of ward committees. The City of Cape Town has established a ward participatory system, which is referred to as ward forums and not ward committees. Most of the municipalities have various administrative mechanisms in place to support ward committee activities. The Department has played an active and interventionist role in the setting up and capacitating ward committees and Councillors with various initiatives including support with Community Based Planning as part of IDP processes resulting in numerous ward based projects.

#### ***The following challenges however still remain:***

- Some ward committees are not established in terms of the set guidelines;
- The level of functionality varies from one municipality to another; due to the fact that there is no standard measuring tool to assess ward committee functionality. The Department through ward committee summits and in consultation with relevant stakeholders has developed a working document to measure functionality;
- The lack of sectoral representation on ward committees;
- Insufficient municipal support in some instances towards ward committee activities, which leads to ward committees failing to understand and reach their full potential.



The status with regard to ward committees in the Western Cape is indicated in the table below:

Municipality	Number of wards	Status
City of Cape Town	105	Has established a different form of ward participatory system called ward forums, not all ward forums are functional
Matzikama	7	All wards established, meet quarterly and are partly functional
Cederberg	6	
Bergriver	7	
Saldanha Bay	12	
Swartland	10	
West Coast DM		N/A
Witzenberg	11	Ward committees have been re-established, functionality is still a challenge
Drakenstein	31	All ward committee are established but not all are functional
Stellenbosch	19	All ward committee are established but not all are functional
Breede Valley	20	Established and 15 are partly functional, 5 are non-functional
Breede River/Winelands	10	Ward committees have been re-established
Cape Winelands DM		N/A
Theewaterskloof	12	All established and functional, ward committee members were training
Overstrand	10	Established and partly functional
Cape Agulhas	5	Established and partly functional
Swellendam	5	Established and partly functional
Overberg DM		N/A
Kannaland	5	Established and partly functional
Hessequa	8	Established and partly functional
Mossel Bay	12	Established and partly functional
George	20	Established and partly functional
Oudtshoorn	12	Established and partly functional
Bitou	6	Established and partly functional
Knysna	8	Established and partly functional
Eden DM		N/A
Laingsburg		N/A
Prince Albert		N/A
Beaufort West	7	Established and partly functional
Central Karoo DM		N/A

Table 44: Status of ward committees

Source: Department of Local Government and Housing

## 6.4 Anti-corruption

Progress with the implementation of anti-corruption strategies by municipalities according to the Department is indicated in the table below:

Municipality	Anti-corruption and/or Fraud Prevention Plan compiled?	Have council adopted the Anti-corruption and/or Fraud Prevention Plan?	Is the plan being implemented?
City of Cape Town	Yes	Yes	Yes
Matzikama	Yes	Yes	Yes
Cederberg	Yes	Yes	Yes
Bergrivier	Yes	No	Municipality needs assistance
Saldanha Bay	Yes	Yes	Yes
Swartland	Yes	Yes	Yes
West Coast District Municipality	Yes	Yes	Yes
Witzenberg	Yes	Yes	Municipality needs assistance
Drakenstein	Yes	Yes	Yes
Stellenbosch	Yes	Yes	Yes
Breede Valley	Yes	No	No
Breede/River Winelands	Yes	Yes	Yes, but needs assistance
Cape Winelands District Municipality	Yes	Yes	Yes
Theewaterskloof	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes
Cape Agulhas	Yes	Yes	No
Swellendam	Yes	Yes	No
Overberg District Municipality	Yes	Yes	No
Kannaland	No	No	Municipality needs assistance
Hessequa	Yes	Yes	Yes
Mossel Bay	Yes	No	Yes, but municipality needs assistance
George	Yes	Yes	Yes
Oudtshoorn	Yes	Yes	Yes
Bitou	Yes	Yes	No
Knysna	Yes	Yes	Yes, but municipality needs assistance
Eden District Municipality	No	No	No, municipality needs assistance
Laingsburg	Yes	Yes	Municipality needs assistance
Prince Albert	Yes	Yes	Municipality needs assistance
Beaufort West	Yes	Yes	Municipality needs assistance
Central Karoo District Municipality	Yes	Yes	Municipality needs assistance

Table 45: Municipal anti-corruption progress

Source: Database Department of Local Government and Housing

## 6.5 Community Development Workers

Community Development Workers (CDWs) are by definition developmental workers and as such need to play a critical role in ward planning with communities as we strive to develop credible Ward and Integrated Development Plans. Their role becomes vital in linking up with communities to work very close with ward committees. The role of the CDW is therefore to reinforce the community liaison function in partnership with municipalities.

### ***During the year under review the CDWs were involved in among other things, the following activities:***

- Creating awareness about government services for communities. i.e. housing, social grants, etc. during various information sessions;
- Facilitating access to government services for communities;
- Facilitating inter-sectoral partnerships to enhance coordination between role-players in the various municipal areas;
- Supported various socio-economic projects in municipalities in partnership with relevant stakeholders in order to create economic opportunities;
- Promoted social transformation with support to various projects and facilitate workshops to inform communities about government services;
- Supported ward committees to ensure effective functioning; and
- The CDW programme have formed partnerships with amongst others – SASSA, the Department of Home Affairs, the Department of Economic Development, etc. to bring government services closer to the community.

## 6.6 Office of the Auditor-General audit findings on governance

The Auditor-General audit municipalities annually and issue a consolidated report on their findings. The following represents a summary of the findings of the Auditor-General related to matters of governance:

Matter of governance	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2007/08)	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2008/09)
<b>Audit committee</b>		
The municipality had an audit committee in operation throughout the financial year. (This indicates the % of municipalities who did not have an effective functioning audit committee)	31%	17%
The audit committee operates in accordance with approved written terms of reference. (This indicates the % of municipalities who's audit committee did not have an approved written terms of reference)	31%	23%
The audit committee substantially fulfilled its responsibilities for the year, as set out in Section 166(2) of the MFMA. (This indicates the % of municipalities who's audit committee did not fulfil its responsibilities as set out in the MFMA)	45%	33%
<b>Internal audit</b>		
The municipality had an internal audit function in operation throughout the financial year. (This indicates the % of municipalities who did not have a dedicated internal audit function)	31%	13%
The internal audit function operates in terms of an approved internal audit plan. (This indicates the % of municipalities who's internal audit function did not fulfil its functions in terms of an approved audit plan)	41%	30%
The internal audit function substantially fulfilled its responsibilities for the year, as set out in Section 165(2) of the MFMA. (This indicates the % of municipalities who's internal audit function did not fulfil its responsibilities in as set out in the MFMA)	69%	43%

Matter of governance	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2007/08)	% non-compliance (% of municipalities that did not comply with this legislative requirement for 2008/09)
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines (Section 126 of the MFMA). (This indicates the % of municipalities that did not submit their financial statements n the legislative deadline)	23%	27%
The financial statements submitted for audit were not subject to any material amendments resulting from the audit. (This indicates the % of municipalities who's financial statements were substantially amended during the audit process, due to errors made during compilation)	3%	80%
The annual report was submitted to the auditor for consideration prior to the date of the auditor's report. (This indicates the % of municipalities who's draft annual reports were not available during the audit process to audit the performance data)	62%	57%
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. (This indicates the % of municipalities at which the AG had difficulties to get additional information and/or experienced difficulties to get hold of senior management)	7%	43%
The prior year's external audit recommendations have been substantially implemented. (This indicates the % of municipalities that did not implement the recommendations that was raised by the AG in the previous year's audit reports)	47%	47%
<i>Table 46: Audit findings: Governance Matters</i>		
<i>Source: Reports of Auditor-General</i>		

## 6.7 Analysis, challenges and trends

Ward committees are legislated in the Municipal Structures Act to ensure and improve community input and participation in governance processes, to build partnerships for service delivery and disseminate and gather information/issues from communities etc. Although all ward committees have been established, most of them only function partially. The type and level of community participation remains a challenge and most municipalities adopt a compliance approach to the operation and functioning of ward committees. The research also indicates that there are still critical limitations to the effective functioning of ward committees including structural limitations to ward committee powers, politics of representation at ward committee level, party political and councillor disputes/conflicts at ward committee level etc.

There has been a general improvement in the development of Anti-Corruption Strategies and Plans across municipalities in the province. The major challenge remains the implementation and adherence to these strategies and plans – 11 municipalities still require assistance with the implementation of anti-corruption strategies and plans.

Although there has been an overall improvement in the level compliance in some matters of governance as indicated in the Auditor-General's findings and reports above. There are however areas where compliance deteriorated and where municipalities need to implement plans to improve governance processes. The areas that need attention includes:

- The functioning of audit committees and the fulfilment of their responsibilities as set out in the MFMA;
- The functioning of internal audit divisions and the fulfilment of their responsibilities as set out in the MFMA;
- The financial statements that are submitted for audit were that are subject to material amendments resulting from the audits;
- The submission of annual reports to the Auditor-General prior to the date of the Auditor-General's report;
- Significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management; and
- The implementation of previous external audit recommendations.

As mentioned earlier in this report, non-compliance with legislation was one of the issues that were raised the most in the reports of the Auditor-General for 2008/09 and as mentioned by the Auditor-General in the General Report on Audit Outcomes of the Western Cape Local Government for 2008/09, not attending to these matters can contribute to deteriorated future audit outcomes and municipalities must implement self-assessment procedures with compliance checklists together with ongoing monitoring and review by management to prevent lapses in compliance with laws and regulations. The Auditor-General recommended that municipal internal auditors must review the adequacy of internal controls in this regard.

## 6.8 Summary grid of overall performance of municipalities on KPIs

*The following table is a summary of the overall performance of municipalities relating to good governance and public participation. The assessment was based on the following assumptions and principles:*

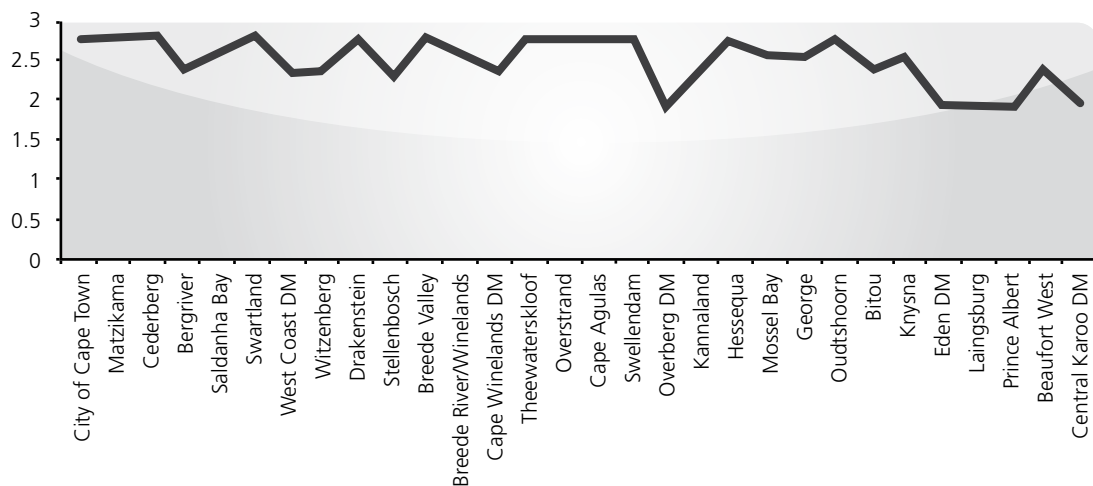
- **Indicator linked to Qualitative Assessment:** 1=Not Adequate; 2=Not fully addressed; 3= Addressed
- **Assessment:**
  - **Delegation:** Refers to table 43: – If “no”=1, If “yes”=3
  - **Regular council and MAYCO meetings:** Refers to table 43: –If at least 4 council meetings and 10 MAYCO meetings=3, any less=1
  - **Quorum at meetings:** Refers to table 43: - assessed per individual municipally, according to numbers indicated
  - **Ant-corruption implementation:** Refers to table 45: - If “no”=1, If “yes”=3
  - **Functioning of ward committees:** Refers to table 44: - Al “‘2’s”

Municipality	Delegations ADMIN and S59 MSA	Regular council and MAYCO meetings	Quorum at meetings	Anti-corruption implementation	Functioning of ward committees	Municipal/ District average
City of Cape Town	3	3	3	3	2	2.8
Matzikama	3	3	3	3	2	2.8
Cederberg	3	3	3	3	2	2.8
Bergriver	3	3	3	1	2	2.4
Saldanha Bay	2	3	3	3	2	2.6
Swartland	3	3	3	3	2	2.8
West Coast DM	3	3	3	3	N/A	3
Average for West Coast DM area	2.8	3.0	3.0	2.7	2.0	2.7
Witzenberg	3	3	3	1	2	2.4
Drakenstein	3	3	3	3	2	2.8
Stellenbosch	3	1	3	3	2	2.4
Breede Valley	3	3	3	3	2	2.8
Breede River/ Winelands	3	3	3	2	2	2.6
Cape Winelands DM	3	3	3	3	N/A	3.0
Average for Cape Winelands DM area	3.0	2.7	3.0	2.5	2.0	2.6
Theewaterskloof	3	3	3	3	2	2.8
Overstrand	3	3	3	3	2	2.8
Cape Agulhas	3	3	3	3	2	2.8
Swellendam	3	3	3	3	2	2.8
Overberg DM	1	3	3	3	N/A	2.5

Municipality	Delegations ADMIN and S59 MSA	Regular council and MAYCO meetings	Quorum at meetings	Anti-corruption implementation	Functioning of ward committees	Municipal/ District average
Average for Overberg DM area	2.6	3.0	3.0	3.0	2.0	2.7
Kannaland	3	3	3	1	2	2.4
Hessequa	3	3	3	3	2	2.8
Mossel Bay	3	3	3	2	2	2.6
George	2	3	3	3	2	2.6
Oudtshoorn	3	3	3	3	2	2.8
Bitou	3	1	3	3	2	2.4
Knysna	3	3	3	2	2	2.6
Eden DM	3	3	3	1	N/A	2.5
Average for Eden DM area	2.9	2.8	3.0	2.3	2.0	2.6
Laingsburg	3	3	3	1	N/A	2.5
Prince Albert	3	3	3	1	N/A	2.5
Beaufort West	3	3	3	1	2	2.4
Central Karoo DM	3	3	3	1	N/A	2.5
Average for Central Karoo DM area	3.0	3.0	3.0	1.0	2.0	2.5

Table 47: Assessment of overall performance on Good Governance and Public Participation

The following graph illustrates the overall assessments of performance on Good Governance. Unfortunately a low assessment rating will be indicated if no information was submitted by a specific municipality.



Graph 19: Assessment of overall performance on performance on Good Governance and Public Participation

The graph illustrates that municipalities such as Overberg DM are not performing on the expected standard.

# CHAPTER 7

## LOCAL ECONOMIC DEVELOPMENT

### 7.1 Introduction

A Local and Economic Development (LED) strategy must be developed by conducting a thorough economic analysis of the entire municipal area. District Growth and Development / LED strategies for district municipalities and LED plans for local municipalities must be developed with input from District Growth and Development Summits.

The National LED Framework should guide the development of these strategies and plans. The municipality must identify key catalytic projects that will stimulate local economic growth. It must be noted that the first driver of LED is a well-managed municipality. It is also crucial to note that LED cannot be done by the municipality alone but needs a partnership between civil society, business, non-state actors and government for any level of success.

#### **Municipalities need to consider the following when developing credible LED Strategies:**

- Is the strategy aligned with the national, provincial and district objectives, particularly in respect of infrastructure and skills development?;
- Has there been adequate consideration of spatial issues relevant to economic development?;
- Is there empirical and statistical evidence to support the main development thrust of the strategy?;
- Have the financial implications been considered, at least as far as an indicative budget?;
- Has a review taken place of institutional factors that need to be in place to deliver the strategy?;
- Is there evidence of adequate stakeholder and community involvement?;
- Are there clearly identified objectives and can the attainment of these be measured?;
- Is there an indicative time frame for the delivery of the strategy?;
- Are management arrangements in place, such as a coordinating committee, a structure for reporting and an indicative format for work programmes?;
- Have issues of improved governance relating to investment and job creation been considered?;
- Is the area comparative and competitive advantage understood?;
- Are plans to provide support to small enterprises adequate?;
- Is there a sustainable programme in place to stimulate the second economy and to draw this closer to the first economy?;
- Does the plan have full Council and stakeholder commitment?;
- Is there leadership for the strategy among the stakeholders?;
- Have monitoring and evaluation process been established?;

### 7.2 LED strategies and implementation

The following progress in implementing LED strategies was reported by the municipalities:

Municipality	Municipality has a LED 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, currently being revised	yes	Priorities change depending on the political dispensation, creating a stop start scenario	yes	yes
Matzikama	yes	yes	Lack of capacity, skills and training facilities	yes	yes
Cederberg	yes	yes	Funding	yes	yes
Bergriver	Yes, currently being revised	yes	Institutional capacity and funding	yes	yes
Saldanha Bay	No info				

Municipality	Municipality has a LED 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?
Swartland	yes	yes	Lack of cooperation between local and district municipality and between spheres of government, Lack of cooperation between government, private sector, NGOs and CBOs, lack of funds and staff dedicated to LED promotion	yes	yes
West Coast DM	yes	yes	Funding, providing technical support on programmes, promoting investment in the region, SCM policies and practices promoting emerging entrepreneurship	yes	yes
Witzenberg	Yes, currently being revised	yes	Institutional capacity and funding	yes	yes
Drakenstein	yes	yes	Silo mentality, understanding the municipality's mandate into LED, unrealistic expectations	yes	yes
Stellenbosch	Yes, but not adopted by council	yes	No info	yes	yes
Breede Valley	No info				
Breede River/ Winelands	In process	yes	Policy still in process	yes	yes
Cape Winelands DM	yes	yes	Co-ordination between stakeholders, political participation, changing economic environment	yes	yes
Theewaterskloof	yes	yes	Skills available in the area, reliance on agricultural sector, seasonality factors effecting employment	yes	yes
Overstrand	yes	yes	Funding and data management remains the biggest challenge otherwise stakeholder participation and creation of participation with the private sector. Non-profit organisations is achieved through joint ventures	yes	yes
Cape Agulhas	yes	yes	Access to funding for catalyst projects, capacity to conduct comprehensive feasibility studies for projects	yes	yes
Swellendam	yes	yes	Lack of institutional capacity and funding/ budget constraints	yes	yes
Overberg DM	yes	yes	Shortage of staff	yes	yes
Kannaland	yes	yes	Funding & capacity	yes	yes
Hessequa	yes	yes	Capacity & funding	yes	yes
Mossel Bay	yes	yes	Funding	yes	no
George	No info				
Oudtshoorn	yes	yes	Funding & capacity	yes	yes
Bitou	yes	yes	Stakeholder participation and by private and government institutions	yes	yes
Knysna	yes	yes	Funding, assistance by province, regional planning	yes	yes
Eden DM	No info	No info	No info	No info	No info
Laingsburg	yes	yes	Lack of funding	yes	yes
Prince Albert	yes	yes	Capacity, funding, support from province	yes	yes
Beaufort West	In process	Will be	Participation, funding	yes	yes
Central Karoo DM	yes	yes	Funding, capacity, lack of support from private sector	yes	yes

Table 48: LED and poverty alleviation strategies and implementation

Source: Questionnaire May 2010



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

The contribution towards the GDP of the districts and the involvement of the local stakeholders in key economic sectors can be summarised as follows:

Municipality	Contribution towards GDP of District (*Contribution towards GDP of province)	Economic sector with highest contribution to GDP
City of Cape Town	77.9*	Finance and Business Service
Matzikama	14.4	Agriculture, Forestry and Fishing
Cederberg	10	Agriculture, Forestry and Fishing
Bergriver	11.5	Agriculture, Forestry and Fishing
Saldanha Bay	32.9	Manufacturing
Swartland	30	Manufacturing
West Coast DM	4*	Manufacturing
Witzenberg	9.2	Agriculture, Forestry and Fishing
Drakenstein	38	Manufacturing
Stellenbosch	23	Finance and Business Service
Breede Valley	18.9	Agriculture, Forestry and Fishing
Breede River/Winelands	12.4	Manufacturing
Cape Winelands DM	8.8*	Manufacturing
Theewaterskloof	40.6	Agriculture, Forestry and Fishing
Overstrand	40	Catering and accommodation sector
Cape Agulhas	14.3	Catering and accommodation sector
Swellendam	13.8	Agriculture, Forestry and Fishing
Overberg DM	2.4*	Agriculture, Forestry and Fishing
Kannaland	2.9	Agriculture, Forestry and Fishing
Hessequa	12.1	Electricity and water
Mossel Bay	19.9	Manufacturing
George	35.7	Finance and Business Service
Oudtshoorn	11.6	Catering and accommodation sector
Bitou	5.2	Finance and Business Service
Knysna	11.1	Finance and Business Service
Eden DM	6.3*	Finance and Business Service
Laingsburg	14.6	Agriculture, Forestry and Fishing
Prince Albert	29.8	Finance and Business Service
Beaufort West	55.6	Transport and communication
Central Karoo DM	0.5*	Finance and Business Service

Table 49: Crucial economic data relevant to the measurement of municipal performance:

Source: PT: Socio Economic Profiles Local Government

## 7.4 Analysis of Local Economic Development

**According to an analysis done by the Department of Economic Development and Tourism the following key issues were raised on LED by municipalities in the Western Cape:**

- The significance of economic development for regions is recognised, but not necessarily prioritised;
- Credible socio-economic data and pro-active analysis has improved, but the lack of any data and analysis in the weaker municipalities is very evident;
- Municipalities appear to be struggling with formulating economic development strategies and plans for more broad-based economic development initiatives;
- LED strategies are seen as separate documents to the IDPs produced – robust economic analysis is generally not adhered to; and there is no evidence of engendering a shared growth approach to economic development;
- There is a lack of long-term growth plans for growth and development – e.g. development corridors to promote diversification of the economic base within a municipal area(s) is not explored, not cross municipal co-operation;
- There is a greater awareness of the value of strategic infrastructure as it impacts on, and is integrally linked to, economic development;
- Municipal managing of “inflated” expectations related to economic potential is not evident;
- The growing inadequacy of bulk municipal services is a constraint on economic growth and development planning and implementation;
- The growing housing and basic infrastructure services crisis that municipalities find themselves in, overshadows meaningful economic development effort or intention;
- Attracting skilled individuals to settle in municipal areas along with the in-migration and urbanisation is a growing challenge;
- Municipal budgets are not responsive to skills development issues in areas;
- The role and function of the District Municipalities and contextualising its strategic role over a 5 to 10-year period is still not clear; and in some areas not clearly understood where District Municipality strategies do exist;
- Municipal capacity in terms of LED practitioners or specialists is inadequate as is evident in the strategic planning and implementation for economic development;
- There is heavy reliance on unsecured grants for LED, which skews the budget allocation and prioritisation scenario;
- Land ownership and development is still not sufficiently capitalised on to stimulate local growth plans; where there is a targeted strategy for land usage, prime property sales are not translating into shared economic growth developments. Long-term infrastructure – developers are calling the shots in the absence of government having clear ideas as to where major investment should be located (integrated human settlements);
- Transportation and access thereof for local people is still a challenge and increases the cost of employment;
- Access to and availability of water (potential of de-salination) is a key priority for many municipalities, especially where agriculture is a backbone sector;
- The challenge presented by the energy crisis and rising-related costs.

# CHAPTER 8

## CROSS CUTTING MATTERS

### 8.1 Introduction

The Department is responsible for monitoring the implementation of various cross-cutting functions as mentioned in the 5-year Local Government Strategic Agenda. This chapter highlights progress made in implementing the cross-cutting interventions, Disaster Management and Intergovernmental Relations.

### 8.2 Crosscutting interventions

The Department of Local Government and Housing and the Department of the Premier consolidated their plans to support municipalities with the implementation of the 5-year Local Government Strategic Agenda into a single Provincial Local Government Support Plan. These departments continuously support the municipalities with the implementation of the National Key Performance Areas.

***The Department furthermore implemented a monitoring and evaluation tool (snapshot tool) to also track progress at municipal level. Although all the municipalities do not submit the snapshot on a regular basis, other interventions to support and monitor municipalities, includes:***

- Conducting workshops and bi-lateral meetings with all sector departments and engagements during the Local Government Medium Term Expenditure Committees in ensuring the achievement of the credible IDPs;
- Establishment of a Monitoring and Evaluation Unit;
- Support with the alignment of the 5-year Local Government Strategic Agenda, IDPs, LED Strategies and Local Government Turn-Around Strategy and the Premier and District Co-ordinating Forums continually review the progress against the overall strategies;
- District Co-ordinating Forums has been established in all the district municipal areas and are fully functional; and
- Involvement in the Municipal Managers Forum to obtain input. The involvement at this level improved the understanding of municipal needs and more focussed support was provided to municipalities.

### 8.3 Disaster Management

***The Constitution of the Republic of South Africa Act (Act No 108 of 1996), the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), the Disaster Management Act, 2002 (Act No. 57 of 2002), the Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005) and the National Disaster Risk Management Policy Framework of 2005 provides for:***

- The establishment, implementation and maintenance of systems and structures through and across the three spheres of government, the state-owned enterprises (SOEs), the Private Sector, non-governmental organisations (NGOs), communities and individuals;
- The identification, assessment, classification and prioritisation of hazards and vulnerable elements;
- The development, implementation and monitoring and evaluation of disaster risk reduction (prevention, mitigation and preparedness) programmes, projects and measures; and
- The establishment, implementation and maintenance of an integrated rapid and effective disaster response system, post-disaster recovery and rehabilitation.

***The Provincial Disaster Management Centre (PDMC) was established to co-ordinate, facilitate and advice and support provincial departments, municipalities, the private sector, non-governmental organisations (NGOs), state-owned enterprises (SOEs) and communities in issues relating to disaster management in the Western Cape Province.***

***The activities of the PDMC for the year under review include:***

- Establishment of Disaster Management IGR structures and the Provincial Disaster Management Advisory Forum (PDMAF);
- Publishing the first draft of the Provincial Disaster Management policy framework which was distributed to all stakeholders as well as interested parties for public comments;

- As the Western Cape is prone to variety of natural and human-made hazards which occasionally lead to of property and lives, an analysis of the most vulnerable settlements most at risk for fires and floods was done for the Central Karoo and Overberg District Municipalities;
- The Training, Education, Awareness and Marketing (TEAM) programme is a collaborative initiative between the PDMC and the Development Fund of the Development Bank of Southern Africa (DBSA) and the Disaster Mitigation for Sustainable Livelihoods Project (DiMP) at the University of Cape Town (UCT) was appointed as the service provider for a period of 18 months. A cadre of disaster management volunteers were trained in first aid (basic and advanced), home-based care, environmental health and fire awareness. The TEAM programme foresaw the production of a facilitator's guide in community-based disaster risk management (CBDRM), the development of a short (accredited) training course in CBDRM and the implementation of training of twenty (20) facilitators. This guide ("Weathering the Storm: Participatory risk assessment and planning for informal settlements") is an associated outcome of the TEAM programme compiled by the DiMP at UCT. This guide is intended to strengthen participatory risk assessment capabilities for a wide range of municipal and development professionals and practitioners – including those who work in disaster management, fire services, catchment management and environmental health. It is also relevant to professionals involved in housing, social development, health, adult education, CBOs and NGOs;
- The Provincial Disaster Management Centre (PDMC) together with the Department of Education, who is the implementing agent, have launched the Basic Education Kit in four pilot schools (i.e. Masiphumelele, Kayamandi, Phola Park and Khayelitsha primary schools) to improve school safety by encouraging the application of resilient behaviour that can withstand any kind of natural hazard;
- Training of Community Development Workers (CDWs) by the Paraffin Safety Association of Southern Africa (PSASA) and by the PDMC.

#### 8.4 Inter-governmental relations (IGR)

For the municipalities to succeed in its developmental role, proactive co-operation 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 Inter-governmental Relations Framework Act (IGRFA) was passed in 2005. The Act provides a framework for the co-operation among the three spheres of government as distinctive, interdependent and interrelated, and it defines the responsibilities and institutional structures to support closer co-operation. The Department of Local Government and Housing established the following functional intergovernmental relations structures:***

- Provincial Advisory Forum;
- Provincial Advisory Forum Technical Committee;
- Speakers' Forum;
- Provincial Municipal Managers Forum and District Municipal Managers Forums; and
- District Co-ordinating Forums.

These structures contributed a great deal in ensuring better co-ordination, integration and co-operation between the three spheres. The PAF and PAFTECH in particular provided, among other things, a platform for municipalities to report on progress with the implementation of the 5-year Local Government Strategic Agenda while simultaneously identifying strategic support required from the provincial and national spheres.

In addition, various best practices were presented and other provincial and national departments utilised the space to engage municipalities on important strategic issues affecting developmental local government.

The effective functioning of the IGR structures within some districts however remains a challenge. Full participation from the various stakeholders on these structures and ensuring that the agendas of these structures are strategically driven is paramount in improving intergovernmental relations. The Department of Local Government and Housing therefore envisages intensifying its support to the districts by deploying IGR officials on a monthly basis to the districts with the view of not only improving intergovernmental relations between the relevant municipalities, but also improving co-ordination, communication and co-operation between the municipalities and provincial departments.

# CHAPTER 9

## MUNICIPAL CHALLENGES

### 9.1 Introduction

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

### 9.2 Key challenges as identified by municipalities

Municipality	Challenges identified by municipalities
City of Cape Town	Safety and Security, housing, job creation
Matzikama	GRAP reporting requirements, growing number of debtors, recruitment and retention of skilled technical and financial staff
Cederberg	Bulk Infrastructure Backlogs, attracting and retaining competent staff, achievement of a clean audit report, integrated asset management
Bergriver	Capacity, political instability, clean audit
Saldanha Bay	No info
Swartland	To obtain sufficient funds for the maintenance of civil and electrical infrastructure, to provide low cost housing in Darling, to upgrade the sewerage works, to decrease our debtor payment period
West Coast DM	GRAP, asset register and unqualified audit report
Witzenberg	Rural predominance, resource constraints, development challenges
Drakenstein	Accelerating service delivery, expansion of tax base
Stellenbosch	Political change over and lack of strategic vision, restructuring and development of new macro structure, delay in project implementation due to the compliance factor of the Supply Chain Management Policy, shortage of skilled staff
Breede Valley	Political instability, huge infra-structure backlogs totalling R1,8 billion, Lack of financial resources: were forced to borrow R250 million to fund the upgrading and expansion of the Worcester Waste Water Treatment Works
Breede River/ Winelands	Delivery of housing, performance management implementation and monitoring within organisation
Cape Winelands DM	Decrease in revenue due the abolishment of the RSC levies and reliance of transfer levies (76%) and grants, uncertainty around the future and the role of district municipalities, service delivery in rural areas (the lack of service delivery in rural areas from B Municipalities)
Theewaterskloof	Implementation of Local Government: Municipal Property Rates Act 6 of 2004
Overstrand	Delivery on houses – hanging court case, filling of specialised vacancies – especially electricians, infrastructure development
Cape Agulhas	Supply chain management, Funding for Projects, Internal Audit, Capacity to implementation of the Integrated Coastal Management Act
Swellendam	Capacity to perform the required services and to comply with the various legislative requirements, financial constraints and the balancing of the budget, community expectations in relation to affordability and institutional capacity
Overberg DM	Availability of adequate funding from internal and external sources, LED, social development
Kannaland	Financial viability, Administration: inherited legacy issues, GRAP, growing debtors, retention of staff
Hessequa	Funding to address infrastructure backlogs, technical staff to assist in improved roll out of capital projects grading of municipality makes it difficult to attract technical staff
Mossel Bay	Funding of infrastructure projects, shortage of skills as well as capacity in technical disciplines
George	Unemployment, poverty, water shortages, shortage of housing, personnel vacancies
Oudtshoorn	No info
Bitou	Land availability, skilling and developing of staff
Knysna	Water shortages, job creation, economic recession
Eden DM	Political instability, high turn-over rate of skilled personnel
Laingsburg	Limited revenue base and capacity
Prince Albert	Lack of professional & dedicated staff, sector department involvement, financial base
Beaufort West	Unemployment, financial viability, water crises
Central Karoo DM	Insufficient revenue base, critical posts not filled (MM, LED, Supply Chain Management), shared services

Table 50: Challenges as identified by municipalities

Source: Questionnaires, May 2010

### 9.3 Municipal challenges identified during performance analysis

<b>KPA 1: Municipal transformation and organisational development</b>			
Effective and meaningful community engagement	Presenting a clear long-term development agenda in IDPs	Joint planning and financing across government spheres	Completion of specific sectoral plans
Targeted infrastructure and basic services investment	Institutional delivery capacity and gearing for implementation	Attracting and retaining of skilled staff	Personnel vacancy rates and slow filling of posts
Implementation of skills development plans	Organisational structures not aligned to implement IDPs	Planning "town beyond boundaries"	Alignment and integration of sectoral plans
<b>KPA 2: Basic service delivery</b>			
Decreasing natural resources	Insufficient municipal revenue bases to generate additional funds for new infrastructure	Planning and rendering of services in rural areas	Quality of services delivered
Deterioration of existing infrastructure due to lack of funds for maintenance	Growing backlogs	Lack of sufficient funding for bulk infrastructure	Attracting and retaining of skilled technical staff
Availability of land	Credible information for effective planning	Increasing reliance on capital grants for new infrastructure	Increasing number of indigent households
<b>KPA 3: Municipal financial viability and management</b>			
Non compliance with legislation	Supply chain management processes	Increasing capital grant dependency	Attracting and retaining of skilled financial staff
Long term funding regime to secure sustainability	Effective debtor management	Effective cash-flow management	Long term funding regime to secure sustainability
Increasing reliance on service providers to compile financial statements due to complex reporting formats	Cost of external audits	Effective risk management	Addressing of issues raised by the Auditor-General
<b>KPA 4: Good governance and public participation</b>			
Implementation of anti-corruption strategies	Effective functioning of internal audit sections and audit committees	Effective IGR	Enhancing effective public participation
Public accountability	Solid leadership – impact on strategic thinking and long term view	Management of coalitions	Functioning of ward committees
<b>KPA 5: Local economic development</b>			
Credible socio-economic data and pro-active analysis	Management of inconsistent partnerships between role-players	LED strategies seen as separate documents to the IDPs	Growing inadequacy of bulk municipal services
Enhancement of LED strategies beyond individual projects	Municipal capacity in terms of LED practitioners or specialists	Heavy reliance on unsecured grants for LED	Transportation and access thereof for local people

Table 51: Municipal challenges identified during performance analysis

# CHAPTER 10

## PROVINCIAL SUPPORT AND CAPACITY

### BUILDING INITIATIVES

#### 10.1 Introduction

This chapter highlights the support provided to municipalities by provincial departments such as Department of Local Government and Housing, Provincial Treasury, Department of Environment and Development Planning and the Department of Economic Development.

#### 10.2 Support and capacity building initiatives to municipalities

Municipality	Responsible provincial department	Type of support provided
All municipalities	Department of Environmental Affairs & Development Planning	<p><b>In terms of support interventions to Municipalities in terms of Spatial Planning:</b></p> <ul style="list-style-type: none"> <li>The Department together with the then Department of Local Government and Housing initiated the Built Environment Support Programme (BESP) to specifically provide support to municipalities in terms of ensuring credible Spatial Development Frameworks and credible Integrated Human Settlement Plans. The BESP also includes a capacity building component</li> <li>The Department has also established a Development Facilitation Unit (DFU) to provide assistance and support to municipalities and to undertake Municipal Capacity Building</li> <li>The Department's Spatial Planning Directorate also provide day-to-day support to municipalities specifically in terms of the SDFs</li> </ul>
Witzenberg	Department of Local Government and Housing	<p><b>General Management Support that included assistance with:</b></p> <ul style="list-style-type: none"> <li>the reviewing and aligning of the current micro-organisational structure</li> <li>the resolving of service delivery blockages such as "the Dam debt", set up meetings with the National Department of Water Affairs and Forestry, Development Bank of South Africa and Provincial Treasury and negotiated a workable solution for the municipality</li> <li>the training of councillors on their governance and oversight function, specifically the development of a role clarification, diversity management and governance workshops for all councillors</li> <li>the strategic plans of the municipality and transforming it into action plans with clear goals and guidelines, specifically setting up project management and business process/plan workshops with municipal managers and supervisors</li> <li>the establishing of a proper internal audit division and building internal municipal capacity, specifically supply chain management training for all municipal managers and supervisors</li> <li>the promulgating of all outstanding by-laws and checking and updating the policies and by-laws register, specifically provided inter-governmental support and learnerships</li> <li>the development of spatial development plans that are aligned with provincial and national development plans, specifically the placement of a spatial planner from Department of Environmental Affairs and Planning and unblocking of land and housing challenges</li> <li>the reviewing and simplifying of the municipal performance management system, specifically the refining of the District Performance Management System</li> <li>the finalisation of the position of the current municipal manager and filling of any outstanding Section 57 posts, specifically to provide advice and guidance around procedure and compliance</li> <li>the development of a long-term sustainability and funding plan, specifically a clear sustainable plan with long-term costing and financial implications</li> </ul>

Municipality	Responsible provincial department	Type of support provided
Drakenstein	Department of Local Government and Housing	<p><b>Support with the implementation of performance management that included:</b></p> <ul style="list-style-type: none"> <li>• Development of a improved Service Delivery and Budget Implementation Plan (SDBIP) as organisational performance management tool with reporting needs and dashboard for municipality as key reporting tool</li> <li>• 2008/09 quarterly review and Annual Review</li> <li>• Compilation of S57 Performance Contracts aligned with SDBIP for approval</li> <li>• Performance planning workshops</li> <li>• Individual Performance Measurement</li> <li>• Workshop to agree on Performance Measurement modules and design</li> <li>• Awareness to start change management to create performance culture, training to all stakeholders</li> <li>• Career development planning for all staff and performance planning per level</li> <li>• Training of staff on how to manage performance and performance interviews</li> <li>• Alignment with customer- care and change management campaigns</li> </ul>
Breede Valley, Witzenberg	Department of Local Government and Housing	Deployment of DBSA engineers to Breede Valley and Witzenberg Municipalities
Breederiver/ Winelands	Department of Local Government and Housing	Through the Illima Trust provide leadership training to Langeberg Municipality
West Coast DM, Bergrivier, Matzikama, Cederberg, Hessequa, Central Karoo DM, Prince Albert, Laingsburg, Beaufort West, Overberg DM, Swellendam, Witzenberg, Oudtshoorn	Department of Local Government and Housing	<p><b>Supported with implementation of Performance Management that included:</b></p> <ul style="list-style-type: none"> <li>• PMS design</li> <li>• Drafting of policy framework</li> <li>• Customer relations management</li> <li>• PMS communication</li> <li>• PMS training</li> <li>• Drafting of SDBIP</li> <li>• Developing, monitoring and reporting of SDBIPs on an electronic system</li> <li>• Training on all PMS Manuals</li> <li>• Drafting of performance agreements for Section 57 managers</li> <li>• Performance management role-out for Section 57 managers</li> <li>• Training of staff to supervisory level to undertake performance assessments</li> </ul>
Cederberg	Department of Local Government and Housing	<ul style="list-style-type: none"> <li>• Implementation of general valuation in terms of the Municipal Property Rates Act</li> <li>• Re-engineering of the municipality's stores and inventories</li> </ul>
Kannaland, Cederberg, Overberg DM	Department of Local Government and Housing	<p><b>Supported with the implementation of recovery plans that included:</b></p> <ul style="list-style-type: none"> <li>• Support ito property management (Kannaland)</li> <li>• General valuation roll (Cederberg)</li> <li>• Appointment of project manager to deal with the recovery plan programme</li> </ul>
Central Karoo	Department of Local Government and Housing	Supported with an investigation into the implementation of shared services
Cape Winelands DM, Prince Albert, Matzikama, George, Oudtshoorn, Eden DM, West Coast DM, Kannaland	Department of Local Government and Housing	Assistance with the planning, drafting, adoption and review of its integrated development plan (IDP), (Individual hands-on-support)
West Coast DM, Eden DM, Overberg DM		Facilitate the co-ordination and alignment of integrated development plans of different municipalities (District alignment) and facilitate the co-ordination and alignment of integrated development plan of a municipality with the plans, strategies and programmes of national and provincial organs of state (Inter-governmental alignment)



Municipality	Responsible provincial department	Type of support provided
All municipalities	Department of Local Government and Housing	<p><b>Support through CDWs that included:</b></p> <ul style="list-style-type: none"> <li>• Creating awareness about government services for communities. i.e housing, social grants, etc., with various information sessions</li> <li>• Facilitating access to government services for communities</li> <li>• Facilitating inter-sectoral partnerships to enhance co-ordination between role-players in the various municipal areas</li> <li>• Supported various socio-economic projects in municipalities in partnership with relevant stakeholders in order to create economic opportunities</li> <li>• Promoted social transformation with support to various projects and workshops</li> <li>• Supported ward committees to ensure effective functioning, through District Ward Summits, ward committee training and Community Based Planning</li> </ul>
All municipalities	Provincial Treasury	<p><b>Local Government Financial Management Improvement Programme:</b></p> <ul style="list-style-type: none"> <li>• Follow up on a monthly basis as to the progress made by affected municipalities in resolving the findings that led to the disclaimer of audit opinions and qualified audit opinions</li> <li>• Support municipalities in attaining a financial management maturity level 3 and to improve compliance with relevant legislation</li> <li>• Assist with the establishment of shared audit committees and make recommendations on strengthening the internal audit function and risk management</li> <li>• Continue to address the lack of adequate performance management systems</li> <li>• Provide support and training to municipalities in the ongoing conversion to GRAP</li> <li>• Review tender specification for GRAP-related service by consultants to ensure that a clause on transfer of skills is included in new tender documentation</li> <li>• Monitor the GRAP implementation process</li> <li>• Assist municipalities by reviewing financial statements quarterly</li> <li>• Analyse management and audit reports to identify issues raised by the Auditor-General and provide the relevant training and support to municipalities to ensure sustainable unqualified opinions</li> </ul>
All municipalities	Provincial Treasury	<p><b>Other supporting initiatives:</b></p> <ul style="list-style-type: none"> <li>• In conjunction with the National Treasury, rolled out GRAP training on 22 to 24 June 2009 with the aim of assisting municipalities to become fully GRAP compliant and to determine the progress made with the conversion to GRAP for those municipalities that have not yet complied</li> <li>• Issued a directive to ensure that new tender specifications for GRAP-related services by consultants included a clause on the transfer of skills</li> <li>• Attended a number of audit steering committees to assist municipalities with the application of Standards of GRAP that required clarification</li> <li>• Special support was provided to Kannaland to address specific matters that led to the disclaimer of opinion in 2007-08</li> <li>• Laingsburg, Prins Albert and Oudtshoorn were also visited to establish the state of affairs regarding the quality of financial statements and the existence of supporting documentation</li> <li>• A pilot project was launched at Beaufort West with regard to the implementation of enterprise-wide risk management</li> <li>• Proposed a task team, which included the Department of Local Government and the Development Bank of Southern Africa to determine how audit committees and internal audit should be established at municipalities</li> <li>• With regard to compliance with laws and regulations, identified supply chain management as a critical area requiring attention</li> </ul>
<i>Table 52: Provincial support and capacity building initiatives</i>		
<i>Source: Department of Local Government and Housing and other sector departments</i>		

### 10.3 Conclusion

The table above illustrates a focused effort of the provincial departments to support municipalities. It is also this support that allowed municipalities to improve their performance as reported in the individual annual reports. The impact of support can however improve if departments integrate their support programmes with that of other national and provincial departments and that of municipalities.

# CHAPTER 11

## CONCLUSION

### 11.1 Introduction

This chapter provides a summary of the overall performance of the municipalities.

### 11.2 Overall performance summary

*The following table is a summary of the overall performance of municipalities relating to all the KPIs assessed. The assessment was based on the following assumptions and principles:*

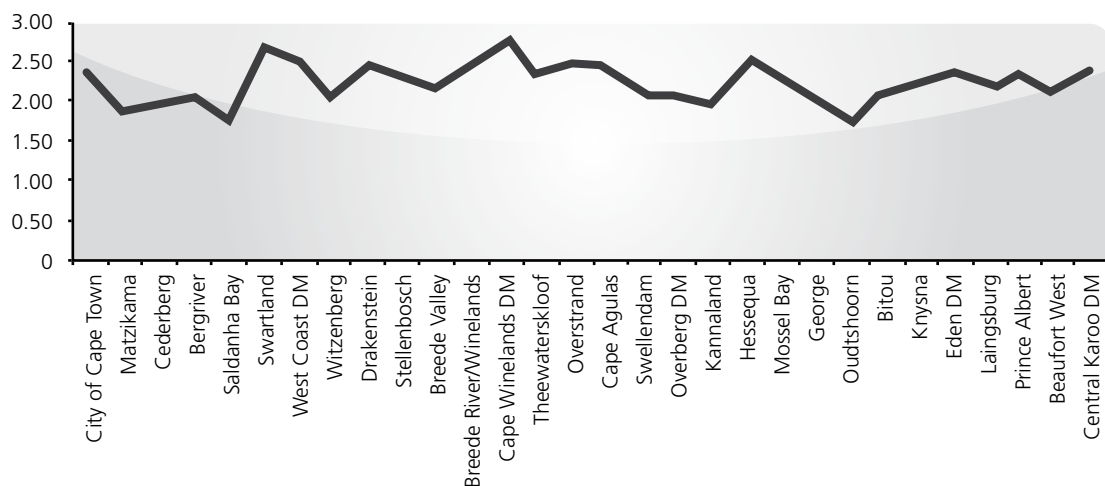
- **Indicator linked to Qualitative Assessment:** 1=Not Adequate; 2=Not fully addressed; 3= Addressed
- **Assessment:**
  - **Credibility of municipal integrated planning:** Refers to table 9: Average score for municipality as indicated in table
  - **Municipal transformation and institutional development:** Refers to table 20: Average score for municipality as indicated in table
  - **Basic service delivery:** Refers to table 29: Average score for municipality as indicated in table
  - **Municipal financial viability and management:** Refers to table 42: Average score for municipality as indicated in table
  - **Good governance and public participation:** Refers to table 47: Average score for municipality as indicated in table

Municipality	Credibility of municipal integrated planning	Municipal transformation and institutional development	Basic service delivery	Municipal financial viability and management	Good governance and public participation	Municipal/District average
City of Cape Town	1.9	2.7	2.1	2.2	2.8	2.3
Matzikama	1.1	2.1	1.4	2.0	2.8	1.9
Cederberg	1.3	2.4	1.4	2.2	2.8	2.0
Bergriver	1.1	2.4	1.9	2.4	2.4	2.0
Saldanha Bay	1.7	1.3	0.7	2.4	2.6	1.7
Swartland	2.7	2.6	2.1	3.0	2.8	2.6
West Coast DM	2.0	2.1	2.4	2.8	3	2.5
Average for West Coast DM area	1.7	2.3	1.7	2.5	2.7	2.2
Witzenberg	2.0	2.9	1.0	2.0	2.4	2.1
Drakenstein	2.4	2.7	2.0	2.4	2.8	2.5
Stellenbosch	2.7	2.1	1.7	2.8	2.4	2.3
Breede Valley	2.0	2.4	0.9	2.8	2.8	2.2
Breede River/Winelands	2.7	2.3	1.3	3.0	2.6	2.4
Cape Winelands DM	3.0	2.4	3.0	2.6	3.0	2.8
Average for Cape Winelands DM area	2.5	2.5	1.6	2.6	2.6	2.4
Theewaterskloof	2.3	2.4	1.8	2.4	2.8	2.3
Overstrand	2.4	2.4	2.3	2.4	2.8	2.5

Municipality	Credibility of municipal integrated planning	Municipal transformation and institutional development	Basic service delivery	Municipal financial viability and management	Good governance and public participation	Municipal/District average
Cape Agulhas	1.7	2.6	2.1	3	2.8	2.4
Swellendam	1.7	2.1	1.9	2.2	2.8	2.1
Overberg DM	1	2.7	3	1.4	2.5	2.1
Average for Overberg DM area	1.8	2.4	2.2	2.3	2.7	2.3
Kannaland	1.6	2.7	1.9	1.4	2.4	2.0
Hessequa	2.3	2.3	2.1	2.8	2.8	2.5
Mossel Bay	2.3	2.4	1.1	2.8	2.6	2.2
George	2.1	1.4	0.9	2.8	2.6	2.0
Oudtshoorn	2.0	1.6	2.1	-	2.8	1.7
Bitou	2.4	2.6	1.0	2.0	2.4	2.1
Knysna	2.9	2.3	1.0	2.2	2.6	2.2
Eden DM	2.0	2.6	2.4	2.0	2.5	2.3
Average for Eden DM area	2.2	2.2	1.6	2.3	2.6	2.2
Laingsburg	1.7	2.4	2.4	2.4	2.5	2.3
Prince Albert	1.9	2.6	2.1	2.4	2.5	2.3
Beaufort West	2.0	2.4	2.1	1.8	2.4	2.1
Central Karoo DM	2.4	2.6	2.1	2.2	2.5	2.4
Average for Central Karoo DM area	2.0	2.5	2.2	2.2	2.5	2.3
<b>Average for the province</b>	<b>2.0</b>	<b>2.3</b>	<b>1.8</b>	<b>2.3</b>	<b>2.6</b>	<b>2.2</b>

Table 53: Assessment of overall performance summary

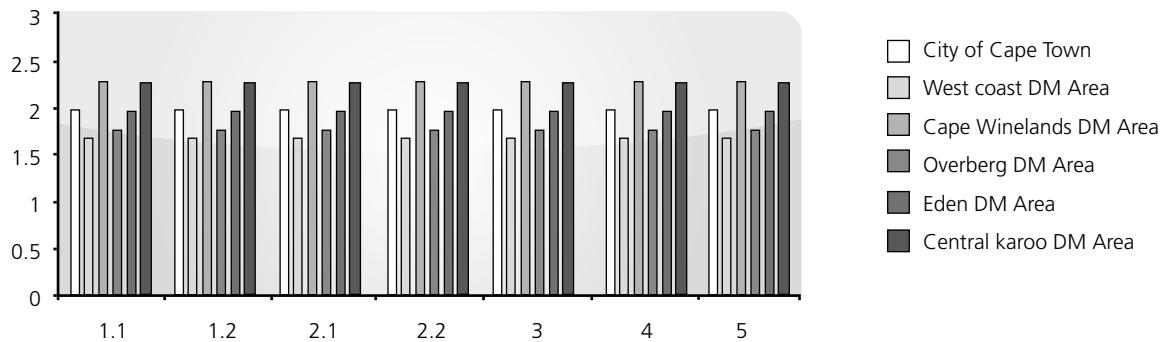
The following graph illustrates the overall performance on the assessments of all KPIs. It indicates that municipalities such as Kannaland and Oudtshoorn on average did not perform as well as other municipalities in the province. Unfortunately the assessments were influenced by the fact that some municipalities did not submit information, such as Saldanha Bay and George.



Graph 20: Overall performance on assessment of all KPI's

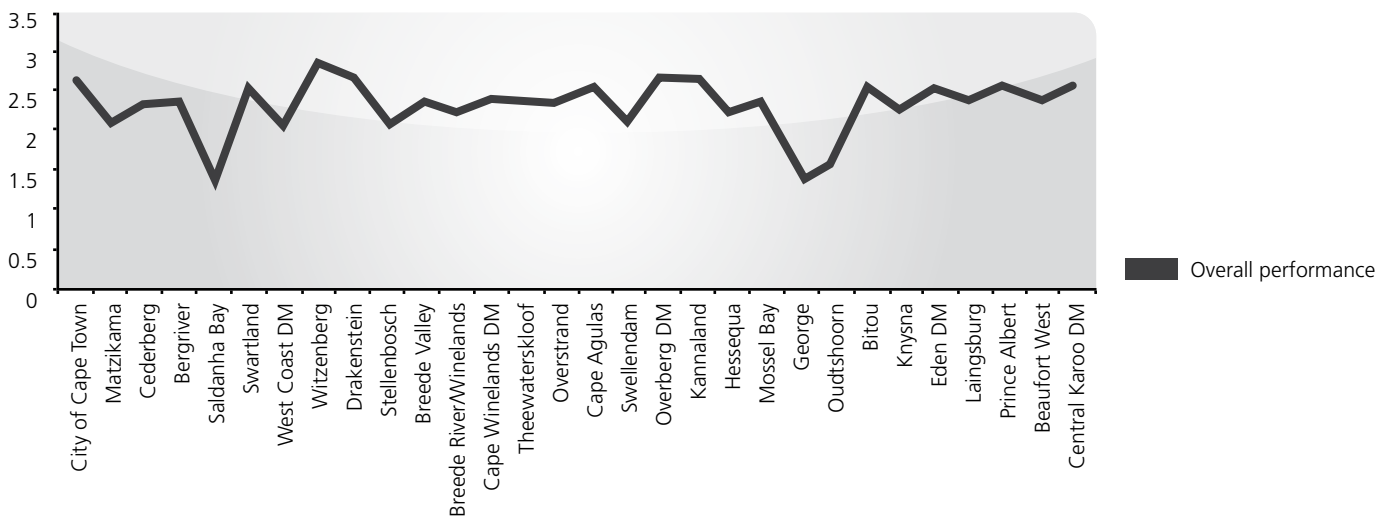
The following graphs summarise the performance of the municipalities / districts per key performance indicator.

The following graph illustrates the average results of assessment per district of the credibility of the IDPs on the 7 evaluation criteria in the above table. This graph also indicates that the municipalities in the Cape Winelands area are on average performing well in all the KPAs applicable in this area. The municipalities in the West Coast on the other hand are not performing on the expected standard.



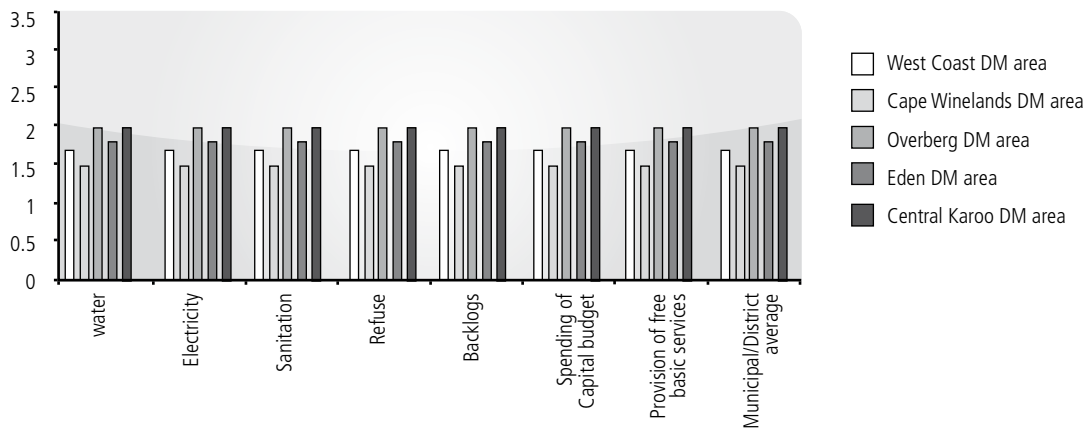
Graph 21: Average credibility of Integrated Development Planning per district

The following graph illustrates the overall performance on the assessments of all KPIs relating to municipal transformation and institutional development. The graph highlights that municipalities such as Oudtshoorn on average did not perform as well as other municipalities in the province. Unfortunately the assessments were influenced by the fact that some municipalities did not submit information, such as Saldanha Bay and George.



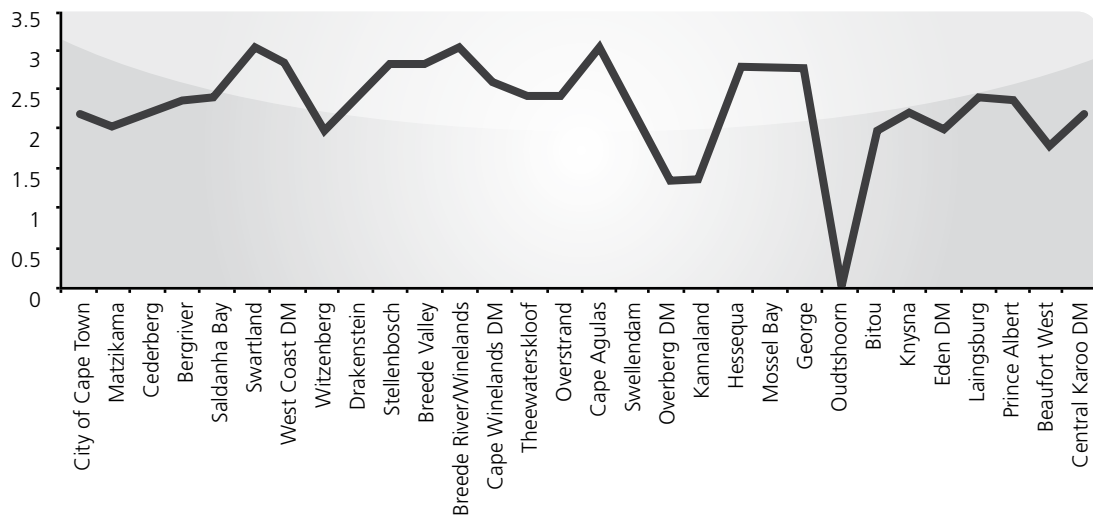
Graph 22: Overall assessment of the performance on municipal transformation and institutional development

The following graph illustrates the combined performance on basic service delivery per district area. Unfortunately the assessments were influenced by the fact that ‘n number of municipalities did not submit information on basic service delivery. It indicates that the overall assessments on the different types of basic services are on average more or less the same. It also indicates that the municipalities in the Overberg and Central Karoo districts are on overall average performing better than the municipalities in the other districts.



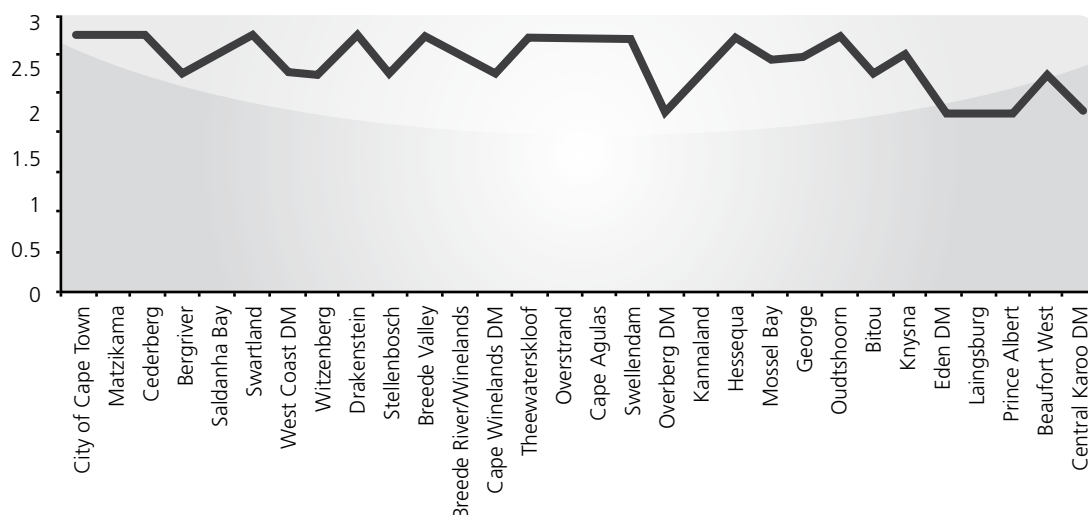
Graph 23: Combined performance on basic service delivery per district area

This following graph illustrates the overall assessments of performance on financial viability and management. It indicates that municipalities such as Swellendam, Kannaland and Oudtshoorn are not performing on the expected standard, mostly due to their receipt of a disclaimed opinion from the Auditor-General on their financial statements for the 2008/09 financial year.



Graph 24: Overall assessment of the performance on financial viability and management

The following graph illustrates the overall assessments of performance on good governance and public participation. Unfortunately the assessments were influenced by the fact that some municipalities did not submit information on this KPI, but it indicates that municipalities such as Overberg DM are not performing on the expected standard.



Graph 25: Overall assessment of municipal performance on Good Governance and Public Participation

### 11.3 Action plans to address poor performance

Municipality	Type of support to be provided/ Supporting action	Responsible provincial department/ section	By when
West Coast District Municipalities (Saldanha Bay, Cederberg, Matzikama & Bergrivier)	Facilitated support through the deployment of DBSA experts	Department of Local Government: Municipal Support and Capacity Building	March 2010
Witzenberg	Twining Breeder Valley with Witzenberg in support of GIS	Department of Local Government: Municipal Support and Capacity Building	June 2011
Stellenbosch	Assist municipality with the refinement and Implementation of the LGTAS	Department of Local Government: Municipal Support and Capacity Building	June 2011
Breede Valley	Assist municipality with Implementation of Performance Management System	Department of Local Government: Municipal Support and Capacity Building	June 2011
Swellendam	Assisted the municipality for the deployment of a financial expert from DBSA	Department of Local Government: Municipal Support and Capacity Building	From December 2009 onwards
	Assist the municipality in developing an intervention plan for additional funding for the extension of sewerage works		March 2011
	Implementation of Performance Management System		March 2010
Overberg District	Support municipality for the development of a new organisational structure	Department of Local Government: Municipal Support and Capacity Building	March 2011
	Assisted municipality for the review of their recovery plan		July 2010
	Assist the municipality in developing a risk management plan		March 2011
	Implementation of Performance Management System		March 2010
Kannaland Municipality	Re-establish a Steering Committee to drive the recovery process in the municipality and to assist in identifying and addressing challenges in the municipality	Department of Local Government: Municipal Support and Capacity Building	August 2010
George Municipality	The Department of Local Government together with George Municipality is in the process of developing a recovery plan, which will identify and address challenges in the municipality	Department of Local Government: Municipal Support and Capacity Building	July 2010

Municipality	Type of support to be provided/ Supporting action	Responsible provincial department/ section	By when
Oudtshoorn Municipality	The Department of Local Government together with Oudtshoorn Municipality is in the process of implementing a recovery plan to address challenges within the municipality	Department of Local Government: Municipal Support and Capacity Building	This process is already in implementation phase
Hessequa, Mossel Bay, Knysna, Bitou Municipality	Implementation of a Performance Management System	Department of Local Government: Municipal Support and Capacity Building	January 2010
Eden District Municipality	To assist the District Municipality by providing technical support to assist with the implementation of shared services in the region	Department of Local Government: Municipal Support and Capacity Building	October 2010
Laingsburg	Implementation of Performance Management System to all employees within the municipality	Department of Local Government: Municipal Support and Capacity Building	March 2010
	Shared services are established within the district which will address critical skills shortages and infrastructure		This is still in process
	The Department will provide financial assistance for the implementation of a new electronic financial system, which is GRAP/GAMAP compliant		August 2010
Prince Albert	Implementation of Performance Management System to all employees within the municipality	Department of Local Government: Municipal Support and Capacity Building	March 2010
	Shared services are established within the district which will address critical skills shortages and infrastructure		This is still in process
	The Department supported the municipality by negotiating the deployment of a financial and a technical expert from DBSA		July 2009
Beaufort West	Implementation of Performance Management System to all employees within the municipality	Department of Local Government: Municipal Support and Capacity Building	March 2010
	Shared services are established within the district which will address critical skills shortages and infrastructure		This is still in process
	The Department will provide financial assistance for the compilation of a GRAP compliant register		August 2010
Central Karoo District Municipality	Implementation of Performance Management System to all employees within the municipality	Department of Local Government: Municipal Support and Capacity Building	March 2010
	Shared Services are established within the district which will address critical skills shortages and infrastructure		This is still in process
	The Department will assist the district financially with Shared Services to implement an ICT system within the district		August 2010
All municipalities	Support municipalities with data collection and municipal information systems	Department of Local Government: Monitoring and Evaluation	March 2011

Table 54: Action plans to address poor performance

## 11.4 Local Government Turn-Around Strategy

The Local Government Turn-Around Strategy (LGTAS) was approved by Cabinet in November 2009 and was compiled after province-wide assessments of each of the 283 municipalities were carried out by the Department of Co-operative Governance and Traditional Affairs (CoGTA). The purpose of these assessments was to ascertain the key problem statement in different areas and to establish the root causes for poor performance and distress or dysfunctionality in municipalities. From these assessments, the consolidated State of Local Government Report was compiled and widely consulted over with stakeholders.

The LGTAS is premised on **key assumptions**:

- Local Government is everyone's business;
- The structure of Local Government system remains; and
- The Local Government system is still new and is evolving.

The **objectives** of the LGTAS are as follows:

- To restore the confidence of the majority of our people in our municipalities, as the primary delivery machine of the developmental state at a local level;

- To re-build and improve the basic requirements for a functional, accountable, responsive, effective, efficient developmental local government.

The **Ten Point Plan**

1. Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.
2. Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development (LED).
3. Ensure the development and adoption of reliable and credible Integrated Development Plans (IDPs).
4. Deepen democracy through a refined ward committee model.
5. Build and strengthen the administrative, institutional and financial capabilities of municipalities.
6. Create a single window of co-ordination for the support, monitoring and intervention in municipalities.
7. Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government.
8. Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
9. Develop and strengthen a politically and administratively stable system of municipalities.
10. Restore the institutional integrity of municipalities.

The **LGTAS Priorities for Pre-2011** are as follows:

1. Address immediate financial and administrative problems in municipalities.
2. Regulations to stem indiscriminate hiring and firing.
3. Ensure and implement a transparent municipal supply chain management system.
4. Strengthen ward committee capacity and implement new ward governance model.
5. National and provincial commitments in IDPs.
6. Differentiated responsibilities and simplified IDPs.
7. Funding and capacity strategy for municipal infrastructure.
8. Intergovernmental agreement with metros on informal settlement upgrade.
9. Rearrange capacity grants and programmes, including Siyenza Manje support.
10. Upscale Community Works Programme.
11. Implement Revenue Enhancement – Public Mobilisation campaign.
12. Launch “good citizenship” campaign, focusing on governance values to unite the nation.

**The different roles and responsibilities of the key stakeholders are as follows:**

- **National Department of Cooperative Governance and Traditional Affairs (CoGTA)**
  - Support, advisory and guidance role;
  - Ensure the participation of relevant National Sector Departmental Representatives;
  - Provide dedicated administrative support to the preparation and execution of the provincial and municipal visits.
- **National and Provincial Sector Department Representatives**
  - Provide all relevant information that may be required by municipalities in the process of preparing the TAS, specifically, projects they are undertaking in that municipal area.
- **Provincial Local Government Department and the Office of the Premier**
  - Support, advisory and guidance role by ensuring that key levers for turn-around are identified;
  - Co-ordinate and manage all municipal visits within the province;
  - Ensure that the Municipal Turn-Around Strategy forms part of the IDP;
  - Ensure that all municipal Turn-Around Strategy are prepared and adopted by Councils;
  - Reporting on the development and implementation of the Municipal Turn-Around Strategies to CoGTA; and
  - Ensure quality and implementability of the respective Municipal TAS.



- **Municipalities**
  - The entire Senior Management Team must actively participate in the development of its Municipal TAS and the implementation thereof;
  - Ensure that the implementation of the TAS is supported by necessary budgetary requirements in order to allow for implementation;
  - Liaise in advance with the provincial logistics contact person, i.e. procuring dates, venues for meetings and workshops, working stations for the Support Team, sending out invites to stakeholders;
  - Keep a detailed record of all proceedings, information and discussions on the process.
- **Municipal Councils**
  - Oversee, support and endorse the proposed municipal process for the development of the TAS;
  - Communicate the TAS to municipal community members and stakeholders;
  - Participate in the process of the development of their TAS;
  - Adopt their Municipal TAS.

***The progress to date in the Western Cape and roll-out plan:***

- Provincial roadshow to all District Co-ordination Forums (technical) to explain the process, get municipal comments and buy-in, and ask municipalities to identify 2 pilots (1-12 February 2010);
- Finalised the approach with CoGTA based upon consultation at District Co-ordination Forums (technical) (19 February 2010);
- Visited 2 pilots of Beaufort West and Witzenberg (22-24 February 2010);
- De-briefing session was held with CoGTA and other stakeholders to finalise methodology (26 February 2010);
- "Toolkits" with relevant assessment reports (e.g. Turnaround report, MFMA Assessment, IDP Assessment, etc) and 2-page summary was sent to all municipalities (26 February 2010);
- Visits to all municipalities (1-15 March 2010);
- Adoption by Councils of turn-around strategies and incorporation into IDP (31 March 2010);
- Incorporation of turn-around strategies into departments Municipal Support Plans (31 March 2010);
- Community consultation process on draft IDPs (April 2010);
- Adoption of IDPs (with turn-around strategies included) (end April 2010);
- Accountability check to ensure that turn-around strategies are incorporated in the IDPs (Checked at LGMTEC engagements with municipalities in May 2010);
- ***On-going monitoring & evaluation:***
  - Progress on turn-around strategies commitments (provincial) monitored by department;
  - Progress on municipal turn-around strategies commitments monitored by municipalities and submitted to department;
  - "Check-in" sessions at District Co-ordination Forums (technical) to monitor progress on turn-around strategies implementation.

# LIST OF ABBREVIATIONS

ANC	African National Congress
ACDP	African Christian Democratic Party
AG	Auditor-General
AMP	African Muslim Party
BO	Breede Vallei Onafhanklike
CoGTA	Department of Cooperative Governance and Traditional Affairs
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
DEAT	Department of Economic Affairs and Tourism
DLG&H	Department of Local Government and Housing
DM	District Municipality
DPLG	Department of Provincial and Local Government
EE	Employment Equity
EPWP	Extended Public Works Programme
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
LGTAS	Local Government Turn-Around Strategy
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
PAC	Pan African Congress
PDM	People Democratic Movement
PMS	Performance Management System
PT	Provincial Treasury
SAFPA	South African Federal Political Alliance
SDBIP	Service Delivery and Budget Implementation Plan
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDP	Social Democratic Party
TAS	Turn-Around Strategy
UDM	United Democratic Movement
UIF	United Independent Front
UP	United Party
WCC	Western Cape Community

# BIBLIOGRAPHY

1. Municipal Systems Act, Act No. 32 of 2000
2. Municipal Finance Management Act, Act No. 56 of 2003
3. Gaffney's: Local Government in South Africa 2007-2008 – Official yearbook
4. Data base of the provincial Treasury: Socio Economic Profiles Local Government 2007
5. National Government Gazette No. 26511 dated 1 July 2004
6. Ikapa Elihlumayo policy document
7. National Government Gazette No. 22605 dated 24 August 2001
8. Annual reports of municipalities 2005/06, 2006/07, 2007/08 and 2008/09
9. Financial statements of municipalities for 2005/06, 2006/07, 2007/08 and 2008/09
10. Reports of the Auditor-General for 2005/06, 2006/07, 2007/08 and 2008/09
11. Auditor-General database: Audit outcomes on performance management for 2007/08 and 2008/09
12. Database Department of Local government and Housing: MIG expenditure 2005/06, 2006/07, 2007/08 and 2008/09
13. Database Department of Local government and Housing: Housing expenditure 2005/06, 2006/07, 2007/08 and 2008/09
14. Database Provincial Treasury: Approval of 2005/06, 2006/07, 2007/08 and 2008/09 budgets by municipalities
15. Database Provincial Treasury: Submission of financial statements and types of audit reports issued 2005/06, 2006/07, 2007/08 and 2008/09
16. Database Provincial Treasury: Summary of audit outcomes 2005/06, 2006/07, 2007/08 and 2008/09
17. Questionnaires: Distributed to municipalities during August 2007 & May 2008, April 2009 & May 2010
18. LG MTEC reports: Department of Local Government and Housing and the Provincial Treasury
19. General Household Survey of 2009
20. General Report on audit outcomes of Western Cape Local Government 2008/09
21. Local Government Turn-Around Strategy

**To obtain additional copies of this document, please contact:  
Western Cape Provincial Department of Local Government  
Directorate: District & Local Performance Monitoring**

**Private Bag X9076  
27 Wale Street  
Cape Town  
8000**

**Tel: 021 483 3415  
Email: [smngxe@pgwc.gov.za](mailto:smngxe@pgwc.gov.za)**

