Integrated Development Plan

2003 / 2004

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GLOSSARY

AIDS	Acquired Immuno-deficiency Syndrome
BID	Business Improvement Districts
CBO	Community-based Organisation
CCT/CoCT	City of Cape Town
CDP	City Development Partnerships
CID	City Improvement Districts
CITI	Cape Information Technology Initiative
CLF	Consolidated Loan Fund
CMA	Cape Metropolitan Area
CMC	Cape Metropolitan Council
CMOSS	Cape Metropolitan Open Space Strategy
CMT	Cape Metropolitan Tourism
CONVENCO	Cape Town International Convention Centre Company
CPM	Competency-based Performance Management
CPS	City Police Service
DEADP	Department of Environmental Affairs and Development Planning
DTI	Department of Trade and Industry
ECC	Emergency Control Centre
ECD	Early Childhood Development
EE	Employment Equity
EMT	Executive Management Team
EPAF	Environmental Project Assessment Framework
ERP	Enterprise Resource Planning
ESF	Equitable Services Framework
EXCO	Executive Council Committee
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GDS	Growth and Development Strategy
GGP	Gross Geographic Product
HDI	Historically Disadvantaged Individual
HIV	Human Immuno-deficiency Virus
HSL	Household Subsistence Level
HSRP	Human Settlement Redevelopment Program
ICT	Information and Communications Technology

IDP	Integrated Development Plan
IMEMS	Integrated Metropolitan Environmental Management Strategy
IMEP	Integrated Metropolitan Environmental Policy
ISC	Integrated Service Centre
LED	Local Economic Development
LUMS	Landuse Management System
MONIS	Monitoring Information System
MSA	Municipal Systems Act
MSDF	Municipal Spatial Development Framework
MTIEF	Medium Term Income and Expenditure Framework
NGO	Non-Governmental Organisation
NOC	Network Operation Centre
OHS	October Household Survey
OPMS	Organisational Performance Management System
PAWC	Provincial Administration of the Western Cape
PIIF	Public Infrastructure Investment Framework
PPP	Public Private Partnership
REDs	Regional Electricity Distributors
RID	Residential Improvement Districts
SAEF	South African Excellence Foundation
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SDF	Spatial Development Framework
SLA	Service Level Agreement
SMME	Small Micro Medium Enterprises
SOE	State of the Environment
TB	Tuberculosis
VCT	Voluntary Counselling and Testing
Wesgro	Western Cape Investment and Trade Promotion Agency
ZACs	Zones of Action

1. INTRODUCTION AND PURPOSE OF IDP REVIEW

INTRODUCTION

The City Of Cape Town has, before now, not had a five year Integrated Development Plan which informed a multi-year budget. The IDP is a dynamic document which is reviewed annually. This review of the IDP begins the process of aligning the budget to the IDP and the macro-strategy. The IDP Process enables the local government and City administration to appraise the current situation in the City's jurisdiction area, assess the community needs, establish public participation in development, prioritise needs, set goals to meet needs, establish programmes to achieve objectives and measure its performance.

In terms of the Systems Act (Act no 320 of 2000) municipalities are required to lead and manage a plan for development. This includes the allocation of resources, not only to concentrate on the provision of fundamental municipal services, but in addition to eradicate poverty, boost local economic development, create employment and promote the process of reconstruction and development.

An integrated development plan therefore should be seen as a tool that would be used in the eradication of the legacy of the past through restructuring of the city, promoting social equality, creation of wealth, fighting poverty and enabling inter and intra governmental co-operation.

LEGAL AND POLICY CONTEXT

In terms of the Constitution, Local Government White Paper and the Systems Act, municipalities are required to structure and manage the administration, budgeting and planning process, to give priority to the basic needs of the community, to promote the social and economic development of the community and to participate in National and Provincial development programmes.

The City is also required in terms of legislation to identify areas where strategic intervention is required and areas where priority spending is required.

The Systems Act is the main piece of legislation regulating the development of the IDP. The sections indicated below are of significant importance for the City's IDP review process.

Sec 25 - Local Government: Municipal Systems Act, No. 32 of 2000 states that the IDP:-

- links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- forms the policy framework and general basis on which annual budgets must be based;
- complies with the provisions of this Chapter; and
- is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

Section 26 – Core components of integrated development plans. An integrated development plan must reflect –

- the municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs,
- an assessment of existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the council's operational strategies;

Section 34 – Annual review and amendment of integrated development plan. A municipal council –

- must review its integrated development plan –
- annually in accordance with an assessment of its performance measurements in terms of section 41; and
- to the extent that changing circumstances so demand; and
- may amend its integrated development plan in accordance with a prescribed process.

Section 36 – Municipality to give effect to integrated development plan. – A municipality must give effect to its integrated development plan and conduct its affairs in a manner which is consistent with its integrated development plan.

THE REVIEW PROCESS

The City of Cape Town adopted its IDP in May 2001 and began with the review of the document in December 2002 when council adopted the new strategic vision.

In spite of time constraints and legal time frames the leadership found it necessary to engage with the public on the strategic vision and the process of review of the adopted IDP. Over 12 000 people participated in the review process through a Mayors Listening Campaign. People participated as individuals, representatives for wards, NGOs, Community Development Groups, and Civil Organisations. This represented a significant cross section of the community of Cape Town. The citizens where offered to participate at meetings, through telephone, faxes, e-mails and by completing forms which were distributed at all libraries within the city.

The process of reviewing Community needs and setting priority areas and largely issues emanating from the Listening Campaign Process together with the strategic agenda of Council, which was adopted in December 2002, and research and studies conducted by the City's officials. The programmes, projects contained in this document are therefore based on the strategic agenda of council, the issues raised by the community and outcomes of research by officials.

A process to finalise the document has also been discussed with the citizens and they will be provided with another opportunity to comment on the draft adopted by council.

2. OVERVIEW OF THE CITY OF CAPE TOWN

2.1 EXTERNAL ENVIRONMENT OF THE CITY OF CAPE TOWN

The City of Cape Town is a metropolitan municipality established in December 2000 by the merger of the Cape Metropolitan Council and six metropolitan local councils namely, Tygerberg, Oostenberg, Blaauwberg, South Peninsula, Helderberg and Cape Town.

The City of Cape Town covers an area of 2 487 km^2 and is the southernmost metropolitan area of South Africa. The unique mix of natural resources make the City a tourist destination of choice for national and international travellers.

2.1.1 Population

The City of Cape Town has a population of 3 154 238 of which 46.1% comprises of Coloureds (Table 2.1).

Table 0-1: Population of the City of Cape Town

African	Coloured	Asian	White	Total
984 452	1 454 346	47 252	668 188	3 154 238
31.2%%	46.1%	1.5%	21.2%	100%

Source: "Projection of the Population of the Cape Metropolitan Area 1996-2031" by Professor R.E. Dorrington, January 2000.

The population growth rate for the City of Cape Town is approximately 3.5% per annum. The high population growth is occurring mainly among the poorer sectors of the population. Population growth is estimated to decrease to a rate of 1.2% per annum by 2010 as result of lower rate of immigration and the increase in the number of HIV/AIDS related deaths.

The City of Cape Town has a relatively young population with a median age among the population of 27 years.

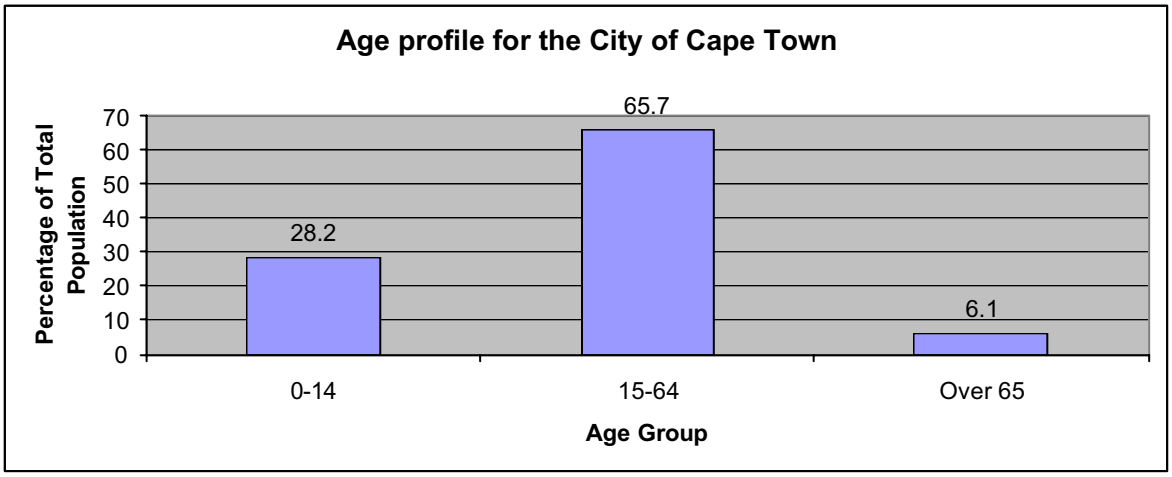


Figure 2-1: Age profile for the City of Cape Town

Source: "A Socio-Economic Profile of the Cape Metropolitan Area" by the Cape Metropolitan Council, based on the population Census conducted by SA Stats in October 1996.

2.1.2 Economy

The economy of the City of Cape Town contributed approximately 11% to the national economy and 75% to the Western Cape economy (City of Cape Town State of Environment Report Year 4, 2001). The City of Cape Town is the second largest city economy in South Africa.

The economy of the City grew by 3.0% in 2001 (2.1% in 2000). This is a higher growth rate than that for the national economy, which was 2.2% in 2001. The average annual real growth rate between 1991 and 2000 has been 2.6% compared to 1.8% for the national economy for the same period.

The growth areas for the City for 2001 include the manufacturing, trade and finance sectors. (Figure 2.2)

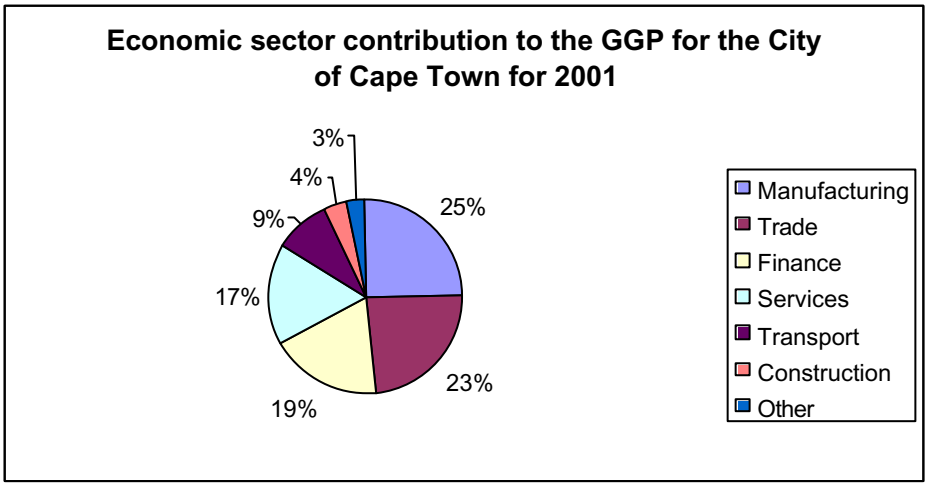


Figure 0-2: Economic sector contribution to the GGP

Source: IIDP City of Cape Town 2001

The manufacturing, trade and finance sectors have grown faster since 1980 than the social services, transport and construction sectors. The most significant growth has been in trade, due to vast improvements in tourism.

The City of Cape Town had a labour force (economically active population) of 1 377 966 in 2001 compared to1 334 666 in 2000 (City of Cape Town State of Environment Report Year 4, 2001). The table below indicates the skills base for the City of Cape Town during 1996, 1999 and 2001.

Table 0-2:Skills Categories for the City of Cape Town (1996-2001)

Skills Category	1996 (%)	1999 (%)	2001 (%)
White Collar Skilled Legislators, managers, professionals, technicians	29	24	29
White Collar Semi-Skilled Clerical, service and sales workers	23	25	28
Blue Collar Skilled Skilled agricultural workers, craft and trades-people	16	16	14
Blue Collar Semi-Skilled Machine operators and assemblers	9	12	10
Unskilled Domestics and elementary occupations	23	23	19

Source: City of Cape Town State of Environment Report Year 4 (2001)

There is however a mismatch in the City of Cape Town between the required skills levels and the skills levels available. This has resulted in the economic growth rate not being able to reduce the unemployment rate in the City. The unemployment rate has increased to 19.7% in 2001 (10% in 1991) (City of Cape Town State of Environment Report Year 4 2001, IDP City of Cape Town 2001).

The unemployment rate is expected to increase to 21% by the year 2005 and is projected to decrease to 20% in 2010 (City of Cape Town: Cape Town's Economy – Current Trends and Future Prospects, 2001).

The City of Cape Town has experienced growth in the tourism industry, which is seen as the industry to contribute to employment creation and economic growth and which is able to employ the unskilled labour force.

The demand for unskilled workers is expected to grow by 4 200 per year and that for skilled workers to grow by approximately 20 000 per year (City of Cape Town: Cape Town's Economy – Current Trends and Future Prospects, 2001).

Formal sector employment declined to 64% in 2001 (77% in 1991). The informal sector has grown to play an important role in the economy of the City contributing 12% of the economic output and employing approximately 18% of the labour force (IIDP City of Cape Town 2001). Growth of employment in the formal and informal sectors is projected to grow at an annual average of approximately 2% between 2001 and 2005 (City of Cape Town: Cape Town's Economy – Current Trends and Future Prospects, 2001).

The economy has a large number of small businesses (see Table 2.3).

Table 2.3: The distribution of businesses by employment size in the City of Cape Town

	2000	**2001**
Micro –Small (1 –50 employees)	91.0%	93.3%
Medium (50 – 100 employees)*	4.0%	3.9%
Large (100 – 200 employees)*	3.0%	2.8%

**Depends on the sector*

Source: City of Cape Town State of Environment Report Year 4 (2001)

The economy of the City needs to grow by approximately 7% real growth per annum in order to reduce the level of unemployment and to absorb the estimated 38 000 people that enter the labour force each year. (City of Cape Town State of Environment Report Year 4 (2001)

The City of Cape Town has an inefficient and inequitable distribution regarding economic activity and population distribution. The poor communities travel long distances to places of work.

As seen in Table 2.4 the areas with the most economic activity and employment account for a relatively lower proportion of the population, while the areas with the highest proportion of the population have the lowest proportion of economic activity and employment.

Table 0-3: Economic activity, formal employment and population in the City of Cape Town

Areas	**% of City Business Annual Turnover**	**% of City Formal Employment**	**% of City Population (1996 Census)**
Cape Town CBD, Observatory, Camps Bay, Simon's Town	33.0	29.5	10.0
Parow, Bellville, Durbanville, Brackenfell	18.2	17.0	11.0
Maitland, Paarden Eiland, Goodwood, Epping	16.0	18.0	5.0
Claremont, Mowbray, Wynberg, Ottery	14.0	11.7	8.0
Milnerton, Melkbosstrand, Table View, Atlantis	8.0	7.7	6.0
Somerset West, Mitchells Plain, Khayelitsha	5.8	9.0	34.0
Gugulethu, Athlone, Airport Industria, Kuils River	5.0	7.1	26.0

Source: City of Cape Town: Cape Town's Economy – Current Trends and Future Prospects - 2001

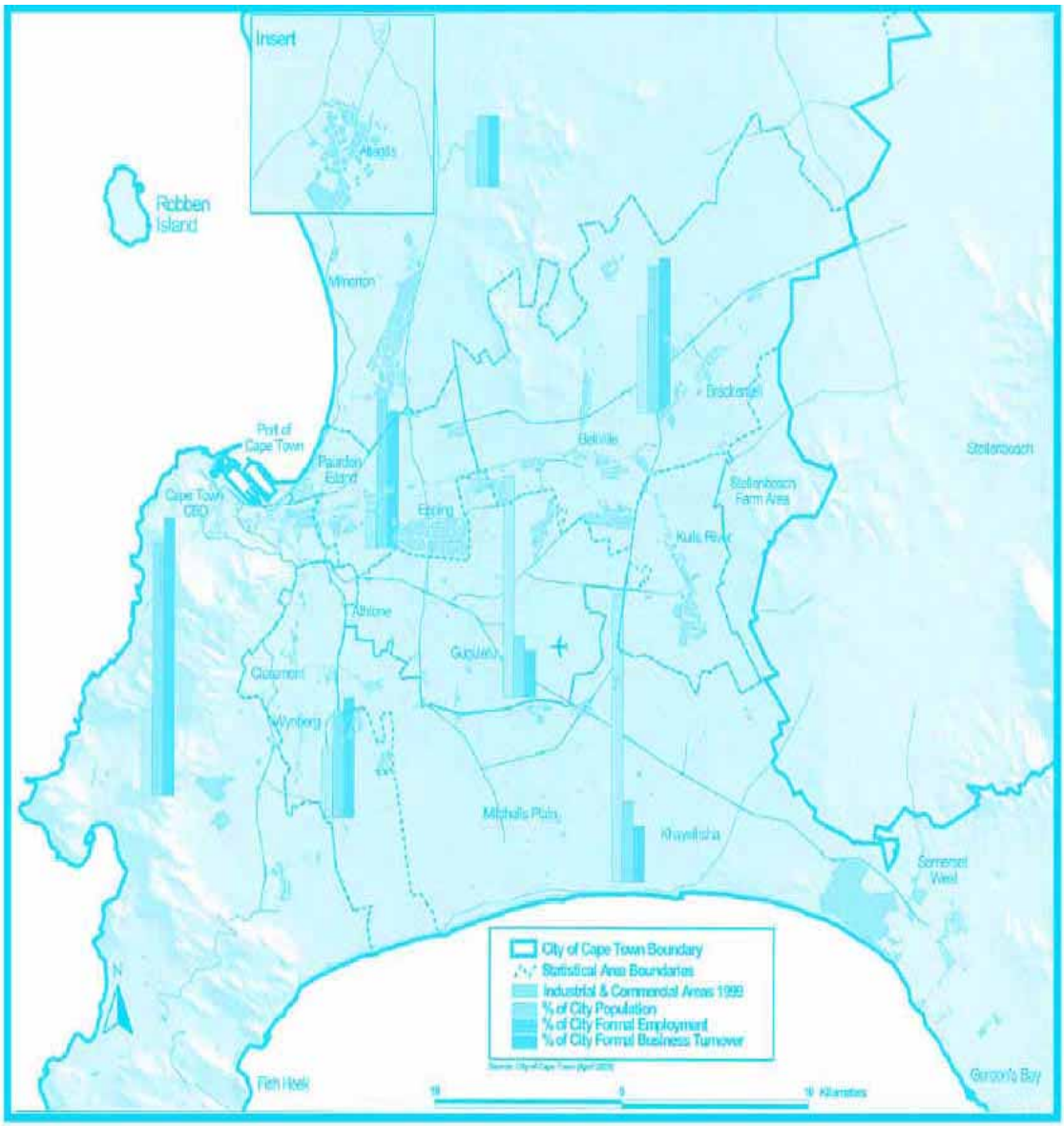


Figure 0-3: Spatial distribution of economic activity and population in the City of Cape Town

Source: City of Cape Town: Cape Town's Economy – Current Trends and Future Prospects - 2001

2.1.3 Health

TB and HIV/AIDS continue to dominate the health sector in the City of Cape Town. The incidence rate for TB has increased to 577 per 100 000 people in 2001 (560 per 100 000 people in 2000. The incidence rates are highest in Khayelitsha (921 per 100 000 people) and Nyanga (963 per 100 000 people). The HIV prevalence in the Western Cape was 8.6% in 2001 (8.7% in 2000). (City of Cape Town State of Environment Report Year 4 2001)

It is clear that the incidence of TB and HIV have the most devastating presence in the poorer communities. The City of Cape Town has made TB and HIV/AIDS priority areas on the strategic agenda and various programmes have been developed and put into place to deal with the epidemics.

2.1.4 Crime

The high levels of crime have led to the placing of community safety, policing and crime prevention on the strategic agenda of the City. The City is characterised by areas of relatively safety and areas of extremely high crime. There are high levels of violent crime in the poorer areas of the City indicated by the distribution of murder rates. In the wealthier areas property crime is more prevalent. (Figure 2.5)

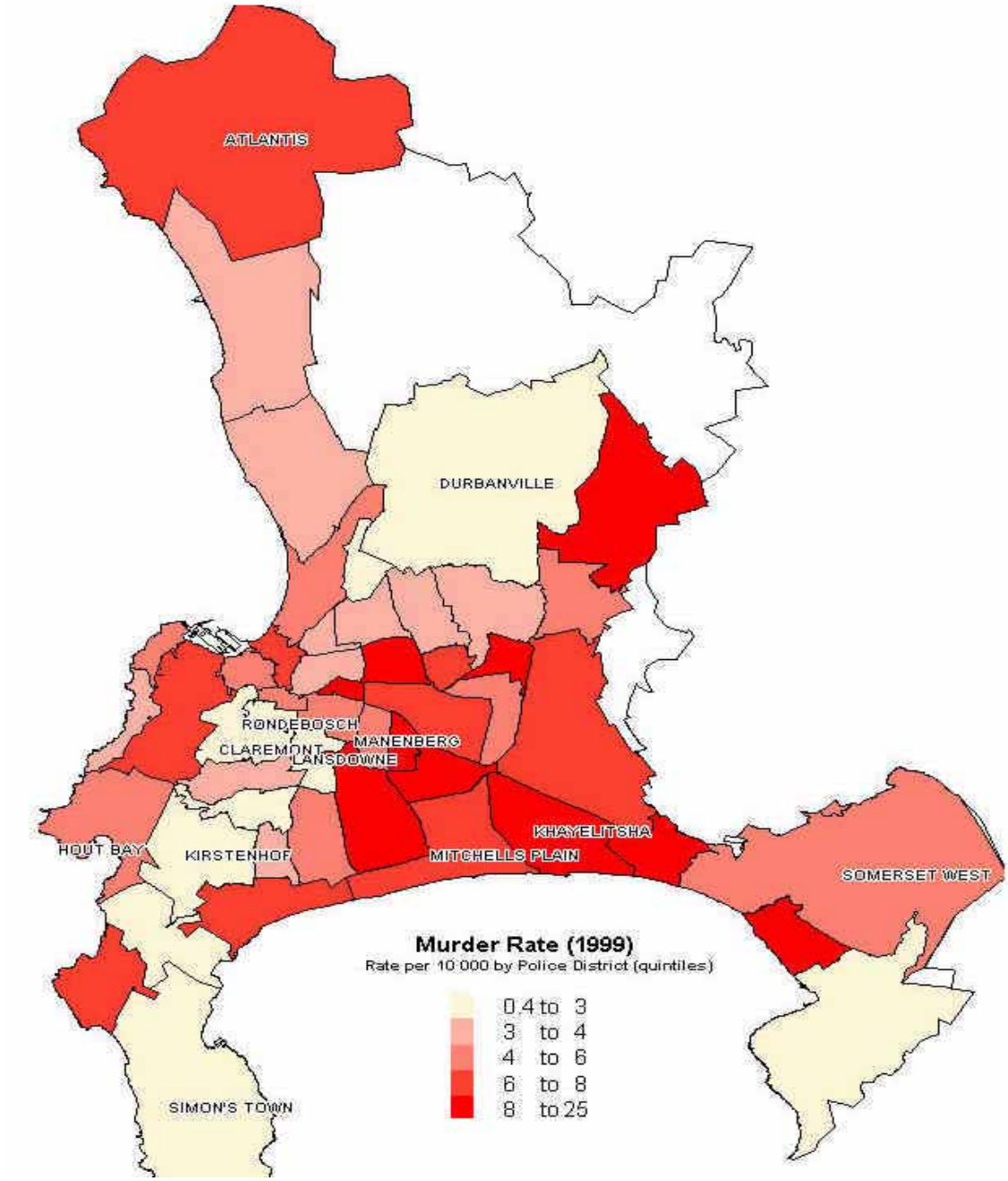


Figure 2-4: Levels of violent crime and property crime in the City of Cape Town for 1999
Source: City of Cape Town IDP 2002/2003 (SAPS Crime Statistics 1999

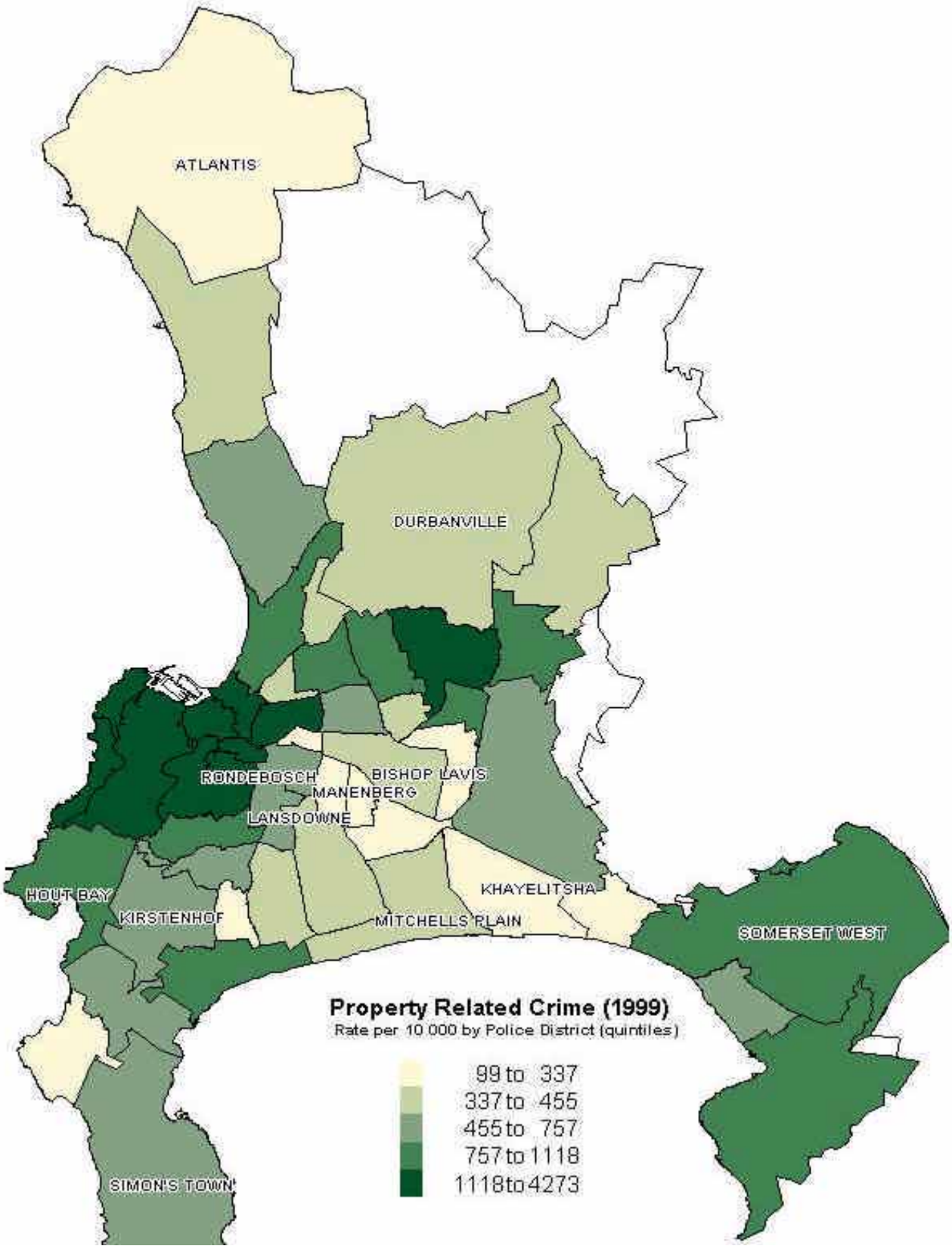
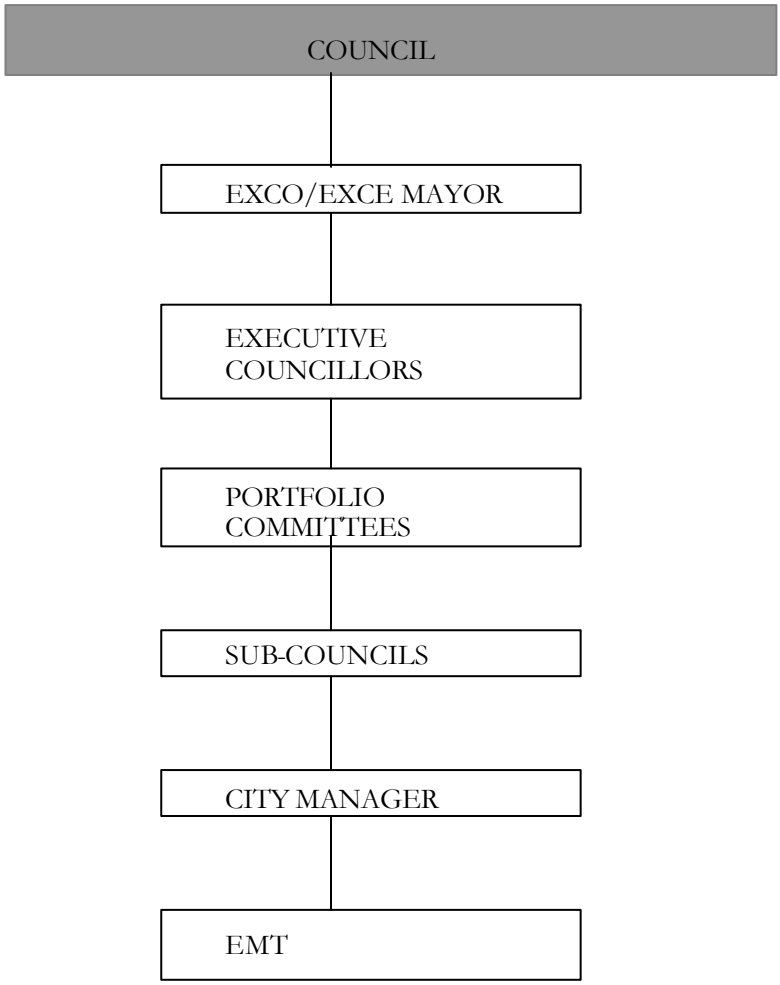


Figure 2-5: Levels of violent crime and property crime in the City of Cape Town for 1999
Source: City of Cape Town IDP 2002/2003 (SAPS Crime Statistics 1999

2.2 INTERNAL ENVIRONMENT OF THE CITY OF CAPE TOWN

The City of Cape Town was established on 6 December 2000 from the amalgamation of the disestablished municipalities of City of Cape Town, City of Tygerberg, Blaauwberg, Helderberg, Oostenberg, South Peninsula and Cape Metropolitan Council.

The City of Cape Town employs a total of 27 201 staff members at a cost of R 2.7 billion for the 2002/2003 financial year (City of Cape Town: Corporate Planning and Support Services; Finance). The staff is deployed across 11 departments namely, Office of the City Manager; Office of the Assistant City Manager; Development Services; Trading Services; Community Services; Internal Audit; Finance; Communications; Strategy and Policy; Corporate Planning and Support Services; and Performance Management and Service Integration.



The majority of staff members are male (Figure 2.8) and are employed in the elementary occupations (Figure 2.9).

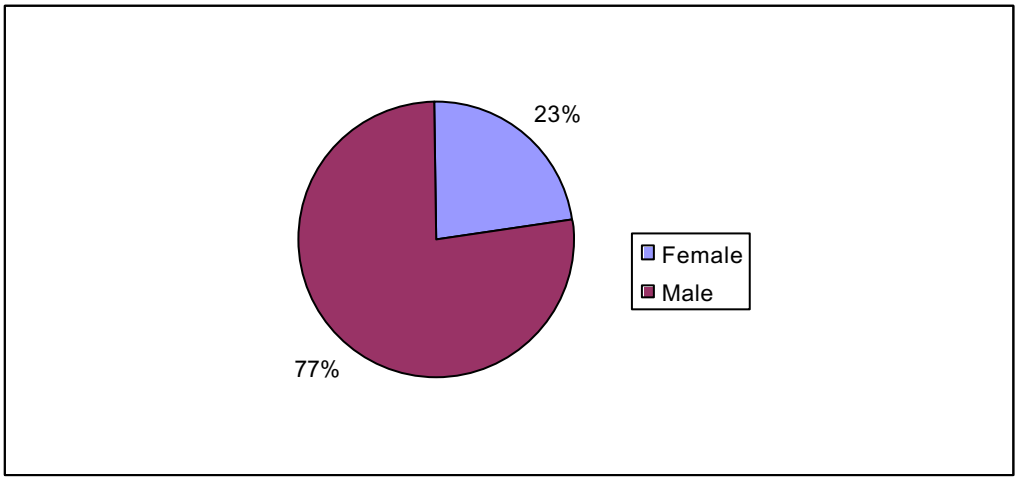


Figure 2-7: Gender representation of staff members of City of Cape Town

Source: City of Cape Town: Corporate Planning and Support Services

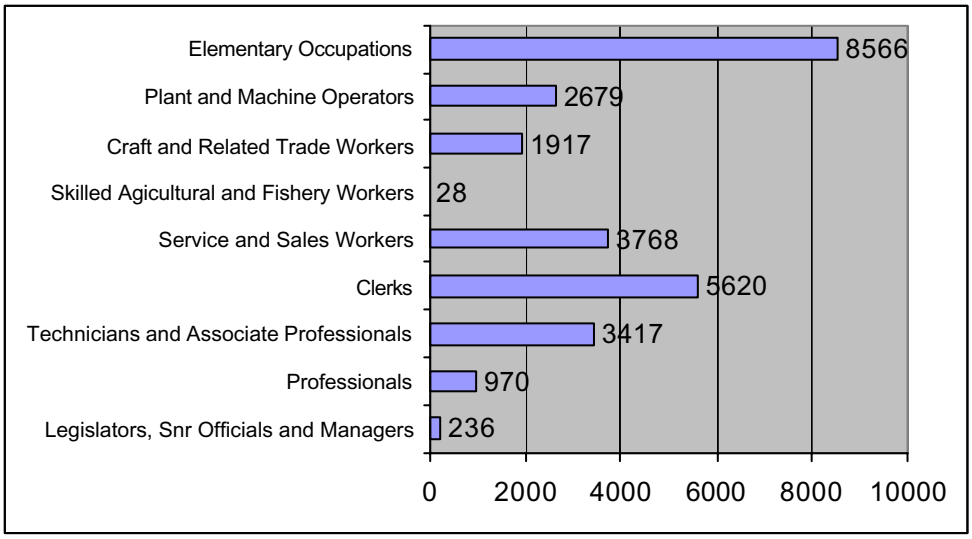


Figure 2-8: Occupational categories in the City of Cape Town

Source: City of Cape Town: Corporate Planning and Support Services

The City of Cape Town plans to embark on a restructuring exercise to develop and establish a new corporate structure for the organisation.

3. CURRENT REALITIES

Current Reality: Basic facts and figures

As one of the larger municipal areas in South Africa, the City of Cape Town needs to ensure that it meets the needs of its communities adequately. A basis for being able to cater for the needs of the people of the City of Cape Town is to obtain a better understanding of the realities facing the City so that the City may be able to prepare sound strategies and develop and implement programs to address them. The following subsections list the main themes that are current realities in the City.

Housing

There are approximately 3.1 million people living in the City of Cape Town, representing roughly 800,000 household units within the municipal area[1]. The housing backlog, driven by in-migration and the formation of new families, in the City of Cape Town has increased slightly to 245,000 houses in 2001 as compared to 240,000 in 2000[2]. Housing delivery in 2000 was about 10,000 units and has been improved for 2001 to almost 10,500 units. A further factor impacting housing delivery is the availability of land for building houses. Potential strategic vacant council land for housing needs to be identified and mapped for quick delivery of housing.

In order to understand the indicators of the 1996 Census, it is necessary to segment the development level across the metropolitan area. The table that follows provides development indicators for each of the five areas listed below:

- Informal Settlement Areas
- Public Housing Areas
- Low Income Private Housing Areas
- Lower Middle Income Housing Areas
- Higher Middle Income Housing Areas

[1] IDP 2002/03, Chapter 2: Needs Analysis
[2] City of Cape Town State of Environment Report Year 4 (2001)

INDICATORS	Informal Settlements	Public	Low Income Private	Lower Middle Income	Higher Middle Income
DEMOGRAPHIC/SOCIO-ECONOMIC INDICATORS[1]					
Median Age	22	24	21	25	31
Average Household Income per annum	<R10000	R10-R20000	R20-R30000	R30-R60000	>R60000
% Household earning less than HSL (R1000 per month)	60%	31%	21%	13%	10%
ACCESS TO BASIC SERVICES[1]					
% households with potable water on-site or in-dwelling	52%	97%	98%	99%	100%
% households with flush toilet	52%	97%	98%	99%	100%
% households using electricity for lighting	45%	91%	98%	99%	100%
HEALTH (selected clinics)[2]					
Infant mortality rate (per 1000 live births)	Browns Farm 62 KTC 51	Manenberg 19 Hanover Park 12	Tafelsig 11 Eastridge 19	Strandfontein 5	Claremont 7 Tableview 8
Low Birth Weight as % of all births	Browns Farm 10 KTC 12	Manenberg 14 Hanover Park 16	Tafelsig 13 Eastridge 18	Strandfontein 12	Claremont 9 Tableview 7
New TB cases per 10 000 of population	Browns Farm 114 KTC 141	Manenberg 49 Hanover Park 87	Tafelsig 33 Eastridge 45	Strandfontein 6	
AIDS Deaths as % of all deaths	Browns Farm 12% KTC 16%	Manenberg 2% Hanover Park 1%	Tafelsig 2% Eastridge 2%	Strandfontein 0%	Claremont 1%
CRIME (selected police districts)[3]					
Reported Violent Crime cases per 10 000 of population	Khayelitsha 154	Manenberg 218 Bishop Lavis 185	M/Plain 193	Lansdowne 106	Rondebosch 76 Kirstenhof 117
Reported cases of Murder per 10 000 of population	Khayelitsha 12	Manenberg 6 Bishop Lavis 7	M/Plain 7	Lansdowne 2	Rondebosch 0.5 Kirstenhof 1
Reported Property crime cases per 10 000 of population	Khayelitsha 99	Manenberg 326 Bishop Lavis 425	M/Plain 415	Lansdowne 594	Rondebosch 1612 Kirstenhof 697
Reported cases of Residential Burglary per 10 000 population	Khayelitsha 32	Manenberg 64 Bishop Lavis 63	M/Plain 93	Lansdowne 180	Rondebosch 262 Kirstenhof 185
EMPLOYMENT/ECONOMIC ACTIVITY[4]					
% Economically Active < Matric	90%	83%	82%	59%	26%
% Unemployed Male	32%	25%	19%	11%	4%
% Unemployed Female	53%	29%	25%	12%	4%
Number of Formal Businesses as of all business	4.7%	2.6%	0.3%	42%	49%
Existing Formal Jobs as % of all jobs	1.4%	0.6%	0%	75.7%	21.7%

[1] Source: 1996 Census, Statistics South Africa

[2] Source, CCT Health Statistics, 2000
[3] Source: SAPS Crime Statistics, 1999
[4] Source 1996 Census; RSC Levy Data

Figure 3-1: Development Indicators by Housing Area

The segmentation summary table highlights the relative poverty, lower basic service levels, higher infant mortality rates, high murder rates and high unemployment rates experienced by the informal settlements. The indicators illustrate the wide range of needs and services across the municipal area and the task faced by the City to allocate its resources to these communities effectively.

Informal Settlements

Most of the new households that are forming due to in-migration and population are poor. Consequently, informal settlements have grown rapidly within the municipal area. The number of informal shacks has grown rapidly from 28,300 in 1993 to 59,854 in 1996, to 72,140 in 1998 (*Growth in informal shacks, Abbott & Douglas,*

1999). These developments often occur in risky and unsustainable sites. A majority of the informal settlements are located far away from employment opportunities whilst pockets of informal settlements, such as Marconi Beam, are situated close to business areas. The informal settlements are typically occupied by young, poorly educated and unemployed communities. The levels of access to water, electricity and sanitation for the informal settlements is relatively low. Among the reasons for the low service levels is the inaccessibility (no roads or tracks) of some of the settlements and the location of some of the informal settlements on private land. The rapid growth of the informal settlements, as well as the social and physical environments, contributes to the spread of disease and high rates of violent crime.

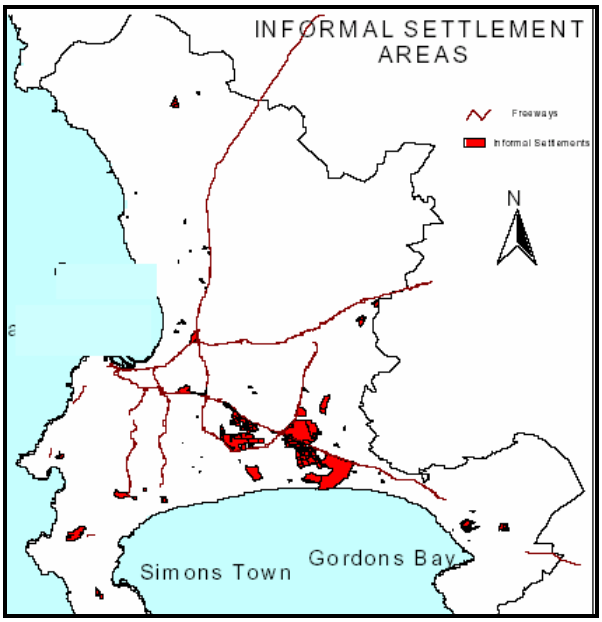


Figure 3-2: Informal Settlement Areas

AIDS

The population of the City is fairly young with 50% of the 3.1 million being 27 years or younger. The population is expected to grow at an average of 1.1% per annum mainly as a result of in-migration and the increasing number of births resulting from the formation of new households. However, the impact of AIDS can retard this potential growth rate. Population projections for 2009 show that AIDS will be the highest cause of deaths within the municipal area. This will have a significant impact on fertility (due to increased female deaths) and mortality rates, as well as homelessness of orphans – by 2006, the metro population is projected to grow to 3.6 million. Depending on the impact of AIDS, by 2031 the population could be as high as 5 million or as low as 3.5 million, in the worst case scenario.[3]

[3] Population Projections for CMA 2001-2031, Dorrington (2000)

Unemployment

Of the 3.1 million people living in the city, approximately 45% are economically active. "The workforce education level is relatively low with 64% having an educational level that is less than matric. The average unemployment rate for the city is 20% but this rate varies significantly by social group with rates of 30% for blacks, 25% for the age group from 20 to 29 years old. Unemployment rate for black females in the 20-29 age group is as high as 59%." [4] The figure that follows illustrates the breakdown of unemployment rates by social group.

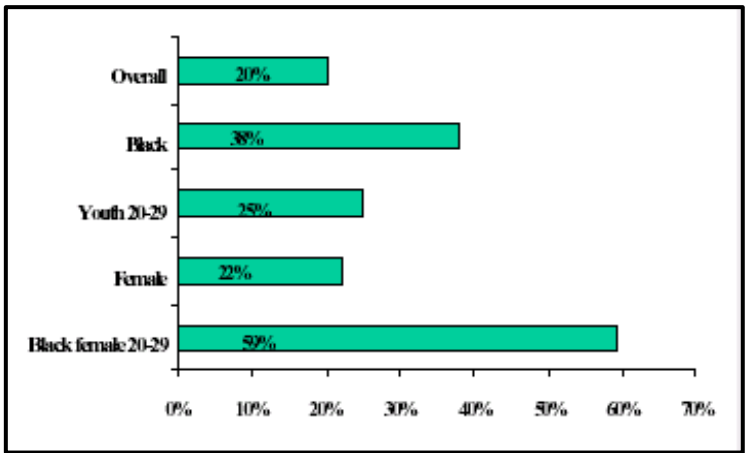


Figure 3-3: Unemployment rates by social group

Service Delivery Analysis

In order to gain a better understanding of the current realities for the City, one needs to determine the services offered to the various communities as well as the backlogs for these services. The service delivery backlogs addressed in this document can be represented by three areas:

Trading services,

Community services, and

Development services

[4] IDP 2002/03, Chapter 2: Needs Analysis

Trading Services

Trading Services are very large trading entities presently operating as an integral part of the municipal functional areas. Income from Trading Services contributes roughly 47% of Council's income. Trading Services comprise the following three functional areas:

- *Water and Sanitation* – provision of services including amongst others bulk water, dams/storage, waste water treatment, provision of sanitation services to individuals and business, provision of water, water demand management, water quality management, customer and revenue management
- *Electricity* – providing distribution, generation, network operations, sales and customer services, and service management of electricity
- *Solid Waste Management* – providing disposal, collection and cleaning services

The overall standard of service for Trading Services is relatively high in terms of high potable water quality and a stable electricity supply with few disruptions. However service delivery in the poor communities , especially informal settlement is still very poor.. The service delivery backlogs identified by Trading Services comprises of backlogs for the City-wide area with a majority of the backlogs being rated of high importance from the Listening Campaign.

Table 3-1: Service delivery backlogs for Trading Services

Area	**Backlog / Need**
City wide (Corporate Centres – a combination of Trading Services and the different directorates of the City of Cape Town) (Specific areas have been mention in the business plans)	Provision of water to 31,500 dwelling units (DU) Provision of wash-troughs to 71,000 DU Installation of bulk water meters (207 meters) Installation of fire hydrants (48,280 DU) Provision of sanitation (71,000 DU) Provision of solid waste services (23,500 DU) Electricity supply in City Council supply area to 19,700 dwelling units Electricity supply in Eskom supply area to 11,000 dwelling units Area lighting, access tracks and stormwater (including earthworks) for 83,500 dwelling units
City-wide (Electricity)	Currently no electricity delivery to informal settlements on private land.
City-wide (Solid Waste Services [SW])	Provision of offices and depot facilities – SW do not have sufficient depot facilities to provide close interface with

	communities Fragmented service delivery does not address all the needs of the communities 15,000 dwellings on private land do not have proper collection service 55,000 households need to be containerised with 240*l* containers
City-wide (Water Services)	Treated wastewater effluent quality does not comply with statutory requirements – while there have been significant improvements, the quality of the treated effluent at the 22 wastewater treatment works still fail at least one parameter at each plant Water and sewer reticulation services – 23% of informal settlements are without a basic water supply and 58% are without a basic sanitation service

Community Services

Community Services encompasses the following directorates:

- *City Police* – which includes Municipal Police, Traffic Services, Law Enforcement, CCTV)
- *City Emergency Services* – which constitutes Fire Protection, Disaster Management, Ambulance Services, and Emergency Call Centre
- *Health Services* – covering Primary Health Care Clinics
- *Sports and Recreation* – formal and informal sports and recreation facilities
- *Community Facilities* – Halls and community centres
- *Social Development Services* – representing Libraries, Arts and Culture as well as Youth, Disabled and Gender issues
- *Open Spaces and Nature Conservation*

The service delivery backlogs identified by Community Services comprises of backlogs for specific areas as well as City-wide needs.

Table 3-2: Service delivery backlogs for Community Services

Area	**Backlog / Need**
City-wide (particularly informal settlements, Khayelitsha and Nyanga health districts)	Long waiting times at clinics and shortage of medicines. There are insufficient staff and medicines due to under funding of the service (approximately R7 million). Total clinic attendees increased from 4 110 400 in 2001 to 4 979 077 in 2002 (includes polio immunizations campaign number of 469 022). The increase when excluding the polio campaign is 9.7%. Total TB cases increased from 18 361 in 2001 to 20 950 in 2002 (14% increase). HIV/AIDS prevalence is increasing and there are more patients and they are more sick, requiring more staff and treatment. The Equity Gauge Project (School of Public Health UWC) indicates that Khayelitsha and Nyanga health sub-districts are under-funded in terms of equity

City-wide	Serious shortage of operational Fire Service staff No fire station in Hout Bay Aged fire appliances and equipment
City-wide, ZACs, Informal settlements, new low-cost housing areas, urban renewal areas, Cape Flats Renewal, marginalized communities and ISLP areas	Lack of access to opportunities for youth and school leavers Lack of capacity and organizational skills Lack HIV/AIDS and teenage awareness programmes 52% of the population consists of the youth (16-30 years) More than 100 000 youth are associated with gangs in the City Recidivism rate = 80% 26.5 – 30% of youth are unemployed. Request for youth development programmes in zones of poverty and urban renewal areas
City-wide	Lack of poverty alleviation programmes 42% of households in the City are headed by women 70% of households went without sufficient food in the past year Causes of death of children under the age of 5 years are preventable – diarrhoea (13%), pneumonia (12%) and HIV/AIDS (22%) – poverty diseases 26% of households in the City earn below the household subsistence level of R 1 000.00 per month
Atlantis Wesbank, Kuilsriver Weltevreden, Mitchell's Plain Delft, Bellville South Parklands, Tableview Brackenfell	New housing developments without any or adequate greening projects
Cape Flats, Bloekombos, Masiphumelele	There is a need for cemeteries. Backlog of one cemetery.
Presidential Urban Renewal Nodes Areas (Khayelitsha and Mitchell's Plain) And other Urban renewal Areas (Bonteheuwel, Bishop Lavis, Nyanga, Philippi, etc.)	Need for more policing/visible security due to high levels of crime
Urban Renewal areas and poverty zones	Insufficient access to early childhood development services or poor quality early childho od development services

	The majority of children below the age of 9 are not in ECD programmes and the available informal ECD services are unregulated Only about 25% of children are in ECD services, 11% of these are in informal structures 30% of the ECD services are not registered with any authority 46% of ECD practitioners have passed grade 12 and 12% have level 1 ECD qualification
Wallacedene (Ward 10 and 12)	30 000 people with no access to any facility offering training, economic development, recreational facilities i.e. multi-purpose community centre
Wallacedene (Ward 10 and 12)	30 000 residents with no access to any open spaces for recreational purposes

Development Services

Development Services comprise the following directorates:

- *Economic Development* - facilitates Economic Development & Tourism
- *Public Housing* – for the delivery and administration of Public Housing
- *Transport planning, road planning and construction, stormwater management*
- *Planning and Environmental Services*
- *Property Management*

The service delivery backlogs identified by Development Services comprise mainly backlogs for specific areas of the City.

Table 3-3: Service delivery backlogs for Development Services

Area	**Backlog / Need**
City Wide	Inadequate investment in dignified, well landscaped public

	spaces in poor and neglected parts of the city. Capacity funding and formation of partnerships to protect global common goods Land use and building plans not processed are 275 and 405 per month respectively Construction of new infrastructure links not in correlation to growth in traffic and road infrastructure maintenance below acceptable norms Limited provisioning of street lighting to address safety issues
All residential areas	Requests received for traffic calming devices in the order of 300 per month
Atlantis (Beacon Hill)	Lack of children's facilities
Cape Flats Townships	Poor condition of neighbourhoods and street environment. At least 1000km of concrete roads, unmade roads, and roads needs to be rehabilitated Unacceptable high number of flooding experienced during winter
Du Noon / Joe Slovo Park	No functional public facilities
Khayelitsha subcouncil 13	Inadequate community based facilities to cultivate indigenous medicinal plant leading to pilfering of material from sensitive and protected areas
Mamre	No formalised town square / taxi rank
Muizenberg	Heritage park in need of improvement
Nomzamo / Lwandle	Critical school shortage, no public open spaces development, clinic inadequate, informal market not completed, etc.
Retreat	Retreat road / CBD area in need of upgrading
Subcouncils 4 and 7; Wards 64, 66 and 67	Inadequate investment in conservation, recreation, tourism and job creation in the area.
Wallcedene (Ward 10 and 12) Langeberg Sub-council	No Taxi Rank currently in place, for 30 000 residents who make use of taxi transport

Spatial Analysis: Patterns and trends

The current spatial patterns in the City of Cape Town significantly impact on social, economic and environmental costs. Fragmented, low-density sprawl destroys valuable natural and rural resources and results

in long travel distances that impose costs on individuals, households and firms with regard to the movement of goods, services and commuters. The pattern of urban sprawl is continuing, as development has tended to take place on the edges of the city. The current spatial pattern also reinforces poverty and inequality. The poorest residents of the city live furthest away from economic and environmental opportunities. This means that poor households spend a significant amount of their income on transport costs while long travelling times negatively affects productivity and quality of life.

Public resources also have to be allocated to transport subsidies, which redirects expenditure away from needs such as housing. Despite the high expenditure on subsidies, the existing public transport system is inadequate in meeting commuter need. Poor integration between different modes of transport means long travelling times for commuters. Increased use of public transport is also hampered by concerns of safety, with a high incidence of crime on trains and poor road safety for taxi commuters. An efficient public transport system could reduce the inefficiencies and inequalities resulting from the existing spatial pattern. However, a key problem in addressing the inadequate public transport system is the lack of direct local government involvement in the provision of public transport services, as well as lack of integration, with different modes of public transport controlled by different authorities.

Current development trends appear to be reinforcing the existing spatial patterns. New low-income housing developments are located primarily in the South-East of the city. Private non-residential investment has accompanied the development of higher income residential areas in the northern suburbs (Tyger Valley, Milnerton), or has continued in existing economic centres (the Waterfront, CBD, Claremont). Private investments have been attracted to these areas by good freeway access, high amenity value and safety and good infrastructure - factors that are absent in the poorer areas. Consequently there has been little new investment in the south-east of the city, with the exception of the area around the airport. The figure below (Turok, 2000) captures the location of investment in the City:

This clearly indicates the need for a reviewed spatial development framework which begins to eradicate the injustices as created by the past planning practices. A scoping for the review process has been proposed.

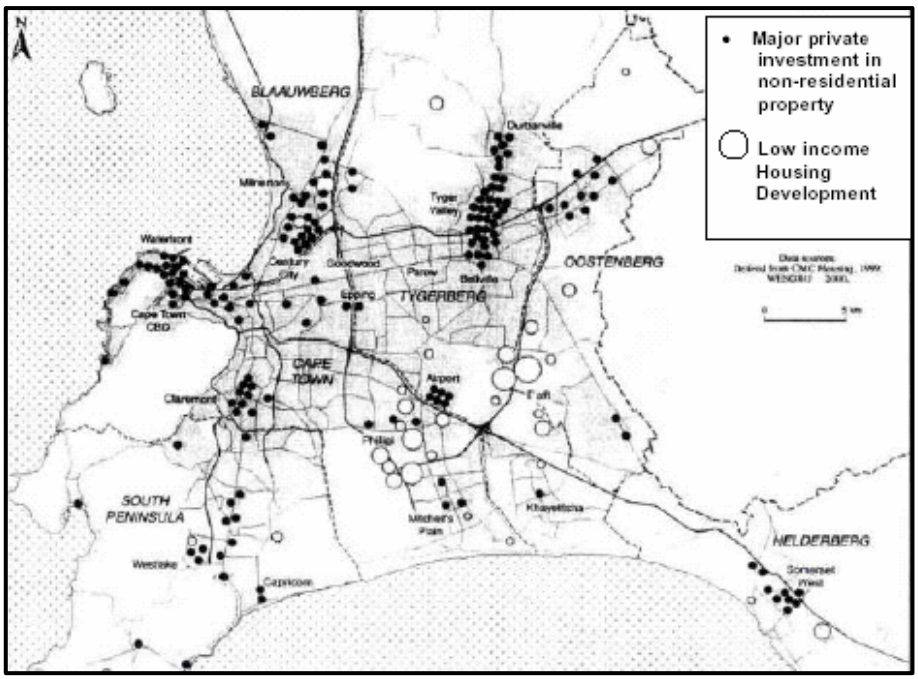


Figure 3-4: Location of non-residential investment and low-income housing

Environmental Analysis

The City of Cape Town has a unique ecosystem as a result of the Mediterranean climate, Table Mountain, surrounding sand flats and the sea. Development in the City is placing undue pressure on the environment. The City of Cape Town has 476km2 of land with formal conservation status that includes national, provincial and local nature reserves. There are 23 (twenty three) formal nature areas in the City and the City manages only 5 (five) of these at adequate levels.

Water management in the City of Cape Town includes the management of stormwater systems including rivers, vleis, wetlands, groundwater and the impact of land-based activities on the coastal waters. The City imports most of its potable water from catchments situated outside of the metropolitan boundaries. Certain inland water bodies are used for recreational purpose and some wading takes place in the rivers. Therefore the inland water bodies need to be analysed and maintained for fitness of use by measuring their bacteriological data and presence of algal blooms.
The City of Cape Town has 307 km of coastline of which 14% has conservation status. This includes two marine protected areas, namely Castle Rock Marine Protected Area and Helderberg Marine Protected Area, and five restricted areas. There are points along the coastline where industrial and domestic effluents, stormwater and litter discharge occurs. The quality of the water in False Bay and the Table Bay indicated some deterioration between October 2001 and March 2002. The quality of coastal water is affected by urban discharge and lack of infrastructure in some areas. Stormwater plays an important role in the quality of coastal waters.

The impact of urban growth on the natural environment is particularly bad in poorer areas. Inadequate waste removal, lack of access to clean drinking water, and sanitation and drainage, amongst others leads to poor environmental health in poorer communities and also impacts on the health of the wider community. These conditions become particularly severe during periods of heavy rain.

The key challenge for environmental management is to reconcile the often-competing demands of urban growth and environmental conservation. Threats to the natural environment posed by unsustainable urban growth include:

- Low-density urban sprawl leading to the loss of agricultural land and loss of biodiversity
- Inappropriate coastal development leading to the depletion of marine and coastal resources
- Increasing problem of littering and illegal dumping that can have adverse social and health effects
- Decrease in air quality – this emanates from a number of sources, including increased use of motor vehicles and in poorer areas, the use of wood as an energy source. The annual number of

air pollution events (number of days that a monitoring guideline was exceeded) decreased between 1999 and 2000. How ever, the medium term trend (3-4 years) is increasing pollution events

- Deteriorating water quality. The city performs poorly in relation to levels of bacteria in rivers and vleis as well as coastal waters. The majority of river systems in the CCT area are unsafe for intermediate contact recreation and many coastal sites exceed the South African Coastal Water Quality guidelines. The main causes of water pollution are stormwater discharge and littering.

Focus on the above issues through effective environmental strategies and programs will assist in containing the threats.

Institutional Analysis: Strengths and weaknesses of the City of Cape Town

- The objective of this assessment is to understand the environment within which the City operates and how this ultimately influences the programmes which were formulated. To fully understand the current context the Services Directorates described their internal and external environments (i.e. strengths, weaknesses, opportunity and threats: SWOT). This process was assisted by:

Table 3-4: SWOT analysis table for the City of Cape Town

Main Strengths of the City
Staff – The staff of the City of Cape Town possess the necessary skills and are passionate about their work
The City of Cape Town has good partnerships with the private sector and other spheres of government
Good infrastructure (Trading Services) - The Trading Services Directorate has good infrastructure in place i.e. electricity distribution network, water distribution network, depots
Main Weaknesses of the City
The City of Cape Town has poor focus on the communities, whom it exists to serve – the City needs to focus on the needs of the public and how best to meet and satisfy these needs
Officials' negative attitude towards the new IT systems - The City of Cape Town has IT systems that often results in the incorrect billing of customers
Inadequate internal communications – There needs to be improved levels of communication and co-ordination between the various directorates and departments of the City to better service delivery to the community
The City of Cape Town does not have a system to monitor and manage its performance in terms of

service delivery
Lack of integration among the seven administrations
Bureaucratic delays (red tape) - The City of Cape Town has delays with regard to service delivery which impacts the performance of the organisation i.e. approval of business plans, approval of business licenses
Inadequate BEE - The City of Cape Town has a poor profile in terms of the number of HDI employed in the senior positions of the organization
Main Opportunities for the City
Cape Town brand (one of the world's 30 most recognized cities) - The City of Cape Town is a brand name, which should be exploited to encourage people to live and work, visit, invest and trade in the City.
City growth (3% GGP growth rate) leading to opportunities for increased rate base - The City of Cape Town's economy grew at an average annual real rate of 3% in 2001, higher than the average national average. The relatively high rate can be used to used to market the City and thus attract more growth
The City is a large property owner (land , building, equipment valued at R70b) and there is potential to either sell or lease the property to generate once-off or long-term income respectively in order to fund critical projects There exists opportunities to enhance existing partnerships and to build new partnerships in the private and public sector to help improve service delivery
Alignment with provincial and national government - The City of Cape Town is politically aligned to the goals of the provincial and national government
Developing a new organization - The City of Cape Town has the opportunity to design a new organisation - structure, culture, values, goals and strategies
Enabling legislation e.g. Systems Act, Structures Act, NLTTA - The new legislation that has been introduced offers the City of Cape Town opportunities e.g. introduction of the Executive Mayoral System
Executive Mayoral System - The adoption of the Executive Mayoral System will enable the City of Cape Town to speed up decision-making a fast track delivery of services
IDP/MTIEF - The IDP and MTIEF requirements allow the City of Cape Town to plan strategically for the future to ensure sustainability and to align the budget to the IDP
Main Challenges facing the City
19.7% unemployment of potentially economically active population - A 2002/03 publication from Economic Development and Tourism states that the number of unemployed in the City is

approximately 19.7% of the economically active population. The City of Cape Town has a relatively high unemployment rate that puts the City at risk for the negative effects of unemployment – poverty, crime, public dissatisfaction
High levels of crime - The high level of crime in the City of Cape Town has negative impacts for the City – reduced investor confidence, reduced public confidence and negative image of the City
HIV/Aids/TB - The HIV/AIDS/TB epidemic poses a threat for the City of Cape Town in terms of increased health care spend, reduced productivity and an increase in the number of orphans
Housing backlog of 240 000 houses - The housing backlog is estimated at 240 000 houses, of which 100 000 comprises of shacks in informal settlements and according to the Public Housing Directorate, this backlog is growing by 9 000 units due to in-migration and new family formation
Growth of informal settlements and inability to service
Adequacy and sustainability of funding
Inadequate capacity of rail, roads to accommodate growth, leading to overloading and deterioration (R500m maintenance backlog)
The non-payment of services poses a risk to financial sustainability of the City of Cape Town
The proposed introduction of Regional Electricity Distributors (REDS) poses a threat to the City of Cape Town as it may remove the revenue accrued by the City from electricity distribution

4. KEY PRIORITY AREAS

A key aspect of the Integrated Development Plan is the degree to which it captures the needs of the municipality's citizens. Numerous methods (such as household surveys, listening campaigns and census results among others) may be used to capture the community priorities. Collectively, these sources provide an adequate reflection of the needs of the communities of the City of Cape Town. These needs form a basis for the setting of the key priority areas and strategies that need to be implemented in order to maintain and enhance service delivery to these communities.

Two key methods of highlighting community and stakeholder priority issues were used by the City of Cape Town, namely:

- The Listening Campaign (2003)
- Census 1996 (A subsequent Census was done in 2001, however, at the time of writing, results of this census have not been available)

LISTENING CAMPAIGN[5]

"The City of Cape Town embarked on a Listening Campaign in early 2003 to encourage public participation. The Mayor's Listening Campaign invited comments from residents and other stakeholders on issues facing the city. Comments were received by fax, e-mail, workshops, telephone. The workshops were held mainly in the poorer areas of the City to make access easier, while other areas submitted comments through alternative channels, such as email, telephone and designated forms. The purpose of this analysis is to identify priority areas and trends in relation to community needs, as measured and reflected in comments received through the Listening Campaign. The analysis is intended as part of the public participation input to inform the IDP.
A total of 4827 submissions were captured. Most submissions raised a number of issues rather than a single issue. For purposes of analysis the issues raised in each submission were combined to yield a total of 9834 comments. Comments concerning specific issues were categorized in order to identify patterns that emerged. The following broad themes/service areas for categorization were used:

- Solid Waste
- Electricity
- Social Facilities/Amenities
- Health
- Housing and Land
- Transport and Traffic Management
- Roads, Pavements and Stormwater
- Environment
- Social Development
- Economic Development
- Crime/Law Enforcement
- Planning and Land use

[5] Taken from Mayor's Listening Campaign report, Analysis of submissions received (2003)

- Emergency Services
- Water
- Rates and Billing
- Staff and Administration

Comments relating to the Political Level

Comments specific to the Listening Campaign

Functions of parastatals/other levels of government

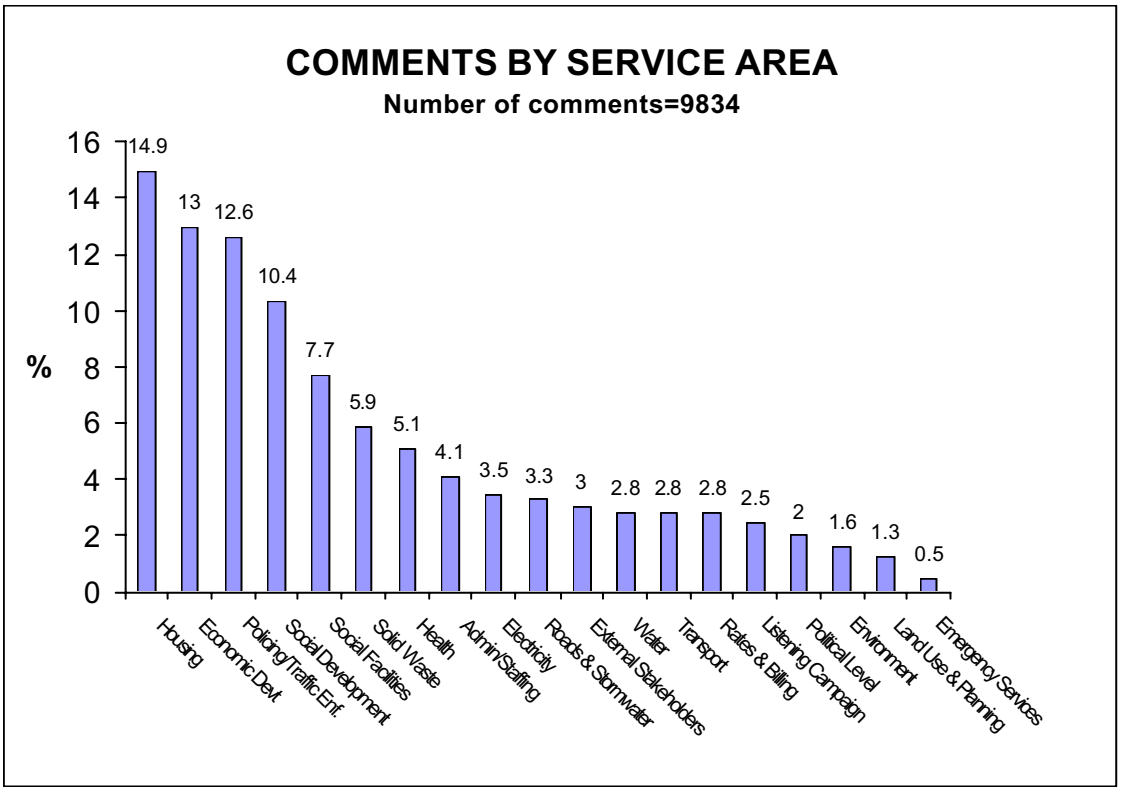


Figure 4-1: Responses for Listening Campaign by service area

Analysis of comments by service area

The Listening Campaign also captured the comments that were relevant to each service area for the City of Cape Town. The comments shown below are a summary of the responses received in order of descending priority as identified in the graph above.

- *Housing*: The majority of comments received were for low-income housing for the communities. Other significant responses were for the upgrading of informal housing, the availability of more land for housing and the poor housing quality in some communities.

- *Economic Development*: Comments captured the need for efforts to focus specifically on poverty reduction through job creation. This high percentage of responses reflects the high number of people excluded from the benefits of economic growth resulting in high levels of unemployment and its concomitant problems. Related to this there were a high number of comments relating to the need for

council to provide financial/technical/physical support to community-based enterprises in order to generate income and increase employment within local areas.

- *Policing and Traffic Enforcement*: A large number of comments related to high levels of criminal activity in the community and the need for more policing. A significant number of these comments referred to the influence that gangs had on the community. Comments also referred to the need to close down shebeens and drug dens as these locations were perceived to relate strongly to the high incidence of crime.
- *Social Development*: The highest number of responses related to general welfare issues mainly relating to adverse personal circumstances relating to poverty or income inadequacy which was reflected in the need for improved welfare grants. The high responses relating to youth development reflects broader concerns around youth unemployment and involvement in crime.
- *Social/Community Facilities*: The provision and maintenance of sports and recreational facilities emerged as key concerns.
- *Solid Waste*: Most of the responses within this category related to a need for general improvement in the cleanliness of residents' surrounding public spaces and streets and the need to control littering. Problems relating to sewerage and sanitation were also mentioned.
- *Health*: Comments referred to the need for clinics or improving the accessibility to clinics. Also issues of service levels (including customer care, stocking of medicines, waiting time.) A significant number of comments referred to the need to focus on the treatment and care of AIDS sufferers. Comments also related to the need for better enforcement of health regulations reflecting concerns with the level of environmental health.
- *Administration*: Many of the comments in relation to the administration related to poor customer service, relating to response times and staff attitudes. A number of comments also related to perceptions of bribery and corruption. Comments recorded also highlighted a need for better communication between council and citizens.
- *Electricity*: The highest number of responses related to the need for the provision of electricity. A significant number of comments referred to inadequate street lighting, which reflected people's concern with the need to improve lighting in residential areas in order to act as a deterrent against crime.
- *Roads, Pavements and Stormwater*: The majority of comments in this service area related to the need for road maintenance. A significant number focused on the need to clear drains given people's concerns with regard to flooding.
- *Functions of External Agencies*: There were a number of comments relating to functions that fall outside local authority responsibility. Most of these responses related to the need for schools or financial assistance to further education.

- *Water*: The highest number of comments in this service area related to the need to improve access to water. The need for an effective indigent policy is reflected in the high frequency of responses related to the ability to afford water charges.
- *Transport*: A high number of comments referred to the need for greater safety within residential areas through the provision of speed humps. There was also an expressed need for improvements in public transport with regard to convenience, comfort, safety and affordability.
- *Rates and Billing*: Given the high incidence of poverty / unemployment in many areas the vast majority of responses referred to peoples' inability to meet the costs of their rates bill. A significant number of respondents felt that as these cost were financially debilitating it was crucial to scrap arrears.
- *Listening Campaign*: A large number of comments relating to the campaign were complimentary as many respondents expressed their appreciation in being given the opportunity to express their needs. There were, however, a significant number of respondents who questioned whether the issues raised would be addressed by council. A number of responses questioned venues chosen as they were not equally spread through-out the Metropolitan area.
- *Comments Relating to the Political Level*: The majority of comments related to complaints about councillors' performance mainly in relation to communicating with their constituencies. Comments also focused on the need to know what the responsibilities and duties of councillors were and concern that council's finances were not spent efficiently.
- *Environment*: Most of the comments related to the need to improve the physical appearance of areas through the greening of neighbourhoods. The high responses relating to the maintenance of open spaces referred to the desire residential areas to be well kept. A significant number of comments focused on the need for cleaner and safer beaches and the need for greater safety in and around canals and dams through the fencing of these areas.
- *Planning and Land Use*: Responses referred to the need for greater land use controls within local areas in relation to activities that were incompatible with residential living. There was also a strong desire expressed for more conveniently located shopping facilities. A significant number of comments related to specific queries and concerns about land restitution and the land claims process.
- *Emergency Services*: The vast majority of comments referred to the need for improved response times specifically for the Fire/Ambulance Services. An equally large number of responses highlighted the vulnerability of Informal Settlements to fire. A significant minority of comments referred to the need to be compensated for damage due to natural disasters.

Key service areas, as measured by the frequency of comments and seen in the graphical representation above, are housing, economic development, policing/law enforcement and social development. Within each theme all the comments in the various submissions were captured according to the specific issue to which they related. The **key priority issues** as reflected by the frequency of comments received are as follows:

Table 4-1: Key priority issues from Listening Campaign

Key Priority Issues	No. of responses	Percent
Address high crime rate/more policing	833	17.1%
Job creation	825	16.9%
Provision of Housing/land for housing	773	15.8%
Social Welfare (poverty-related)	498	10.2%
Cleaning of public spaces/control littering	358	7.3%
Education (schooling/bursaries)	271	5.5%
Provision and maintenance of sport/recreational facilities/swimming pools	254	5.2%
Affordability of rates/service charges	251	5.1%
Youth Development	239	4.9%
Support community-based projects (e.g. cooperatives)	217	4.4%
Improve Access to Water	195	4.0%
More health clinics/accessibility to clinics	170	3.5%

A number of the areas involve external role players, particularly social welfare, education, crime, reinforcing the need for partnerships to address key community concerns.

CENSUS 1996

The data from Census 1996 has been useful in helping project trends for the City of Cape Town and is a fairly reliable representation for the City until the Census 2001 results become available. These data analysis also re-affirm the results of the Listening Campaign.

An analysis of data based on the 1996 Census, amongst other sources, was used to indicate areas of need in the City of Cape Town. Three indices were used to interpret the data:

- Composite index – an indication of education level, employment, earning levels and skills levels

- Service index – an indication of access to basic municipal services (households living in informal dwellings, with access to potable water on site, with electricity, sanitation and refuse removal)
- Poverty index – calculated using the composite and service indices

In general, the analysis indicates that the poorest suburbs in the City of Cape Town (Poverty Index between 80 and 173) are associated with the lowest service index. These areas are associated with low education levels, an unskilled labour force with low household earnings, and high levels of unemployment. They also have the majority of households living in informal dwellings with little access to basic municipal services such as potable water, electricity, sanitation, and refuse removal. These areas represent the Metro South east.

These are some of the areas of greatest need, identified by the census, that require enhanced focus by the City of Cape Town in terms of poverty alleviation, skills development and service delivery.

5. COUNCIL VISION AND STRATEGY: 2003 - 2005

5.1 INTRODUCTION

During November 2002 political control in the City of Cape Town changed. The new governing coalition brought with it not only a high level of legitimacy and credibility, but also a depth of experience in local government and city affairs. The coalition is underpinned by the basic values of non-racialism, non-sexism, fair representation, the promotion of institutional stability and a spirit of consensus.

The coalition as part of its agreement undertook to develop a policy framework for developmental and participatory local government in the Western Cape. In this context the coalition subscribes to a ten point strategy for local government based on:

- poverty reduction
- economic development, tourism promotion and physical/ infrastructure development
- employment creation
- land release and improvement of service delivery
- good governance
- improving health, safety and security
- financial sustainability
- partnerships
- human resource development, care for the disabled and people with special needs
- communication

Within its first month in office Portfolio Holders of the City's new Executive Team embarked on an intensive series of work sessions aimed at:

- familiarising themselves with the current state as it pertains to the City and the City Administration,
- developing a new and responsive governance and management model for the City,
- setting strategic direction for the medium to long term as well as the period leading up to local government elections in 2005.

The ten point strategy outlined above lays the foundation for the strategic direction for the Council.

5.2 VISION FOR THE CITY

Taking into the account the current reality of deepening negative city indicators in areas such as HIV/ Aids, TB, infant mortality, crime, homelessness, unemployment and education levels whilst recognising the overwhelming positive attributes of our City, the vision of council is to establish Cape Town as:

- A sustainable city- a city that offers a future to our children and their children
- A dignified city – a tolerant, non-racist, non-sexist city
- An accessible city –a city that extends the benefits of urban society to all and builds the capacity of its people
- A credible city –a well governed city trusted by its people
- A competent city –a city with skills, capabilities and a competitive edge
- A safe and caring city, and
- a prosperous city known for its ability to compete in the world of the 21 st century and its commitment to the challenges facing South Africa, the Southern African Development Region and the African continent.

5.3 MISSION

It is the Mission of this City Council to offer the people of Cape Town:

- Responsible decision-making
- Viable, affordable and sustainable city services
- Dignity and meaningful engagement with City structures
- Fair access to the benefits of urban society and capacity building opportunities
- Trustworthy, accountable, efficient and transparent city government
- The ability to contribute to global, regional, national, provincial and local economic growth and development, and
- The opportunity to be part of shaping the future of the city
- The opportunity to benefit from national and provincial partnerships

5.4 VALUES

This Council and its Administration will be driven by:

- a clear sense of direction and purpose
- partnerships at all levels of city life
- openness, accountability and transparency
- a belief that city government needs to be close to the people
- decisions and actions that will take the needs and abilities of future generations into account
  - efficiency, effectiveness and responsiveness
  - the promotion of multi-lingualism and cultural diversity

5.5 INDICATORS OF DEVELOPMENT AND SUCCESS

Based on the assessment of the realities and trends currently shaping the future of Cape Town a comprehensive and sophisticated medium to long term strategy is required to achieve the vision and make the desired impact on the future of the city. A Strategic Direction for Cape Town was developed based on eight City Development Indicators. The pursuit of these indicators will assist Council in achieving the vision for Cape Town and will assist the public in tracking our performance as a City Council. The eight indicators of City Development are:

- Leadership
  - Sustainability
  - Dignity
  - Accessibility
  - Credibility
  - Competence
  - Safety, and
  - Prosperity

The dimensions of City Development and Success are depicted below and it is important to:

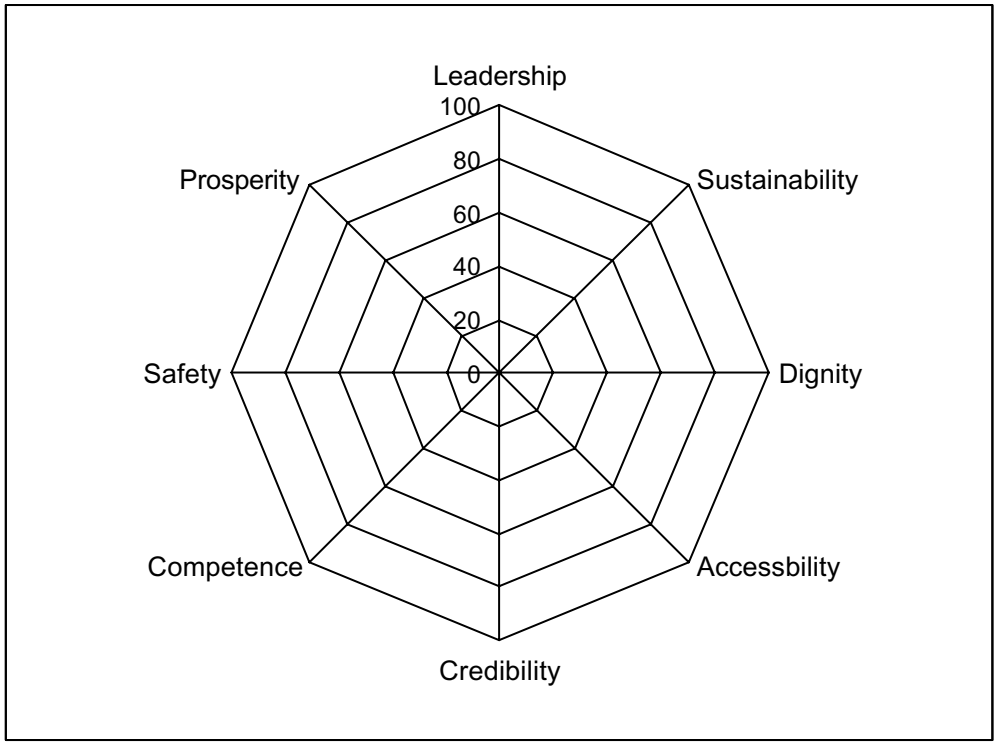
- understand the manifestation of each of these indicators at different levels in the city,

- initiate programmes of action at all levels in the city to achieve success in respect of these indicators

- have proper measurement, tracking and reporting systems in respect of each City Development Indicator.

It is the intent of this City Council and its leadership team to measure and monitor city performance and the performance of Council in accordance with these measures. It is a further intention of Council to regularly report on achievements, failures and successes on all of these dimensions and to expand this score card to our partners in city society, be they schools, tertiary educational institutions, organised business, organised labour, other governmental institutions, religious organisations, or bodies of civil society.

CITY OF CAPE TOWN: TOWARDS INDICATORS OF CITY DEVELOPMENT AND SUCCESS



5.6 GOALS AND OBJECTIVES TO ACHIEVE CITY –WIDE SUCCESS

Goal 1: A sustainable City

Objectives for the period 2003- 2005

- To introduce monitoring and review systems that assesses both intended and unintended outcomes of decisions and their impact on generations to come.

- To establish monitoring and review systems that assesses the viability and sustainability of city finances with specific reference to credit worthiness, the affordability of rates and service charges, the feasibility of capital expenditure programmes and the responsibility with which municipal infrastructure maintenance programmes are planned and executed.

- To establishing monitoring and review systems that assesses the environmental impact of city decisions /city actions and proactively guides decision-makers in respect of environmental sustainability

- To introduce and maintain a system of equitable services in accordance with citizens' charter and to action a comprehensive business and service delivery review aimed at defining a new "services menu" for the City.

- To ensure the stability and buoyancy of the local property market by introducing and maintaining sound property valuation and rating systems and practices.

- To introduce policies and systems that actively demonstrates care for the poor and delivery to the poor and to this end develop and implement an indigent policy framework.

- To fulfil the leadership and partnership role of city government in respect of its developmental obligations

- To specifically address the role of city government in sustaining desirable levels of economic growth in the medium and long term

- To initiate the formation of a City Development Partnership and the launch of a Growth and Development Strategy

- To develop a framework for public sector investment.

Goal 2: A dignified city

Objectives for the period 2003-2005

- To provide improved access to public services, public facilities and public information.
- To afford all citizens access to meaningful engagement and public participation.
- To drive decentralization in a well planned fashion and enhance citizen's participation in city government through a range of local initiatives.
- To build partnerships at all levels and deliver and account to citizens in accordance with a citizen's charter.
- To embark on a planned and structured programme of land release and informal settlement upgrade and to make up-front provision for the roll-out of such programmes.
- To build and maintain liveable and dignified communities and in doing so establishing integrated urban developments, open spaces, places of worship, places of gathering, social expression and recreation in the many neglected places in our city.
- To actively demonstrate our care for and willingness to provide in the needs of young people.
- To work with communities and key city role players to turn Cape Town into a tolerant, non-racial, non-sexist city, known for its cultural diversity.

Goal 3: An accessible city

Objectives for the period 2003- 2005

- To provide information and facilitate access to opportunity.
- To bring the benefits of urban society to all who live and work in it.

- To establish and promote mobility and movement with specific reference to those dependent on public transport and to target high impact transport links and critical infrastructure requirements

Goal 4: A credible city

Objectives for the period 2003 - 2005

- To establish and maintain easy to understand, transparent and accessible decision-making processes at all levels of city government.

- To introduce good governance practices that brings city government close to the people, empowers communities, enhances integrity and ruthlessly deals with any form of corruption or mal-administration.

- To introduce and maintain regular accounting, performance monitoring and reporting systems.

- To encourage meaningful public engagement and media interest in city affairs.

- To partner with key stakeholders such as organs of civil society and the business and academic communities in the interest of promoting good governance practices.

- To promote a culture of pride, loyalty and personal responsibility amongst the people of Cape Town

Goal 5: A competent city

Objectives for the period 2003-2005

- To launch partnerships and initiatives that demonstrates the fact that Council values the ongoing education, training and development of the city's youth, student population and various work forces.

- To build partnerships with education institutions, educators, other spheres of government and private sector role players in order to develop a city known for its skills base and high level of services.

- To launch partnerships and initiatives aimed at establishing Cape Town as a city known for its competence at all levels of city life.

Goal 6: A safe and caring city

Objectives for the period 2003- 2005

- To build on initiatives that demonstrates that Cape Town is a city that cares for its citizens and values the safety and security of all who live, work and play in it

- To demonstrate the willingness to partner with communities who are prepared to put resources to the quest for a safe and secure city.

Goal 7: A prosperous city

Objectives for the period 2003- 2005

- To launch and complete initiatives to demonstrate that Cape Town is a city with a plan to meet the future, and to this end partner with key city role players in the formation of a City Development Partnership.

- To establishing a clear sense of Cape Towns' place in the world of the 21st century in the hearts and minds of the local, provincial, national and inter-national community.

- To illustrate that Cape Town is a city in touch with its competitive advantages and to this end launch through the City Development Partnership a Growth and Development Strategy for Cape Town

- To fast track the provisioning of critical transport infrastructure

- To actively build the city partnerships, teams and connections required to compete in the global market and contribute to the local, regional and national economies and to this end partner with other role players in the Joint Marketing Initiative

Goal 8: A city known for its Leadership

Objectives for the period 2003-2005

- To establish Cape Town as a leading city in Africa and the developing world.

- To develop the city's leadership potential through partnerships.

- To re-instil public confidence in city government.

5.7 PRIORITY PROGRAMMES AND ACTIONS

In order to achieve these goals, 5 programmes of action with supporting aub-actions were created.

Programme 1: Listening to the voice of the people (the Good Governance campaign)

Actions:

- Launch the Mayors Listening Campaign
- Realign the systems of city governance with the view to empower communities and bring city government closer to the people
- Introduce city – wide performance measurement, monitoring and review systems using the eight indicators of city development and success
- Cut red tape

Programme 2: Developing and agreeing a service charter

Actions:

- Finalise and consult on the introduction of an equitable services policy framework and roll –out a review of the menu of city services
- Introduce an indigent policy
- Fast –track the upgrading of informal settlements in accordance with a phased roll –out plan and prioritise capital infrastructure in these areas
- Create dignified places in poor and socially neglected parts of the city in a planned and sustainable fashion

- Release land for urban settlement in a rapid and planned fashion and make up-front provision for such processes

- Introduce a caring service ethic in the city administration

Programme 3: Empowering communities

Actions:

- Introduce a new system of delegations aimed at empowering Sub-Councils in a meaningful way and give delegated decision-making powers to Sub-Councils.
- Introduce meaningful roles, powers and functions for the Port Folio Committees of Council and make Port Folio Committees responsible for policy development and review, public participation on policy matters, oversight over the executive and regular review and reporting on the performance of members of the executive

- Embark on an extensive Ward and Sub-Council consultation and planning process with the view to understand the manifestation of city –wide indicators at Ward level and introduce appropriate programmes at ward and sub-council level

- Pilot community-based service delivery programmes and strengthen existing community –based and other delivery initiatives

- Target Zones of Action (ZACs) (i.e. areas of poverty, infrastructure, service and social disintegration) and initiate a planned roll –out action campaign expanding on main stream urban renewal initiatives

- Partner with communities and organs of civil society to ensure the timeous flow of housing related information and the delivery of housing in accordance with a integrated housing strategy

- Step up, through effective partnerships, efforts aimed at turning the tide on HIV/AIDS,TB, infant mortality and substance abuse.

- Improve local environments and open spaces through community partnerships, emphasizing youth, women and the disabled.

Programme 4: Growing and sharing through partnerships

Actions:

- Build city development indicators/ success indicators at all levels of city life and create an outcomes –based mindset

- Fast –track the establishment of a City Development Partnership that will produce and oversee the implementation of a Growth and Development Strategy for Cape Town

- Commission (in cooperation with the City Development Partnership) a Growth and Development Strategy for Cape Town that will *inter alia* serve as a guide for public infrastructure investment

- Build inter-governmental partnerships aimed at enhancing the impact of local government initiatives and identify areas that require inter-governmental agreements /cooperation.

- Set targets to conclude such agreements/ cooperative arrangements in the interest of growing impact and sharing through partnerships

Programme 5: "Getting the house in order"

Actions:

- Align macro organisation with strategic direction

- Stabilize the Administration by;
  - standardising Conditions of Service
  - finalising micro design and staff placement
  - implementing the ERP and related organisational systems

- Gear the administration by;
  - finalising the skills audit and implementing a skills development plan as a basis for organisation development,
  - assessing opportunities for the re-training and re-deployment of staff in accordance with new priorities and the strategic direction, and

- launching an organisation-wide rationalisation campaign aimed at realising the benefits of amalgamation
- enhancing employment equity

- Review the current procurement policy and system of tender / contract awards by specifically focussing on the weight attributed to historically disadvantaged groups and align with provincial and national policies.

- Enhance and improve labour productivity by linking targeted productivity improvement initiatives to the citizens' charter.
- Audit and review current utilization of Council facilities, Council buildings and office accommodation

- Initiate and sustain a programme of culture change aimed at unifying the structures and staff of Council and building a new service ethic.

In summary, it is important to re-stress that the 10 point strategy is more definitively articulated in the 8 indicators and goals and manifested into action using the 5 key programme areas.

5.8 CONFIRMATION OF THE 10 POINT STRATEGY WITH THE LISTENING CAMPAIGN

Rank	Listening Campaign Issue	Poverty reduction	Economic development, tourism promotion and physical/ infrastructure development	Employment creation	Land release and improvement of service delivery	Improving health, safety and security	Financial sustainability	Good governance	Partnerships	Human resource development, care for the disabled and people with special needs	Communication
1	Housing	■			■						
2	Economic Development	■	■	■					■		
3	Policing/Traffic Enforcement					■					
4	Social Development	■								■	
5	Social Facilities	■								■	
6	Solid Waste	■		■					■		
7	Health					■					
8	Administration/Staffing							■			■
9	Electricity	■									
10	Roads and Stormwater		■								
11	External stakeholders								■		
12	Water	■									
13	Transport		■			■					
14	Rates and billing	■					■				
15	Listening Campaign							■			
16	Political level							■			■
17	Environment	■	■								
18	Land Use and Planning		■		■						
19	Emergency Services					■					
	Total alignment points	**9**	**5**	**2**	**2**	**4**	**1**	**3**	**3**	**2**	**2**

Figure 4-2: Confirmation of 10 Point Strategy with Listening Campaign

The table above demonstrates the correlation between the Mayors Listening Campaign and the 10 point strategy adopted by the new Council. The top 19 issues are as they arose from the Mayor's Listening Campaign. These issues were examined for their underlying currents and then matched back to each area of the 10 point strategy.

There are a number of clear observations which can be made from the table above:

(a) The majority of issues place a strong emphasis on poverty reduction measures.

(b) The need for economic security arising from economic development, and the clear relationship between these two facets and poverty is given almost equal importance.

(c) There is a strong need for health, safety and security initiatives.

(d) There is a strong request from communities for good governance and increased partnership initiatives, particularly with regard to community based partnerships.

Overall this shows that the Strategic Direction adopted by Council and the order of the 10 point strategy, is a sound one which is well grounded by the needs of communities.

6. GEARING THE CITY FOR DELIVERY

6.1 INTRODUCTION

Previous chapter have outlined how the current realities and priority areas gave rise to the City's Vision and 2003 – 2005 Corporate Strategy. This chapter will focus on how the City aims to address its priority issues through implementable action plans, which can be linked back to the City's ten Point Strategy, eight City Development Indicators and five Priority Programmes, as detailed in Chapter 3. Chapter 7, "This Chapter" will provide further information regarding objectives and key projects

6.2 DEVELOPMENTAL STRATEGIES

6.2.1 MAJOR CORPORATE PROGRAMMES

Governance

Ensuring Integrated Governance Close to the people

Internal

Stabilising and Gearing the Administration

Ensuring Effective Systems and Processes

Ensuring Financial Sustainability

Service Delivery

Integrated Housing and Informal Settlement Upgrade

Urban Renewal

An Integrated Safety and Security Strategy for the City of Cape Town

Promoting the Health of the City

Poverty Reduction and Achieving Equity

Creating a Growth and Development Strategy for Cape Town

A Programme for Integrated Public Transport and Improved Accessibility

INTEGRATED CORPORATE STRATEGIC PROGRAMMES – REALISING THE GOALS OF THE STRATEGY OF THE CITY

GOAL	Sustainable	Dignified	Accessible	Credible	Competent	Safe & Caring	Prosperous	Leadership
Governance	*	*	*	*	*	*	*	*
Human resources				*	*			*
Systems & processes	*	*	*	*				*
Financial sustainability	*			*	*			*
Integrated housing and informal settlement upgrade	*	*	*	*	*	*	*	*
Urban Renewal	*	*	*	*	*	*	*	*
Safety and security	*	*				*		
Health	*	*				*		
Poverty reduction & equality	*	*	*	*	*	*	*	*
Economic development	*	*	*	*	*		*	*
Integrated transport strategy	*	*	*		*		*	*`

6.2.1 ENHANCING GOVERNANCE

ENSURING INTEGRATED GOVERNANCE CLOSE TO THE PEOPLE

ISSUE

One of the risks associated with a single local government structure for more than three million citizens is that governance could become more removed from the citizen. This, together with the historic exclusion of the majority of our population from any decision or policy making body during the apartheid legacy, means that special focus must be afforded to enabling and deepening the democratic process, both in its representative and participatory forms. It is at the local government level where democracy is most keenly experienced by the community, and it is thus essential that the democratic process is successfully enhanced at this sphere of government. In addition, communities are not concerned which sphere of government is responsible for the delivery of a particular service. Synergy and integration of effort between the different spheres of government and para-statals is essential for streamlined, efficient and focussed delivery. The community must experience a single face of government – a government which is inclusive, responsive and caring.

DESIRED OUTCOME

To realign the systems and processes of city governance with a view to ensuring integrated effort, empowered communities and bringing city government closer to the people. This would ensure the attainment of the goal of "A credible city" required in the Council's Strategy.

STRATEGY

Governance structures

Reviewing and changing the necessary Council governance structures to ensure that community inclusion, the democratic process and that governance close to the community is enhanced.

Public participation

To create an environment in the City of Cape Town in which the democratic process can flourish and which enables both representative and participatory democracy to flourish.

Inter-governmental relations

Strategic partnering with other spheres of government (nationally and internationally) based on commonly agreed service delivery outcomes. This must include the establishment of a structured relationship in order to drive out synergy of effort, combined resources and ensuring collective efficiency and effectiveness.

Corporate Governance

The City of Cape Town formally adopted the King II Report on Corporate Governance during April 2003. Corporate Governance is being acknowledged as a "lever to address converging interests" of financial sustainability; environmental and social responsibility. Good corporate governance also provides an effective mechanism in combating inefficiency and corruption. Compliance with the code will facilitate better alignment with the Municipal Finance Management Bill, which will enforce more stringent provisions for financial

reporting and accountability. Council also formally set up a task team to draw up a suitable terms of reference for a Standing Committee on Public Accounts (SCOPA)

KEY PROJECTS

Governance structures

- Adapting the city leadership governance structures from a collective executive to an Executive Mayoral system, and defining the roles of the political office bearers and structures.
- Revising the roles of Portfolio Committees and the mechanism for community input into the policy informing processes.
- Expanding the number of Sub-councils (16 to 20), and capacitating these Sub-councils.
- Apportioning capital budget provision for community identified Sub-council needs.
- Establishing Ward Committees for all 100 wards, which, in terms of legislation, ensures community involvement at ward level.

Public participation

- Ensuring that politicians, civil society and the administration agree and implement a public participation policy based on sound principles of engagement, including a Service Delivery Charter.
- Rolling out Mayoral leadership and ownership of the democratic process by the Mayors through continuing the highly successful Mayoral Listening Campaign.
- Enabling civil society through a civic education and empowerment programme.
- Implementing programmes to empower and actively incorporate marginalised sections of the community.
- Assisting civil society to develop the necessary structures for the broadening and deepening of democracy.
- Co-ordinating the public participation activities of the City to ensure that engagement is equitable, structured, professional, and in the best interest of the City as a whole.

Inter-governmental relations

- Producing, adopting, and implementing an Inter-governmental relations process and framework.
- Embracing and engaging in the Presidential Lead projects which informs the Urban Renewal programme.
- Collective strategic, implementation and outcome monitoring planning with Provincial and National Government.

Corporate governance

- Establishment of a Standing Committee on Public Accounts
- Assurance from the Internal Audit Service on the status of risk, controls and governance within the administration
- Gap analysis of compliance with the King II Code on Corporate Governance e.g.
    - Developing an organizational risk profile for the City of Cape Town
    - Developing a risk management strategy in response to the risk profile
    - Monitor the City's compliance with its Employment Equity Plan
    - Monitor and review the City's "Workplace HIV/AIDS Policy"
    - Reviewing and improving the City's ethical practices and organizational integrity

- Monitoring the City's commitment in supporting Black Economic Empowerment through its procurement policy
- Monitor progress made by the Skills Development Plan in developing human capital
- Establishing an office of the Public Complaints Commissioner.

BUDGET

Year	2003/4	2004/5	2005/6
CAPEX	25 000 000	20 000 000	20 000 000

Note: many of the internal corporate capex requirements such as computers, furniture etc. are budgeted for on a corporate pool basis (R80 000 000).

6.2.2 INTERNAL PROCESSES

STABILISING AND GEARING THE ADMINISTRATION

ISSUE

The establishment of the new City of Cape Town saw the incorporation of the staff complement of the seven former municipalities into a single Administration. The City's staff establishment is currently still organised – both physically and administratively – into the organisational structures of the seven former administrations. The establishment of a single City Administration organisational structure is imperative for service delivery as the current situation is inhibiting the achievement of the Councils' strategic objectives, which, amongst others, requires a stable, motivated and competent workforce.
The new organisational structure is the enabling mechanism for service delivery transformation as well as the attainment of various short term and long term organisational development strategic objectives.

DESIRED OUTCOMES

This programme is essential for the stabilisation of the organisation and to gear the administration for effective and efficient service delivery transformation and for the realisation of the benefits of the amalgamation process. The desired outcomes directly supports the following goals of Councils' strategic agenda namely: A Sustainable City and A Competent City as well as, Programme 1: good governance and Programme 5: getting the house in order.

STRATEGIES

- the design of effective and efficient organisational structures and ongoing review thereof to ensure alignment with service delivery strategies and agreed strategic objectives;
- the development of Council's human capital in alignment with service delivery requirements;
- the staffing of the new organisational structure in alignment with service delivery strategies;
- the enhancement of the representivity of the workforce through the implementation of agreed employment equity targets within the placement process and thereafter as per Council's Employment Equity Plan;
- the implementation of flexible labour practices to allow for the re/deployment of staff in alignment with the service operational requirements;
- the development of the organisation to enable re-alignment in terms of new processes, systems, procedures and strategic objectives

KEY PROJECTS

1. review micro organisational structures and finalise placement of staff;
2. complete skills audit and the skills development plan;
3. finalise employment equity plan and implement agreed employment equity targets within the placement process;
4. organisational development (renewal):
    - targeted labour productivity enhancement;
    - culture change and building new service ethic
    - management of staff costs
    - aligning organisational structures with service delivery strategies, processes, systems and, where applicable, with appropriate benchmarks
    - organisational and individual performance management
    - enhancement of labour flexibility

CAPEX COST

Many of the internal corporate capex requirements such as computers, furniture etc. are budgeted for on a corporate pool basis (R80 000 000).

ENSURING EFFECTIVE SYTEMS AND PROCESSES

ISSUE

The City of Cape Town is an amalgamation of 7 Councils in the Cape Metropolitan area. With this amalgamation the organisation inherited various different financial systems and databases. The previous Administrations of City of Cape Town used to run a variety of 'back office' systems including its Financial System, Human Resources System, Plant Maintenance System, etc. These 'back office' systems were deemed (by and large) to be outdated, functionally inadequate and not properly integrated. These problems limit Council's ability to provide adequate service and to achieve the vision of Cape Town as a leading 21st century city. This has caused difficulty for the integration and reporting on financial and performance data. A programme was developed upon which the integration of information and the management of performance can be based.

DESIRED OUTCOMES

This programme is linked to the strategy and goals for Council in terms of the improvement of service delivery, good governance and financial sustainability. A streamlined, efficient and responsive administration is required through the development of processes and systems which provide accurate and integrated information. In addition, a system for monitoring and managing city wide and staff performance is essential for the improvement of service delivery.

STRATEGY

In order to address the systems and procedures of Council the Council will introduce the following strategies:

- introduce a highly sophisticated and integrated enterprise system which should overcome the gaps created through the 7 different systems currently in use;
- integrate the information database of the City from which key performance indicators will be developed.
- also introduce an effective performance management system to ensure that the City becomes a leading organisation.

KEY PROJECTS

Three key projects form the basis of this programme:

Organisational Performance System: The City has introduced the Balanced scorecard methodology as performance management system for the City. Building on what has been achieved in the past year, all steps in the methodology : designing of strategic maps; completion of Indicator Details Sheets plus Plan-Do-Review Meetings to operationalise process will be rolled out over the next few years.

Enterprise Resource Programme (ERP): The Project continues to replace existing systems with a functionally rich ERP solution which overcomes the shortcomings of the legacy systems and unifies the City through the implementation of uniform business processes. The following process will be followed:

- **Release 1:** Release 1 functionality is focused on expenditure. In this release the General Ledger, Financial Accounting, Management Accounting, Materials Management, Procurement, Stores, Asset Accounting, Payroll, HR will all be implemented. Release 1 was delivered on 30 December 2002 and is currently being supported.
- **Release 2:** Release 2 functionality is focused on income. In this release, Maintenance Management, Real Estate, Rates, Utilities Consumption, Billing and Customer Service will be implemented. Release 2 pilot is to be implemented in the Blaauwberg Administration from 19 February 2003. The remaining 6 administrations that do billing will be implemented from September 2003.
- **Maintenance and Support for Release 1 and 2:** From January 2003, the implemented ERP solution will have to be supported. This support entails end-user support, system support and the implementation of minor enhancements. Through this the true benefits of the ERP implementation can only be realised as the emphasis will move from transactional capabilities of the system to using the system to inform management and strategic decision making.
- Modifying the ERP Workflow to match the organisation design, delegations and placement

City-Wide Indicators: This project will include various other sub-projects which will be implemented over the next three years:

- City indicators using the eight indicators of city development and success for city-wide performance measurement, monitoring and review systems will be developed in the coming financial year;
- Cities Network Urban Indicators which forms part of a national initiative from which a standard set of City indicators will be developed;
- Spatial planning indicators, economic indicators and equity benchmarking indicators will also be developed;
- The City will also be involved with the UN habitat's urban indicators programme.

These indicators will be tracked, analyzed and reported on in terms of trends.

BUDGET

FINANCIAL ANALYSIS (INCLUDE ATTACHED DETAIL) – ALLOW FOR INFLATION	**2003/04 R**	**2004/05 R**	**2005/06 R**
City Indicators Project	*Nil*	*Nil*	*Nil*
Capital required for the implementation of the ERP	*115,608,000*	*7,000,000*	*7,000,000*
Software for the OPMS (Balanced Scorecard	*1,500,000*	*50,000*	*50,000*

ENSURING FINANCIAL SUSTAINABILITY

ISSUES

The City of Cape Town is facing financial challenges related to limited resources in the view of service delivery backlogs. The amalgamation of 7 administrations has resulted in the City's records being maintained on a non-standardised, non- user friendly basis and in many cases not compliant to the new legislative reforms.

This means that the existing limited resources are being overly stretched to meet the external demands. The City will have to identify and implement alternate service delivery and transformation models, to ensure its financial sustainability.

DESIRED OUTCOMES

Taking cognisance of the above constraints, the Council agreed to the following objectives in its Strategic Direction 2003-2005 for the City: -

- A monitoring and review system/s that assesses the viability and sustainability of City finances with specific reference to creditworthiness, the affordability of rates and services charges, the feasibility of capital expenditure programmes and the responsibility with which municipal infrastructure maintenance programmes are planned and executed;
- A stable and buoyant local property market with a sound property valuation, rating system and practices;
- An established role for City Government in sustaining desirable levels of economic growth in the medium and long term;
- Regular accounting, performance monitoring and reporting systems; and
- A procurement policy and system of tender/contract awards that specifically focuses on historically disadvantaged groups and aligns with provincial and national policies.

STRATEGIES

To give effect to the objectives above and to ensure that the City remains viable and sustainable, the City has embarked on the following key interventions: -

- Finalising the rates objection process, undertaking additional valuations and preparing for the next general valuation;
- Ensuring that all land status changes and new property developments are included in the valuation roll;
- Finalising the procurement policy and procedures to meet the objective of developmental local government and effective and efficient procurement practices;
- Making application to National Treasury to access funding to meet certain costs of the City's service delivery restructuring and transformation initiatives;
- Undertaking financial and fiscal reforms to meet changing legislative requirements, including budgetary reforms and GAMAP implementation;

- Undertaking medium and long term financial planning to ensure that financial and service delivery is undertaken in a financially responsible, informed and sustainable manner; and
- Aligning the 2003-04 Budgets to the IDP so that a strategically aligned base is created for future financial planning.

KEY PROJECTS AND COSTS

The key projects to achieve these key financial objectives and strategies, together with the capital implications can be summarised as follows: -

NO.	PROJECTS	CAPITAL BUDGET (R000's)			
		2002/03	2003/04	2004/05	2005/06
1.	Undertaking additional and general valuation.	500	300	200	200
2.	Finalising and integrating the Land Use Management, Land Implementation System and SAP Interfaces.	O	$		
3.	Finalising and implementing the "Procurement Transformation" initiative.	#	#	#	#
4.	Submitting a Restructuring Grant Application to National Treasury.	*	*	*	*
5.	Developing, refining and implementing a Medium Term Income and Expenditure financial planning tool.	*	*	*	*
6.	Finalising the financial fiscal reform processes, including the implementation of GAMAP and Budget reforms.	*	*	*	*
7.	Making adequate provision for the following as indicated by the Auditor General; - • Bad debts; • Accrued leave pay; and • Post retirement medical aid.	#	#	#	#

* Seed funding provided by National Treasury to be utilised for this purpose.
# No capital expenditure but provision to be made under operating budget. In addition, any capital requirement for IT, equipment etc will be from the Corporate capital provision.
$ Part of Restructuring Grant application

6.2.3 SERVICE DELIVERY

INTEGRATED HOUSING AND INFORMAL SETTLEMENT UPGRADE

ISSUE

Cape Town is urbanizing rapidly the consequence of which is that there is a growing number of people in search for a place of shelter and safety. The Public Housing directorate has been spending the full number of subsidies allocated to it by the Provincial Government. Yet this has not kept pace with the growing demand for housing. This means other more innovative means of delivering shelter security are required, and in this respect Council shall procure, service and release land for rapid settlement, it shall upgrade informal areas to meet health and safety standards, and it will continue to deliver housing as part of the national capital subsidy program. All of this must be done in the spirit of producing integrated residential environments, i.e. they must have access to schools, clinics, libraries, and so on.

DESIRED OUTCOMES

It is intended that this program will result in the expanded delivery of housing opportunities in a manner that;

- results in access to basic services for all over a period of 3 years
- access to public transport for all;
- affords security of tenure for all who desire it;
- promotes economic growth and job creation;
- supports the small and emerging contractors;
- leads to spatial integration of the City of Cape Town;
- results in integrated and dignified local residential environments.

This will result in the provision of 11 000 housing opportunities in 2003/4. With further additional external funding, this number can be increased over the following years. This is part of the 10 year strategy to remove the current housing backlog.

STRATEGIES

A range of initiatives within the Council contribute the achievement of the above outcomes, but the following strategies have the most direct bearing on it:

Integrated Housing Processes
Council has listed Integrated Housing as a priority program. The actors in achieving this are numerous; Planning, Environment, Transport etc. In addition other Council Priority programs

reinforce this work such as Urban Renewal and Zones of Action. Other initiatives include provisions towards the Cape Town Community Housing Company which is building medium density housing in better located areas, and the MOSS with its city greening objectives. A formalized Metro Housing Forum has been set up with the PGWC that schedules the delivery of social facilities in new and planned projects.

Land acquisition, servicing and release for settlement
A joint Technical Land Committee has been established between Housing and Planning. Over the past 3 years the Committee has done a comprehensive audit of the parcels available and identified those most suitable for

different kinds of housing. Its current work is focused on the finalisation of a first draft of a 5-year housing land plan.

Informal settlement monitoring, servicing and upgrading

Council has put in place an Informal Settlement Upgrade program. It details who the partners are, what funding has been set aside and its essential purpose. A multi disciplinary inter Service Project Team is being established within Trading Services to project manage the fast track servicing of informal settlements. This work involves the undertaking of an updated audit, the provision of water, sanitation, access tracks (which will double as fire breaks), stormwater drainage, installation of fire hydrants around the perimeter of settlements, electricity and Community Services all to rudimentary standards.

Building of new housing units

This program is premised the continued execution of large scale projects which deliver at a rate which utilizes the full nation allocation to Cape Town. The full range of line-functions are involved is this process: Trading Services, Procurement, Planning, Electricity, Corporate Finance, The Deeds Registry, Property Management and so on. Ongoing and structured liaison with the PGWC is occurring to ensure the supply of social and community services. A number of policies are already in place to ensure that low income families residing in these projects can afford municipal services: such as the Indigents Policy, free basic water and electricity supply and non-rating on property less than R50 000 in value.

KEY PROJECTS

While there is a long list of capital projects attaching to each of the above strategies the most indicative are, for:

1 **New Housing opportunities** – Wallacedene, Kuyasa, Delft and Kalkfontein. These as well as most projects of the last 5 years have been located in and around the metro South East. Specifics on these and all other projects can be seen on the draft Capital budget (2003/04) of the Directorate Public Housing. Bulk Servicing has also been provided for on the Trading Services budget.

2 **Informal Area upgrading** - Joe Slovo, Masiphumelele and Imizamo Yethu. Informal settlements are found dotted all around the metro areas with a majority concentration from Crossroads west along the N1, and Lwandle in the Helderberg. Some pilot work has previously been done (New Rest and Joe Slovo) but more is planned. Settlements will be serviced variously in the form of being supplied with Emergency, Rudimentary, and Full services. The key object is to cause minimal dislocation of existing shack when upgrading *in-situ*.

3 **Servicing of Informal settlements** - Work on the formalization of an implementation strategy for the undertaking of this project is well advanced. Key dependencies to the success of the project include: Corporate and political support, Community support, budgetary provisions, establishment and resourcing of Project Team, development of incremental upgrade areas policy, indentification and release of suitable land for incremental upgrade area development, resolution of legal implications with respect to servicing settlements on private land, finalization of service delivery strategies and levels of service. Agreement with respect to a prioritised implementation programme still needs to be reached but based on a preliminary assessement settlements such as the N2 buffer strip (which includes Kanana, Barcelona, Europe, Vukuzenzele), Kosova Langa, Sweethome (subject to land availability), Site C Khayelitsha, Monwabisi Park Khayelitsha, and Nonquebela Khayelitsha are all considered to be of high priority.

4 **Land Acquisition**. A number of sites have been identified as possible candidates for procurement. This is being done under the Land Release Program identified by Council. Over past few years a number of larger sites have been serviced, such Mfuleni, and settled on by victims of flooding. With respect to future sites

contact has been made with landowners such as Fairdale (100ha), Morkels Cottages (400 erven) Milnerton Estates (12ha) and in Ocean View (95ha). Again this is purely a sample listing, and all talks are inconclusive at this stage.

COSTS

Costs attaching to the program "Integrated Housing and Inform al Areas" lies scattered across Council's budget, so-that only notional quantities can be given here. The reason is that various line functions contribute to its success. Indeed much of the financing is done with external revenues, such as national housing subsidies, the Consolidated Municipal Infrastructure Program and even donor contributions.

Informal Areas: the cost of upgrading the approximately 70 informal areas across the city is estimated to come to over R100m. The housing budget makes some provision in its "external revenues" part (about R35m) while another R63m appears on Councils capital budget split between trading Services and Housing. Specific figures look as follows:

CAPITAL	2003/04 R 000's	2004/05 R 000's	2005/06 R 000's
Internal	50,058	63,343	69,924
External	13,335	50,652	55,717
Total	63,392	113,995	125,641

Land Acquisition - some provision has been made on the capital budget (R5m) however an estimated R20m per year is needed. Therefore an application to the Restructuring Grant has been made and numerous meetings around the establishment of a Housing Land Fund have been held.

New Housing – An amount of just over R300m appears on the Housing budget for the delivery of new housing, it includes the money to be spent on the conversion of Hostels to Homes (R17.3m), assistance to families part-taking in the Peoples Housing Process and conventional homes. A further R2m has been provided for bulk infrastructure.

URBAN & ENVIRONMENTAL UPGRADING & RENEWAL

ISSUES

Decades of under investment in the poor parts of Cape Town have resulted in extreme degradation of the built and natural environment. Many of these environments are not livable, they are characterized by dirty, degraded and unsafe public spaces, polluted rivers and an absence of trees, proper sidewalks, poor quality civic amenities. Associated with this physical degradation are severe social and economic problems including gangsterism, crime and inadequate access to economic opportunities. These problems require an integrated solution that begins to improve the physical quality of local environments as well as addressing social and economic issues.

The wealth-poverty gap remains a significant challenge as does the need to integrate important conservation programmes with poverty alleviation.

DESIRED OUTCOMES

The City has identified the creation of a Sustainable City and the creation of a Dignified City as its first two strategic goals. One of the important dignified city objectives is to build and maintain liveable and dignified communities and in doing so establishing integrated urban developments, open spaces, places of worship, places

of gathering, social expression and recreation in the many neglected places in our city". This will require investments in improving the quality of both urban spaces (such as community squares, public transport interchanges, play parks and streets) and natural/ ecological systems (such as rivers, coastal zone corridors, biodiversity etc) in a manner that enhances the long term sustainability of the Cities natural and built assets. To achieve this, a range of integrated and cross cutting interventions is required.

STRATEGIES

Presidential Urban Renewal Programme

This is a National Programme with the intention of integrating the allocation of budgets and resources within the line functions of the three levels of Government and also between the three levels of Government.

This focus is with respect to eight identified Urban Renewal Nodes including Khayelitsha and Mitchells Plain in the Western Cape and the intention is to re-align budgets throughout Government in order to fast track the Urban Renewal Programme within those areas.

The underlying vision is based on the principle that Government is committed to :

> "Attaining socially cohesive, resilient and stable rural and urban communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people who are equipped to contribute to growth and development"

The National Department of Provincial and Local Government has formulated a Draft work plan for Urban Renewal which is a guide to the identification of projects and initiatives, which includes:

- Community development at a local level
- Skills development programmes
- Improved roads and transportation mobility
- Land reform
- Municipal institutional capacity and revenue generation
- Food security
- Access to basic services
- Job creation and local economic development
- Basic health care and HIV/ AIDS
- Education and culture
- Safety and security
- Environmental improvement
- Consolidation of IDP and Provincial Growth and Development Strategy

Anchor projects have been identified, are cross cutting and have been budgeted for within the various line departments of the City as well as via National and Provincial funding sources.

Mitchells Plain CBD Transport Interchange and Market project is an Anchor Project and has a budget of R40million over three years and comprises the following elements which are the responsibility of different line departments and are integrated into one project.

- Informal Trading Market

- Taxi and Bus Termini
- Public Space Upgrade
- CCTV Cameras
- Road infrastructure
- Pedestrian walkways and landscaping

Tafelsig is the most depressed area in Mitchells Plain with the highest crime rate and level of gang activity and has been identified as an Anchor Project under Urban Renewal.
Tafelsig has a budget of R23 million in the coming financial year and comprises the following elements which are the responsibility of different line departments and are integrated into one project:

Project Element	Responsible Directorate
• Multi purpose centre and sports hall	Community Facilities and Sport and Recreation
• Public space and market upgrading	Planning and Environment
• Four subsidised housing projects	Public Housing

Khayelitsha CBD is an Anchor Project and has a projected budget of R53 million and comprises the following elements which are the responsibility of different line departments and are integrated into one project:

Project Element	Responsible Directorate
• Infrastructure and services (housing)	Transport Roads and Stormwater
• Housing subsidies Public	Housing
• Multi purpose centre	Community Facilities
• Sports facilities	Sport and Recreation
• Road infrastructure and services	Transport Roads and Stormwater
• Bus and Taxi terminus	Transport Roads and Stormwater
• Pedestrian walkways and landscaping	Planning and Environment

The budgets for all of the above-mentioned Urban Renewal Projects are integrated across the three levels of Government and includes the following funding sources:

- Consolidated Municipal Infrastructure Programme (National)
- Human Settlement Redevelopment Programme (National)
- Equitable Share Fund (National)
- Cape Municipal Transport Fund (City/Provincial)
- DBSA (Private)
- Cricket board (Private)
- Consolidated Loan Fund (City)
- Provincial Housing Board (Provincial)
- National and Provincial Line Departments

Cape Renewal Strategy

The Cape Renewal Strategy is a Provincial Government lead initiative which targeted selected precincts on the Cape Flats. The 5 precincts (excluding those within the Presidential URP nodes of Khayelitsha and Mitchells Plain) are Elsies River (Leonsdale), Bonteheuwel, Hanover Park, Manenberg and Philippi/ Nyanga. The strategy adopted an integrated and holistic approach to reverse the root causes of unacceptably high levels of crime and gangsterism in these communities.

A Precinct Development Plan was adopted by the relevant Sub Councils for each of the 5 target areas. Most of the projects identified are within the competency of the City and are therefore incorporated into the IDP.

A wide range of projects have been identified across Services and Directorates, including City Police, Amenities and Recreation, Transport Roads and Stormwater and Health.

Zones of Action (ZACs)

ZACs are areas of poverty and infrastructure, - service and social disintegration and are identified with the intention to initiate a planned roll-out action campaign expanding on main stream urban renewal initiatives. A ZAC as an area is of limited geographical extent (concentrated), there must be partnerships, two or more directorates should simultaneously be involved in a project and it needs EXCO support. The element which distinguishes a ZAC from a specific capital (silo-based) project is the need for integrated multi-functional interventions by several role players. The more functional silos which require integration and the more partnerships needed to make the solutions work, the more likely the ZAC approach is needed.

ZACs are therefore per definition integrated project areas and R10, 07m has been identified on the Planning and Environment budget for the purpose of implementing ZAC intervention. Areas prioritized include Philippi Industrial Area, Nomzamo/ Lwandle, Wallacedene and Erf 8448 Gugulethu with Philippi and Nomzamo/ Lwandle best suited for immediate intervention in the 2003/2004 budgeted year.

Uluntu Plaza – Dignified Places

This strategy involves the establishment of a city-wide system of liveable public spaces and market squares, associated with the public transportation interchanges as well as local markets and clusters of social facilities. The projects in this programme involve the creation of new landscaped squares with paved surfaces, tress, seating, lighting and, where appropriate, facilities for traders and local small businesses. The projects are located at structurally significant locations – at public transport interchanges, community facilities, where there are large groups of traders and on the busiest pedestrian routes. These are the places where people are, and spend their time on a daily basis and improving these can have a positive impact on the lives of many people.

The strategy is being expanded to include the provision of a dignified community space as part of each informal settlement upgrade project. These well lit, landscaped multi-purpose spaces are intended to provide a sense of dignity and permanence that could be a catalyst for social, economic investment as well as the consolidation of residences into more permanent and durable dwellings by the residents themselves.

The aim of the programme is to implement 100 new Uluntu Plaza – Dignified Place projects across the city over the next 5 years. Budgetary constraints however are likely to slow the rate of delivery on this programme. Funds of R9 million have been secured from a variety of City and external sources for the coming year. Key Uluntu Plaza Dignified Place projects that have attracted funding are linked with the development of the Klipfontein Corridor (a major integrated public transport and public space improvement project), the Mitchell's Plain and Khayelitsha Urban Renewal Programmes and the ZAC programme. Projects associated with Informal Settlement Upgrading are not currently funded.

Environmental improvements

The City's Integrated Metropolitan Environmental Policy (IMEP) and its strategies for implementation are integrated across line functions, including water, wastewater, health, transportation, nature conservation, catchment management, social development, electricity, economic development and tourism. Significant local interventions that derive from these strategies are aimed at improving local environments and ensuring tangible benefits to communities. These interventions lead to cleaner air, less polluted water bodies, integrated management of the City's coastline, enhances recreational opportunities and more creative and efficient waste management and reduction programmes. These interventions have the effect of reducing poverty while maintaining current city assets and opportunities.

The strength of several interventions has been the building of partnerships (including spheres of government, business and civil society) and the creation of new business models aimed at providing sustainable city development. The Edith Stephens Wetland Park, False Bay Ecology Park and Youth Environmental Schools programme are examples of such interventions. In addition, programmes centred strongly on women, youth, the disabled and other vulnerable sectors are being developed.

KEY PROJECTS

Certain key programmes and projects are currently underway which aim at improving local environments through community partnerships. These include the Cape Flats Nature initiative, False Bay Ecology Park, the Trail of Two Cities and the Mfuleni Peace Park.

Cape Flats Nature is developing four pilot sites in the Metro SF (Edith Stephens, Macassar Dunes, Wolfgat and Harmony flats/ Lwandle) as outdoor classrooms. Township communities are involved on a day to day basis, promoting a passion for biodiversity conservation and broad life skills.

The Trail of Two Cities celebrates partnerships, promotes responsible tourism and demonstrates how technology and grassroots approaches have combined to provide people with a cleaner and healthier environment.

False Bay Ecology Park is a community-based partnership looking to the preservation of critically important ecosystem, enhancing educational and recreational opportunities and creating jobs for the local community.

COSTS

CAPEX (R 000's)

	2003/4	2004/5	2005/6
Presidential Lead projects	224 386 (int & ext)	To be determined	To be determined
ZACs	10 070 (int)	10 000	10 000
Dignified places	3 800 (int) 3 400 (ext)	7 000	7 000
Environment	3 450 (int) 3 050 (ext)	6 000	6 000

6.2.6 AN INTEGRATED SAFETY AND SECURITY STRATEGY FOR THE CITY

ISSUE

The crime rate in the City is unacceptably high. Communities also deserve the best possible fire and emergency services. It is thus incumbent upon the city to provide an environment that is safe and one that promotes investment, economic development, tourism and ultimately job creation. The goal of achieving a safe and caring city is of fundamental importance as the other priorities of Council may not be achievable if the safety and security of communities cannot be assured.

DESIRED OUTCOMES

The realisation of a goal of a safe and caring city would improve the quality of life of all citizens and will improve the prosperity and empowerment in the greater Cape Town area. Public safety which includes the provision of adequate fire, ambulance and emergency services together with low levels of crime are one of the global indicators for stability and social integration. Essentially, the following three outcomes are desired from this project:-

- to ensure equitable and efficient delivery of fire services over a five year period from 2002 / 2003 to 2006 / 2007;
- to reduce crime through the implementation of social crime prevention projects and programmes;
- to reduce the crime levels in all areas through the deployment of additional CCTV cameras and City Police constables

STRATEGIES

Fire and Emergency Services

- Improved response times and fire protection in areas where minimum standards are not met
- Meeting minimum levels of human resource requirements with respect to staffing levels

Safer Cities

- Social Crime Prevention through the Safer Cities Programme
- The introduction of youth diversion programmes, capacitation and empowerment
- The continuation of the roll-out of existing domestic and gender violence programmes
- Promoting a firearm-free society through a joint project with Gun-free South Africa
- To create an awareness in targeted communities of the dangers associated with gangsterism and related criminal activities. The diversion programmes will be developed in association with community-based organisations and other partners
- The commissioning of safety audits in priority areas such as the Presidential Project areas and Cape Renewal Strategy areas

Proactive policing and deployment of CCTV cameras

- Pro-active policing services and CCTV deployment

- The expansion of CCTV surveillance cameras into the Presidential Project areas of Khayelitsha and Mitchells Plain
- The deployment of further intakes of City Police constables.
- To fast-track the by-law review process in order to achieve a consolidated set of by-laws for the City

KEY PROJECTS

Fire and Emergency Services

- The recruitment and appointment of additional fire service staff.
- The replacement and upgrading of outdated fire appliances and equipment
- The construction of a fire station in Hout Bay
- The consolidation and establishment of a single fire service control centre
- The introduction of public awareness and educational programmes with specific focus on fire prevention and life safety aimed at "at risk" communities

Safer Cities Programme

- The reduction in crime through the implementation of social crime prevention projects and programmes
- The Safer Cities Programme, as an approach to social crime prevention, is fundamental to bring about sustainable peace to communities which have been dysfunctional due to an unacceptably high crime rate. The Safer Cities Programme proposes, through a variety of projects and programmes, to create an environment in which the community can once again prosper and flourish.

Proactive policing and deployment of CCTV cameras

- The expansion of CCTV surveillance cameras
- The deployment of additional City Police constables to conduct visible policing
- CCTV, coupled with adequate ground response / visible policing, has proven to be an effective crime prevention approach. The presence of cameras provides a 24-hour service and although capital expenditure is required to implement, it has nevertheless proven to be a cost-effective system as the cameras are able to survey much larger areas in a more strategic manner.

COSTS

Fire and Emergency Services

FINANCIAL ANALYSIS	2002 / 2003	2003 / 2004	2004 / 2005	2005 / 2006
CAPITAL	9,429m	22,979m	41,526m	38,088m

Safer Cities Programme

FINANCIAL ANALYSIS	2002 / 2003	2003 / 2004	2004 / 2005	2005 / 2006
CAPITAL	*	*	1,200m	1,500m

* Note that this project is included in the operating expenditure (R4 million)

CCTV and Deployment of City Police Constables

FINANCIAL ANALYSIS	2002 / 2003	2003 / 2004	2004 / 2005	2005 / 2006
CAPITAL	21,472m	15,500m (PAWC 9,539m	35,000m	40,000m

6.2.7 HEALTH – THE STRATEGIC BATTLE AGAINST HIV/AIDS, TB, INFANT MORTALITY & SUBSTANCE ABUSE

ISSUE

In the City of Cape Town the key strategic health issues as identified through community participation and strategic needs analysis is to win the battle against HIV/AIDS and TB. The facts are:

- On average 9.2% of pregnant women are HIV+ (October 2001) with extremely high levels in areas of poverty such as Khayelitsha (22%) and Helderberg (19%).
- By 2009 AIDS deaths in the city will exceed the number of deaths from ALL other causes.
- The bulk of the AIDS burden will be in the poor areas of the City with an estimated 152,000 cases by 2006.
- In 2003 it is estimated that there are 21,000 "AIDS orphans" in the City – projected to increase to 51,500 in 2006.
- The total number of TB cases in Cape Town in 2002 was 20,950 (14% increase on 2001).

A clearly identified need is to protect the lives of our children and therefore there is a focus on infant mortality. In 2001/2 financial year the infant mortality for the city was 27 infant deaths per 1,000 live births. But in poor sub districts it reached 48 in Khayelitsha, 47 in Nyanga and 38 in Oostenberg.

There is a close relationship between alcohol abuse and violent deaths, rape, violence against women and children and unsafe sex..

DESIRED OUTCOME

The overall desired outcome is to improve health, safety and security in the City Of Cape Town.

The specific desired outcomes are:

HIV/AIDS and TB

- To limit the impact of HIV/AIDS in the community and Council staff.
- Contain the HIV prevalence in pregnant women in the city to 18% by June 2006 (would be 21% without intervention).
- To run an effective TB control programme such that the new smear positive TB cure rate increases to 77% in June 2004, 79% in June 2005 and 80% in June 2006.

Infant Mortality

- Contain the infant mortality rate at 28 infant deaths per 1,000 live births by June 2006.
- Reduce the number of households who do not have access to basic services (clean water, adequate sanitation and refuse removal) in informal settlements.

Substance Abuse

- Reduce the number of violent deaths in the city (adjusted to 2001 population) by 5% by June 2006 (4,772 to 4,533).

STRATEGIES

Multi Sectoral Strategy

The health sector alone cannot effectively impact on these needs. It requires inter-governmental partnerships, engaging other sectors such as business, labour and education as well as cross cutting interventions to address growth and development, poverty, upgrading of informal settlements, ZACs, youth development, women empowerment and behaviour change. This will be co-ordinated through the city HIV/AIDS and TB Co-ordinating Committee chaired by the Executive Councillor for Health, Amenities and Sport.

Key to the strategy is the empowerment of the community and building partnerships with non governmental organizations (NGOs), community based organizations (CBOs) and churches through the sub district Multi Sectoral Action Teams (MSATs).

Municipality based District Health System

The District Health System is the fundamental building block of the National Health Plan. In the Western Cape there is a decision by cabinet and Council to implement a municipality based district health system made up of municipal health services (defined now as only environmental health) and an assigned or delegated primary health care service made up of the City Health clinics and the provincial community health centers and midwife obstetrical units in the city. There are joint district (city) and sub district plans being developed and then implemented for the 2003/4 financial year so that we have targets to reach jointly between City Health and PGWC health department..

KEY PROJECTS

HIV/AIDS and TB

- Effective voluntary counseling and testing (VCT) programme in partnership with PGWC health department
  City wide VCT programme at all 98 clinics and PGWC CHCs to test 5% of adult population
- Effective preventative programme through condom distribution and health promotion media
  City wide distribution of 18 million condoms to reach target of 15 condoms per male >15 years per year
- Improve sexually transmitted infection services in partnership with PGWC health department
  City wide programme improvement through training and using the DISCA evaluation tool
- Build partnerships with NGOs, CBOs and churches through sub district multi sectoral action teams (MSATs)
  Effective MSATs in all 8 sub districts including capacity development for NGOs & CBOs
  At least 3 community based projects/partnerships funded in the high incidence sub districts of Khayelitsha, East, Mitchells Plain and Klipfontein
  At least 1 community based project/partnership funded in other 4 sub districts
- National Adolescent Friendly Clinic Initiative (NAFCI)
  13 clinics undergone training and support then NAFCI accredited in Hout Bay Main Road (Imizamo Yethu), Parkwood, Masiphumelele, Khayelitsha (Youth Centre, Zaklele, Empilisweni & Nolungile), Nyanga, Vuyani, Guguletu, Delft, Mfuleni & Maccassar
- Improve the TB Control programme
  City wide with additional focus on informal settlements
- Improve TB case detection in partnership with PGWC health department
  Outreach into the community to improve pick up of TB cases with special focus on informal settlements
- Workplace HIV/AIDS project for Council staff
  Peer education
  Voluntary counseling and testing
  Counselling, care and case management
  Treatment through nutritional supplement and other appropriate treatment for employees who cannot afford their own treatment

Infant Mortality

- Improve integrated management of childhood illnesses (IMCI) through effective community partnerships
  Community based child survival intervention (15 fieldworkers per site) in Khayelitsha Site C and Delft in 2003/4.
- Improve child health services through IMCI training of nurses
  Focus on sub districts with high infant mortality (Khayelitsha, Nyanga & Oostenberg). 90 nurses to be trained in 2003/4.
- Improve Immunisation coverage
  City wide with outreach into communities (including middle class areas where coverage is low)
- Improve child nutrition through Philani Nutrition Project
  New project in Nyanga sub district in 2003/4.
- Environmental Health Project as part of Informal settlement upgrade

Substance Abuse

- Sensible Drinking Campaign Rollout in partnership with PGWC health department
  Continuation of Sensible Drinking Project in Manenberg & Guguletu in partnership with PGWC health department
  Additional Sensible Drinking Project in Khayelitsha, Mitchells Plain and Westbank in 2003/4

COSTS

	2002/3	2003/4	2004/5	2005/6
TOTAL CAPITAL	**R16,873,000**	**R7,856,000**	**R7,463,200**	**R7,090,040**
ADDITIONAL OPERATING				
Council Workplace HIV/AIDS Project		R700,000	R1,700,000	R2,800,000
Community HIV/AIDS & TB Infant Mortality: Community IMCI (2) then (4) Philani Nutrition Outreach	R12,500,000	R16,290,000 R240,000 R200,000	R17,450,000 R513,600 R220,000	R18,650,000 R550,000
Substance Abuse: Sensible Drinking Project (3)		R270,000	R289,000	R309,000

NOTE: Due to the fact that the major costs of this programme are included in the operating budget, and that the additional opex is clearly identified, the operating costs are reflected in the above table.

6.2.8 ALLEVIATING POVERTY AND ENSURING EQUITY

ISSUE:

After 10 years of democracy, poverty and service backlogs are still widespread in Cape Town.

The main issues regarding poverty can be described as follows:

Socio-economic and Living Conditions:

? Poverty and unemployment is the key factor that underpins the majority of problems that confront poor people in the city;
? High levels of inequality, that concentrates poverty in specific locations inhabited by previously disadvantaged communities;
? High levels of TB and HIV coupled with malnutrition and infant mortality;
? Poor housing and living conditions that include a huge housing backlog (of 230 000 in the South East of the metropolitan region);
? High levels of crime, violence against women and children.

Infrastructure Backlog and Planning:

? Inadequate and poor access to drinking water and sanitation and electricity;
? Insecure and poor public transport system;
? Inadequate storm-water drainage system to address the problems associated with flooding;
? Continued racial separation of communities and township development that is removed from employment opportunities

DESIRED OUTCOMES:

- The development of a City Indigent Policy and Implementation Plan to care for the needs of the poor.
- The delivery of services on an equitable, sustainable and affordable basis to all communities.
- The development of pro-poor policies and extend free basic services to alleviate the plight of the poor.
- The development of a policy for the development and training of youth and women.
- Ensure labour intensive contracts are encouraged.

STRATEGIES

Equitable Services Policy Framework and Service Reviews

The City is in the process of finalising and consulting on an Equitable Services Policy framework aimed at ensuring the equitable provision of all services within a reasonable period of time. It is proposed to conduct service reviews of all the Council's services as the way of implementing the philosophy and key ideas contained in the policy framework. The effectiveness of the policy framework, the service reviews and their implementation in bringing about equitable services on the ground will be constantly evaluated and corrective action taken when necessary.

City Indigent Policy

The City of Cape Town is committed to develop a suite of policies to ensure that the rights of the poor will be upheld and basic needs will be met in a sustainable and affordable manner. A City Indigent Policy has been developed which will bring relief to the poor through a range of measures, the first of

which will be introduction of pro poor consumption tariff structures for Water, Sanitation, Electricity and Solid Waste and the provision of free basic services from 1 July 2003. Subsequent phases will include broader community to enhance access to community facilities and opportunities.

Youth Development Strategy

The Youth Development Strategy seeks to:

- Improve and extend existing co-operative relationships and agreements with youth and youth structures
- Establish, facilitate and co-ordinate sustainable youth delivery projects, programmes and mechanisms.
- Build and support skills development institutions and networks

Social Development Strategy

The multi-dimensional nature of poverty necessitates that capacity building projects, development and implementation is done in holistic and integrated way, in order to maximize development and output. The four main programmes are :-

- social support networks,
- communal livelihood programmes,
- metropolitan grassroots community and anti poverty conference
- research and impact assessment.

KEY PROJECTS

Equitable Services Policy Framework & Service Reviews

- Finalise, consult and obtain political approval for the policy framework
- Identify key strategic review areas for implementation during 2003/2004.
- Develop implementation plans for these strategic review processes
- Conduct strategic reviews
- Implement the outcomes of the service reviews
- Undertake ongoing monitoring and review of the effectiveness of the policy framework and its implementation

City Indigent Policy

- The implementation of the following free basic services as part of a new pro poor tariff structure to residential households with effect 1 July 2003:
    - 6kl water and 4.2kl sanitation per month
    - Free refuse removal for residential properties values less than R50 000 and subsidized refuse removal for property values up to R125 000

- 30kwh electricity per month (including extention to Eskom area of supply

- Research, planning and consultation regarding the subsequent phases of the City Indigent Policy.
- Ongoing assessment and refinement of the implementation of the policy with particular reference to the impact and affordability of the total municipal account on households.
- Ongoing refinement of systems of implementation.
- Ongoing assessment of the impact of the policy on the MTIEF, multi year budget planning and allocation of National Indigent Grant.
- Ongoing community consultation.

:

Youth Development

- Conflict resolution projects
- Development and implementation of youth volunteer empowerment and social responsibilities projects
- Research to establish youth development needs in poverty stricken areas
- Capacity building programmes to empower youth structures
- Network with other government spheres, the City Youth Task Team, the Junior City Council.
- Establishment of a City wide youth partnership forum of NGOs and service organizations
- The ongoing sourcing of donor funding.

Social Development

- Capacity building and projects (lifeskills training, organizational development training, leadership training, managing money seminars and team building activities)
- Community investment fund
- Food gardens (selecting communities and areas, facilitate selection of participants, training, resource, launching, logistical support, ongoing encouragement)
- Opportunity development (facilitate the procurement of skills training, skills audit in targeted communities to determine skills pool, labour bureau – easier access to job opportunities)
- Emerging relief projects
- Access to government funded relief
- Building civil society structures for women and capacity at neighbourhood and City level.

COSTS

The bulk of the key project costs are included in the operating budgets.
This includes R145 million subsidization of the indigent via the equitable share.

6.2.9 CREATING A GROWTH AND DEVELOPMENT STRATEGY

ISSUE

Cape Town faces serious development challenges in the areas of poverty and unemployment, education and skills development, health care, provision of affordable basic services, development and maintenance of strategic public infrastructure, and environmental management.

While many aspects of city development are within the influence and responsibility of the City Council, there are also many aspects which lie beyond the City's direct control and require co-operation and alignment with other role players (including other spheres of government, private sector, civil society, etc.)

The role of city leadership in Cape Town in the 21st Century needs to go beyond delivering local government services to providing leadership that enables all the key role players in the city to collectively ensure that the city is able to address its challenges and take maximum advantage of its opportunties.

The City of Cape Town is initiating the formation of a City Development Partnership (CDP) and the launch of a Cape Town Growth and Development Strategy in order to fulfil the leadership and partnership role of city government in respect of its developmental obligations.

Four key trends influence the City's approach to Economic Development:

- The Cape metropolitan area has a diverse and growing economy and the skills-based sectors are growing.
- There is an increasing mismatch between skills supply and demand.
- Unemployment and poverty are increasing, and are concentrated in particular sections of the community.

The current growth rate of 3% per annum needs to increase to 7% per annum to prevent unemployment from rising further

DESIRED OUTCOME

Specific desired outcomes will need to be defined by participants in the process. Broadly, the Growth and Development Strategy must address social , economic and environmental issues - covering also their interrelationship and spatial impacts. The strategy must link short-term public, civil society and private investment decisions with the longer-term development objectives of the city.

The strategy must help establish Cape Town as the leading city in Africa and establish a clear sense of Cape Town's place in the world of the 21st Century in the hearts and minds of the local, provincial, national, regional and international community.

STRATEGY

The CDP programme is part of a package of high level strategic initiatives

It is proposed that a high level City Development Partnership (CDP) be established to lead and guide the preparation of a Growth and Development Strategy for Cape Town. Members are to be appointed in their individual capacity to emphasise the leadership role that they are being asked to play "above and beyond" any specific constituency or institution.

Proposed Key components of the Growth and Development Strategy <u>include</u>:

- A consensus city-wide vision statement for the city that recognises its comparative strengths and advantages in the global, regional and provincial context, and its owned by the Council and the majority of stakeholders
- An agreed 15 - 20 year strategy for economic growth and poverty reduction
- Strategic levers and associated 3-5 year action plans with assigned roles for each stakeholder group
- A framework to align ongoing decision-making and action, including the planning cycle
- A Public Infrastructure Investment Framework with clear sources of finance, including donor support
- Demonstration or pilot activities to be carried out immediately highlighting the commitments of the city government and local stakeholders.

Note: One component of the G+DS will be an economic development strategy for the City

The Public Infrastructure Investment Framework

A Public Infrastructure Investment Framework would proactively indicate priority public investment in different kinds of public infrastructure and facilities in the City over the long, medium and short term and for different geographic "scales" of intervention (i.e. it should cover both the city as a whole and local areas. It should integrate investment in infrastructure and facilities by different sectors or services areas and all levels of government and semi-government institutions.

Similarly, the project is related to the Equitable Services Framework, which should inform an appropriate "menu" of local government services, in turn, directing the nature of infrastructure and facilities to be planned/provided through the Public Infrastructure Investment Framework.

An important component of the Public Infrastructure Investment Framework (or parallel work stream) would be a framework for managing and maintaining public infrastructure and facilities

KEY PROGRAMMES/PROJECTS AND COSTS

Programme/Project [Area affected]	Capex 2003/2004	Capex 2004/2005	Capex 2005/2006
City Development Partnership (CDP) [City-wide]	*	*	*
Cape Town Growth and Development Strategy [City-wide]	*	*	*
Econmic Development Strategy for the Cape Town [City-wide]	R32 960 000	*	*
Public Infrastructure Investment Framework. [refer [City-wide]	*	*	To be defined

* BUDGETED IN OPEX

6.2.10 PROGRAMME FOR INTEGRATED PUBLIC TRANSPORT AND IMPROVED ACCESSIBILITY

ISSUE

The public transport system is inefficient and fragmented and does not meet the needs of the community and economic development. Rail is unsafe and overcrowded. Buses are old and unreliable and taxis are poorly regulated. Further, the system still reinforces the apartheid city and hinders access to opportunities for the poor.

DESIRED OUTCOME

An affordable, safe, reliable and sustainable Public Transport System that integrates and empowers communities, creates opportunities, promotes pedestrian and cycle movement and provides the poor with access to economic, social and cultural opportunities and dignified places.

STRATEGY

- Provide subsidised Public Transport Services for the poor.
- Provide Public Transport Interchanges to reinforce trading and economic opportunities.
- Make Public Transport accessible to tourist destinations and use public transport to create tourist opportunities for the poor.
- Provide employment opportunities through the construction, management, maintenance and cleaning of public transport facilities.
- Target Public Transport Service improvements for the poor.
- Set up the structures that ensure the effective management of public transport.
- Undertake HIV/AIDS and TB awareness campaigns at public transport interchanges and on public transport.

- Promote investment in public transport to reduce escalating operational costs due to ageing vehicles and increasing traffic congestion.

- Form partnerships with Province, National Department of Transport, Public Transport Operators, the users of public transport and communities surrounding public transport interchanges.

- Undertake improvements and additions to make the public transport system universally accessible and develop staff and contractors through education and training.

- Develop plans in consultation with stakeholders and promote the use of public transport through the dissemination of information.

KEY PROJECTS

The strategy is implemented through the following three sub-programmes:

(i) Integration and Transformation of Public Transport Services and Institutional Structures.
(ii) Transformation of Public Transport on the Klipfontein/Khayelitsha Public Transport Corridor.
(iii) Provision of Public Transport Facilities and Services.

Key Projects under these sub-programmes are:

Integration and Transformation of Public Services and Institutional Structures.

- Development of an Integrated Public Transport Plan for the City.
- Establishment of a Transport Authority Entity.

Transformation of Public Transport on the Klipfontein/Khayelitsha Public Transport Corridor

- Dedicated public transport lanes.
- Interchanges and bus stops.
- Pedestrian improvements and cycling lanes.
- Creation of dignified places and trading opportunities.
- Safety and Security improvements.
- Universally accessible bus services with taxi feeder services.

Provision of Public Transport Facilities and Services.

- Mitchell's Plain Public Transport Interchange.
- Khayelitsha Rail Extension Public Transport Interchanges.

- Lentegeur/Mandalay Public Transport Interchange Accessibility Improvements.
- Public Transport Interchange Upgrades.
- Public Transport Shelters and Stops.
- Management and Security at Public Transport Interchanges.
- Public Transport Information Call Centre.
- Dial-a-Ride Service for Disabled.
- Inner City Public Transport Service.
- Rehabilitation and Maintenance of Public Transport Routes.

COSTS

INTEGRATED PUBLIC TRANSPORT			
	03/04	**04/05**	**05/06**
	Capital	**Capital**	**Capital**
Internal	46,000,000	43,000,000	41,000,000
External	104,000,000	144,000,000	169,000,000
TOTAL	150,000,000	187,000,000	2103,000,000

In addition to these major integrated programmes, there are a number of projects. The programmes and projects below are based on the Priority Areas and Corporate Strategy. *Note that certain programmes may address more than one category in the "Ten Point Strategy."*

Programmes addressing Poverty reduction

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
City Indigent Policy	Goal 1, Objective 1.6 Programme 2, Action 7.22	Affordability of rates / service charges
Pro-poor tariff structure and free basic services	Goal 1, Objective 1.6 Programme 2, Action 7.2.2	Affordability of rates / service charges
Poverty Alleviation Programme	G1,2,6 P3,4	Social Development (Poverty Related) Support Community Based Projects
Informal Settlement Upgrade	Goal 2 Programme 1	Job creation, provision of housing, community based projects
Integrated Housing Delivery	Goal 2 Programme 1	Job creation, provision of housing, community based projects
Local Community Zones of improvement	Goal 2 Programme 1	Job creation, community based projects
Youth Development Programme / Strategy	Goal 2 and 6 Programme 3 and 4	Youth Development, Community based projects Job Creation

Provision of support to the ECD sector to expand the service and encourage the delivery of a continuously improving service	Goal 2 and 6 Programme 3 and 4	Social Welfare (Poverty Related) Community based projects

Programmes addressing Economic Development, tourism promotion and physical / infrastructure development

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Public Infrastructure Investment Framework	Goal 7 Programme 4	Job creation
Growth and Development Strategy	Goal 7 Programme 4	Job creation
Environmental Interventions in areas of critical need	Goal 6 Programme 3	Education, provision of facilities, community based projects
Create dignified places in poor and socially neglected parts of the city (Uluntu Plaza)	Goal 2 Programme 3	Address high crime rate, social welfare, provision of maintenance
Target Zones of Action (ZAC's)	Goal 1 Programme 1	Address high crime rate, job creation, provision of housing, community based projects
Public Transport Provision of stormwater infrastructure	Goal 3 Programme 1 Goal 6 Programme 1	Address high crime rate, job creation, community based projects, accessibility to clinics Job creation, cleaning of public spaces
Provision of major transport link	Goal 3 Programme 1	Job creation, social welfare, accessibility to clinics
Klipfontein / Khayelitsha Transport Corridor	Goal 3 Programme 3	Job creation, social welfare, community based projects, accessibility to clinics
Provision of street and high mast lighting	Goal 6 Programme 3	Address high crime rate
Urban upgrade	Goal 1 Programme 2	Address high crime rate, job creation, provision of housing, community based projects
Provision and upgrading of Trading Services Bulk and Regional Infrastructure	Goal 1, Objective 1.2 and 1.10	
Establishment of Digital business centre in Gugulethu	Goal 1 Programme 3	Economic development, small business opportunities

Programmes addressing Employment Creation

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Establishment of community based cooperatives for road repairs, road cleaning and verge maintenance	Goals 1 Programmes 3	Job creation, community based projects
Establishment of community based road construction	Goals 2 Programmes 3	Job creation, community based projects
Expansion of Smart Cape Access project	Goals 2,3 and 8 Programmes 3 and 4	Job creation
Smart City Strategy Youth Internship Programme	Goals 2,3 and 8 Programmes 3 and 4	Job creation

Programmes addressing Land release and improvement of service delivery

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Acquire land for housing development	Goal 2 Programme 2	Job creation, provision of housing, community based projects
Equitable Services Policy Framework and service reviews	Goal 1, Objective 1.4 Programme 2, Action 7.2.1	All key priority issues
Upgrading of informal settlements	Goal 2, Objective 2.5 Programme 2, Action 7.2.3	Improve access to water
Area cleaning in disadvantaged formal and informal areas	Goal 1, Objective 1.4, Goal 2, Objective 2.4, Programme 3, Action 7.3.4 and 7.3.5	Cleaning of public places / control littering
Service Improvement programme (CPM)	Goal 1 Programme 5	Improved service delivery

Programmes addressing Good governance

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
LUM/LIS/SAP Interface in place.	Goal(s): 1.5; 1.8 Programme(s): 2.4;	Affordability of rates/service charges
Fiscal Reform Process	Goal(s): 4.3 Programme(s): 1.2;	Affordability of rates/service charges
AG requirements	Goal(s): 8.1; 8.3 Programme(s): 5.7(?)	Affordability of rates/service charges
Public participation programme	Goals 2,4,5 and 8 Programme 1	Improved interaction between Council & citizens

Stabilise the Administration by: - Finalise micro design and staff placement	Goal 1: Sustainable city Programme 5:	Service delivery improvement
Enhancing and improving labour productivity through creating appropriate environment for physically and mentally healthy employees and to eradicate barriers to productivity and high level attendance	Goal 1 – A sustainable city Goal 5 – A competent city Programme 5:	Productivity levels & service delivery of officials of the City
Improving labour productivity through managing time & attendance more effectively	Goal 1 – A sustainable city Programme 5:	Productivity levels & service delivery of officials of the City
Competency assessment and management of individual performance	Goal 1: A sustainable city Goal 4: A credible city Programme 1:and 5:	Productivity levels & service delivery of officials of the City
Enhancing representivity of Council's staff	Goal 4: A credible city Programme 2 and 5	
Managing level of repairs and maintenance to Council's fleet	Goal 1: A sustainable city	(Supports enhanced service delivery i.r.o. a number of MLC issues)
Alignment of Council's accommodation with services' operational strategies	Goal 4: A credible city Programme 5-	
Facilitating the development of Ward and Sub-Council Development Plans for each sub-council Roll out of OPMS	Goal: A sustainable city Programme 3: Empowering communities Programme 4: Growing and sharing through partnerships	Support community-based projects (e.g. cooperatives)[217]
Accelerated approval process (Physical growth management)	Goal 8 Programme 1	

Programmes addressing Improving Health, Safety and Security

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Health Informatics project	Goal 3 Programme 3	Better clinic services
Integrated Safety & Security Strategy: Emergency Services	Goal 6 Programme 3 and4	Job Creation Community based projects
Establishment of an integrated Safety & Security Strategy for the City Of Cape Town	Goal 6 Programme 3	Address high crime rate/ more policing / Job Creation

Safer Cities Programme	Goal 6 Programme 3 and 4	Address high crime rate/ more policing / Job Creation Community based projects
Set up, through effective partnerships, efforts owned at turning the tide on HIV/AIDS, TB, infant mortality and substance abuse	Goal 2,6 and 3 Programme 3 and 4	More health clinics, accessibility to clinics
Provision of traffic calming initiatives in neighbourhoods	Goal 6 Programme 1	

Programmes addressing Financial sustainability

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Undertake additional and general valuations.	Goal(s): 1.5 Programme(s): 2.5(?);	Affordability of rates/service charges Provision of Housing/land for housing
Restructuring Grant Application	Goal(s): 7.2; 8.1; 8.3 Programme(s): 5.1	Depending on final document, could be cross-cutting, however, should addresses affordability of rates/service charges
MTIEF	Goal(s): 1.1; 1.2 ; 4.1; 7.1; Programme(s):	Affordability of rates/service charges
ERP implementation	Goal 1 Programme 5	Incorrect billing
Realising the benefits of amalgamation	Goal 1: A sustainable city Goal 4: a credible city Programme 1 and 5	

Programmes addressing Partnerships

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
City Development Partnership	Goal 8 Programme 4	
Procurement transformation initiative	Goal(s): 5.1; 6.1; 1.4 Programme(s): 5.4; 3.4;	Support community –based projects
Launching partnerships to promote ongoing education, training & development of the City's youth	Goal 5 – A competent city	Supporting employment creation through giving work experience to young school or tertiary graduates

Establish 4 additional sub-councils together with the existing 16 sub-councils 100 Ward Committees to be established	Goal: A credible city Programme 5: "Getting the house in order"	Provision of Housing/land for housing (773)

Programmes addressing Human resource development, care for the disabled and people with special needs

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Gender Programme	Goal 2 and 6 Programmes 3 and 4	Support Community Based Projects
Finalising the Skills Audit and implementing Skills Development Plan	Goal 5 – A competent city Programme 5:	Training of staff w.r.t improved attitudes customer relations and performance
Managing the impact of the HIV/Aids epidemic insofar as it impacts on the City's workforce, thereby impacting on the financial sustainability of the City	Goal 1 – A sustainable city Programme 3:	
To make council buildings disabled friendly	Goal 6: A safe and caring city	
Identification, authorisation and implementation of ward allocation projects Establishment of integrated area based service service delivery & community interface system Public Participation and Capacity Building City-wide	Goal: An accessible city –a city that extends the benefits of urban society to all and builds the capacity of its people Programme 1: Listening to the voice of the people (the good governance campaign)	Provision and maintenance of sport/recreational facilities/swimming pools(254) More health clinics/accessibility to clinics(170)

Programmes addressing Communication

PROGRAMME / PROJECT	LINK TO GOALS & PROGRAMMES	Mayors Listening Campaign
Implementation of Council's approved language policy	Goal 4: A credible city Programme 5	Service delivery of officials to the community in the language they prefer
Customer Relationship Management	Goal 3 Programme 1	

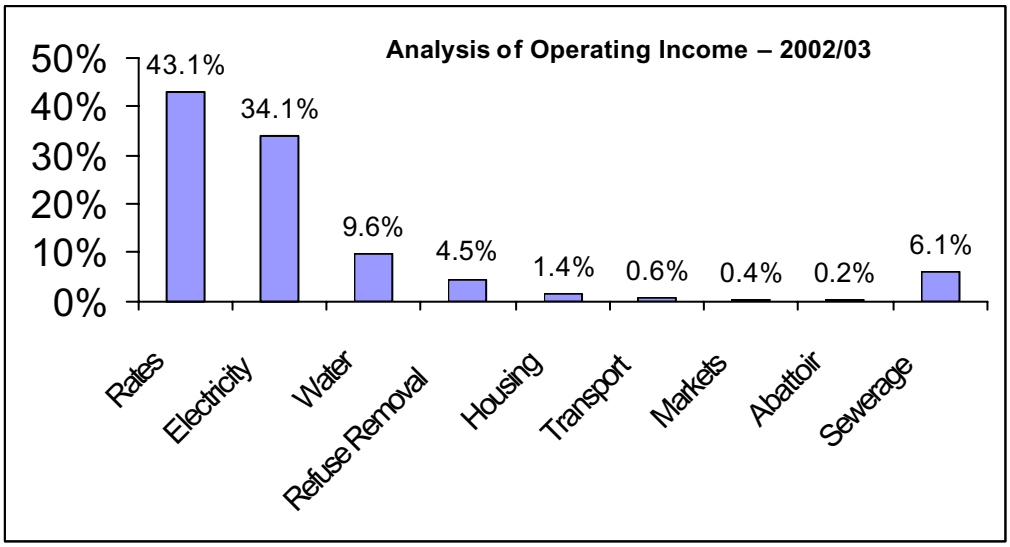
7. FINANCIAL ANALYSIS

Status of the City's Finances

The City of Cape Town has a current operating budget of R7.7 billion (as per SAP) and a capital budget of R1.91 billion for the 2002/03 financial year. The operating budget is expected to increase to R8.4 billion (9%), whilst the capital budget will decrease to R1, 8 billion (-5%), based on the City's affordability constraints.

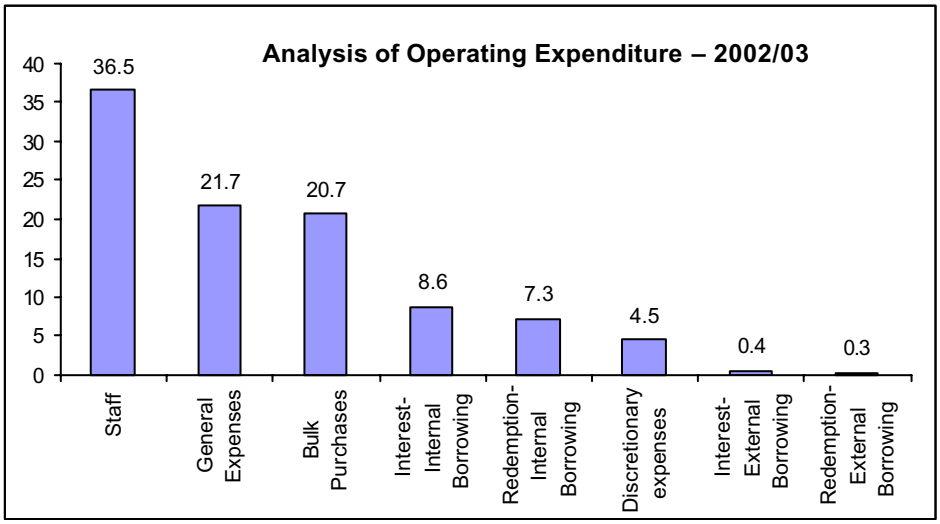
The operating income and expenditure budget for the City for 2002/03 is as follows: -

Income



Rates income represents 43,1% of income for the City, with the balance and bulk of income arising from Trading Services (54.9%). The primary drivers of income to the City are therefore rates and tariff charges. The mix of income from these various services will depend on the relative increases in each income area in the current and future years. These are being modelled and considered as part of the Indigent Policy that the City is finalising at present. Future increases or decreases must therefore be modelled in terms of a "basket of services" provided by the City as a whole.

Operating Expenditure



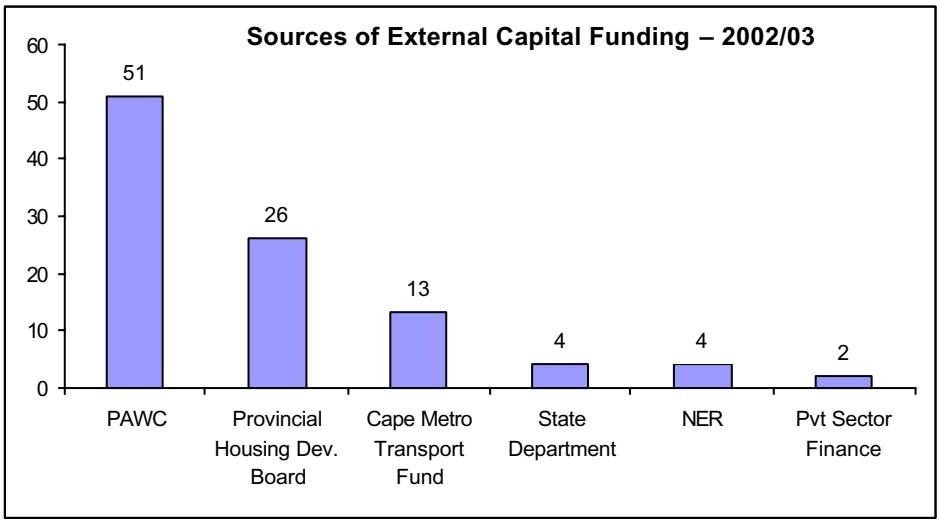
Personnel costs are the largest proportion of total costs and does not compare favourably with national norms of 28% to 30% as indicated by National Treasury. General expenses, which if added to repairs and maintenance for the City's infrastructure, is the second highest cost category. Bulk purchases represents costs incurred in the purchase of water and electricity from DWAF and Eskom respectively.

Other costs represent the costs incurred in servicing external debt of the City, which forms 16.6% of total operating budget, and is dependent on the capital expenditure incurred by the City.

The balance of costs (4.5%) of the operating budget is discretionary, indicating that the City has a high degree of fixed operating costs. These ratios will therefore need to be addressed as the City shifts its focus to external service delivery and developmental local government.

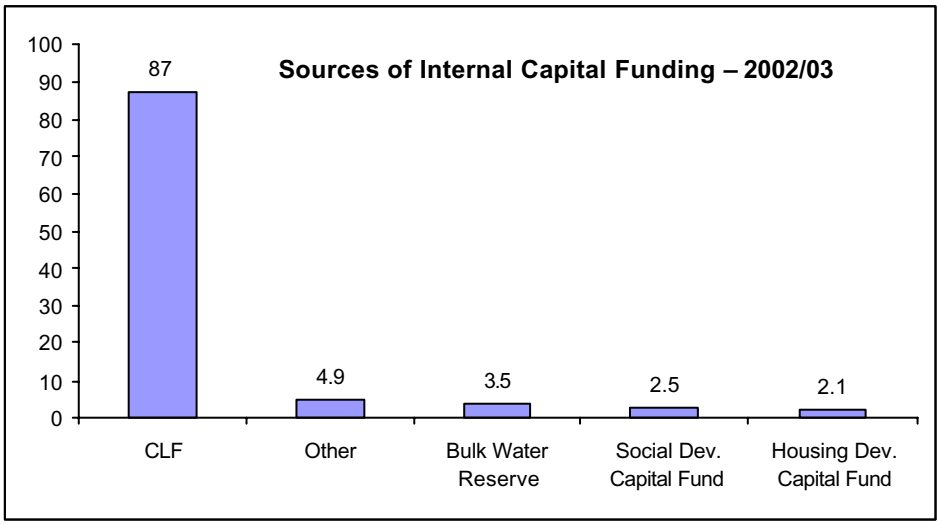
Capital Expenditure

The City funds 25% of the capital program through external financing sources. The main sources of this funding are: -



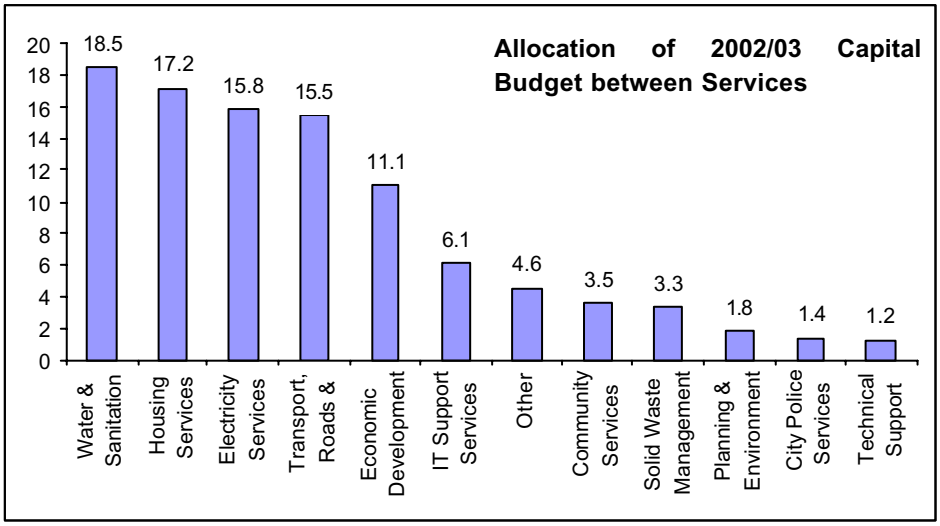
This shows that the bulk of external funding arises from the Western Cape Provincial Government. The fact that only 25% of funding arises from external sources, compares unfavourably with other Metros where for example, the best benchmark is Ethekwini, which has 57% external funding. Again, these ratios will have to be relooked at to ensure long term financial sustainability. The city's priority prgramme and the establishment of partnerships at large will go a long way in benefiting the city in this regard.

The balance of the Capital program is funded internally via the following sources: -



The City sources the majority of funding through external borrowings from Development Bank, INCA and private banks.

The majority of capital expenditure (67%) was on water and sanitation, housing services, electricity services and transport, roads and stormwater services. This shows a high degree of investment in infrastructure, which is representative of the priorities of Government.

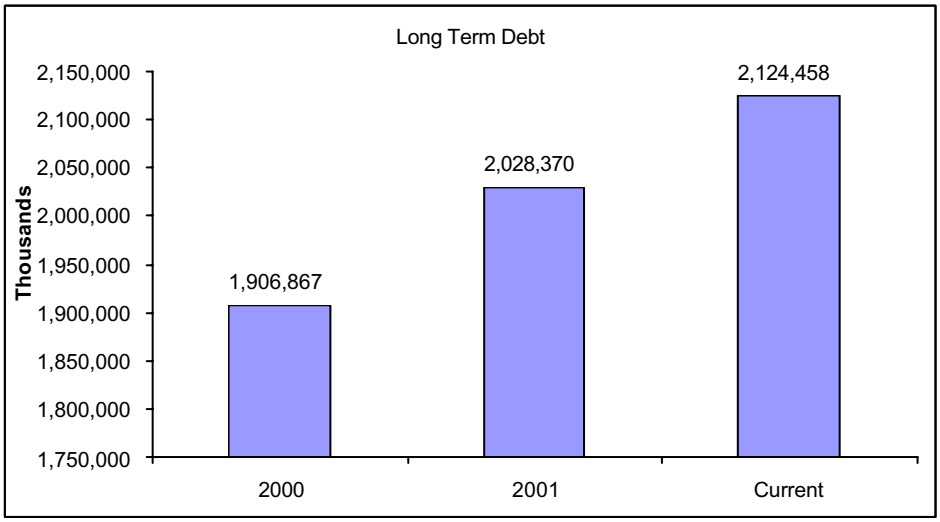


Key Challenges Facing the City

The City has a number of financial challenges, which constrain capital and operating expenditure and revenue and which may inhibit future income and expenditure streams. A brief summary of these challenges is listed below.

Debt and Servicing Costs

The City has a high level of debt service costs as indicated by the increasing level of debt below.



In terms of the recent external borrowing by the City, it was obvious that Lenders to the City are increasingly switching their security requirements to cashflows rather than physical assets, in order to secure loans to the City.

It should also be noted that the existing level of borrowing will result in an increasing debt servicing cost, which will see total annual repayments increase from R344m in 2003 to R563m in 2006, based on current debt levels, without further borrowings. Hence, there will be an increasing strain on capital expenditure programs in future years. The key challenges are to increase income and income sources, to ensure that the cashflow of the City is not strained any further. Establishment of partnerships and improves national and international government relations will assist in this regard, as good relations could result in the city securing funding and grouts from these efforts.

Staff Operating Costs

Personnel costs (36.5%) represent the highest proportional expenditure of overall operating budget. The amalgamation of the previous seven administrations has not yet brought a commensurate synergy in terms of staff reductions due to delays in finalising placement. The scope to undertake retrenchment exercises is further hampered by existing conditions of employment, which greatly exceed normal market levels. The key challenge to the City is to ensure appropriate staff attrition as the existing attrition level of 4.6% will not be sufficient to address this issue.

Other Operating Costs

There is a need to invest significantly more in the maintenance of existing infrastructure of the City. This can only be done by shifting funds from other cost elements in the operating budget to repairs and maintenance. Hence, one of the challenges is to reduce staff costs, so that funds can then be shifted to the maintenance of infrastructure and other cost elements.

A further challenge for the City is that many of the capital projects undertaken have an ongoing need for operating expenditure running costs. Hence capital expenditure today, drives future operating expenditure and this will consequently have an impact on the level of rates and tariffs.

Collection Rates

Currently, the City is only collecting 93% of its overall billings, compared to a collection rate of 98% in 2002. If the City does not collect all it's billed income then the cash inflow will obviously be lower and the ability to fund cash outflows (for operating and capital expenditure) will be compromised.

Borrowing will eventually become difficult and the City will enter into a vicious debt cycle with substantial financial distress. The challenge for the City is to increase its collection rate and reduce its bad debts to increase revenue and mitigate the risk of having shortfalls in the budget. This challenge will be addressed in the City's Indigent Policy mentioned earlier.

New Accounting Requirements

The Auditor General has requested Municipalities to make provision for liabilities such as post retirement medical aid contributions over five years. Given the enormous service delivery challenges and backlogs facing Municipalities, it would be difficult to phase this in over a short period of time. This issue has been referred to Organised Local Government, and the City will also further engage the Auditor-General in this regard.

Addressing the Challenges – 2003/04 Budget

Overall Budget

As indicated earlier, the total capital budget for 2003/04 is R1, 785 billion, which is a reduction from the 2002/03 capital budget of R1, 913 billion (-7%). This capital budget reflects both internal and external sources of funding.

The overall operating budget for 2003/04 is R8.434 billion, which is an increase from 2002/03 operating budget of 9%.

Revenue Increases

The average increases in operating income to meet increased expenditure in 2003/04 are as follows: -

REVENUE CATEGORY	AVERAGE INCREASE
Rates	9%
Water	9%
Electricity	5%
Sanitation	9%
Solid Waste	9%

It should be noted these income increases are in line with the parameters set by EXCO and that the final tariff impact, as modelled by Trading services, will vary dependent on consumption levels.

Funding of Capital Expenditure

The table and graph below reflects the sources of funding for the capital budget.

CAPITAL BUDGET	2002/2003	2003/2004	% CHANGE
Internal	1,452,075,281	1,108,097,976	-24%
External	461,228,654	677,529,835	+47%
Total	**1,913,303,935**	**1,785,627,811**	**-7%**

Council has reduced its internal funding and increased the funding from external sources. The Internal funds for Capital expenditure show a decrease of 24% from 2002/03 while external funding shows an increase of 47%. The overall capital budget has however been reduced by 7%. Council has attempted to balance capital affordability with pressing social needs through the capital budget. This is a positive response to meeting the challenge of capital affordability, but further improvements are required in other areas such as cashflow enhancement to ensure sustainability. The City must increase its externally funded capital over the next few years to alleviate the demands on internally funded capital.

Capital Spend by Service Area

The table below shows the capital budget by the Service area in the City for the 2002/03 and 2003/04 budget years and the percentage changes between these years.

SERVICE	2002/2003	2003/2004	% CHANGE
Communications	574,065	0	-100%
Community Services	105,493,050	91,400,817	-13%

SERVICE	2002/2003	2003/2004	% CHANGE
Corporate Planning & Support Services	49,322,065	42,600,000	-14%
Development / Infrastructure	855,805,265	901,904,635	5%
Finance	8,146,950	0	-100%
Internal Audit	237,081	0	-100%
Office of the City Manager	3,270,000	0	-100%
Service Integration & Performance Management	22,498,947	25,000,000	11%
Strategy and Policy	122,117,718	169,313,000	39%
Trading Services	745,838,794	555,409,359	-25%
Grand Total	**1,913,303,935**	**1,785,627,811**	**-7%**

Council has prioritised the capital budget in a manner that maximises the funds available for service delivery. This is however still inadequate in terms of its requirements to meet the service delivery backlogs. Phasing in over the next few years will be necessary.

Internally, Strategy and Policy had the largest increase of almost 40% due mainly to the centralisation of all IT related expenditure in the Council. The finalisation of the SAP (ERP) system is also included. The ERP systems will yield savings over the next few years to release funds for expenditure and other strategic priorities.

Communications, Finance, Internal Audit, and the Office of the City Manager show a (-100%) decrease over the previous year due to the centralisation of provisions. Development Infrastructure shows an increase of 7% in the Capital budget, while Community Services and Trading Services saw a decrease. Increases in Service Integration and Performance Management reflect expenditure to bring the Government closer to the people in the form of improved ward infrastructure.

It should be noted that the City has taken some difficult decisions to ensure that the allocation of spending addresses basic needs as well as the need to improve its internal capacity, which will realise future savings.

Operating Budget (Based on SAP Numbers)

OPERATING EXPENSES	2002/2003	2003/2004	%CHANGE
Employee Related Cost	2 183 179 697	2 414 512 614	+10.6%
Employee Related Cost-Social Contributions	514 866 381	509 933 856	-1.0%
Remuneration of Councillors	43 356 042	45 161 709	+4.2%
Bulk Purchases	1 349 844 897	1 591 650 020	+17.9%
General Expenses (excluding recharges)	956 031 663	1 099 275 737	+15.0%
Contracted Services	260 086 472	403 236 146	+55.0%
Collection Costs	29 102 578	30 052 333	+3.3%
Repairs & Maintenance	294 604 534	600 552 434	+103.9%
Capital Charges/ Depreciation & Finance Costs	1 346 244 272	877 755 843	-34.8%
Transfers from/to other Reserves	564 937 525	553 467 799	-2.0%

OPERATINGEXPENSES	2002/2003	2003/2004	%CHANGE
Income Forgone	147 466 100	189 950 144	+28.8%
Bad Debts	25 725 417	73 496 654	+185.7%
Grants & Subsidies Paid	20 853 008	45 197 242	+116.7%
Total	**7 736 298 586**	**8 434 242 531**	**+9.0%**

The operating expenses indicate that Personnel costs remain the biggest component of expenses. The total amount on total staff costs for 2002/03 was 35.4%, decreasing marginally in 2003/2004 to 35.2%.

Please note that comparisons between the two years are difficult due to the restructuring of expense categories in SAP.

The Capital Charges / Depreciation expense, as a percentage of total expenses shows a once-off decrease from 2002/03 (17.4 %) to 2003/04 (10.4 %), reflecting the changes due to GAMAP.

However, there are improvements in expenditure and the meeting of the priorities of Urban Renewal, Informal Settlements. Council is also responding to the challenges identified in the IDP

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Operating Income (Based on SAP Numbers)

OPERATING INCOME	2002/2003	2003/2004	%CHANGE
Property Rates and Penalties	1 887 763 173	2 116 648 640	+12,1%
User Charges for Services	3 801 541 570	4 106 201 862	+8,0%
Regional Services Levies	654 200 000	749 194 000	+14,5%
Rent on Facilities and Equipment	142 053 134	186 246 365	+31,1%
Interest Earned – Investments & Debtors	24 445 645	170 373 360	+596,9%
Fines	77 255 883	96 367 770	+24,7%
Income for Agency Services	41 472 134	58 872 402	+41,9%
Operating Grants, Subsidies & Contributions	996 915 995	852 196 156	-14,5%
Other Income	109 901 052	98 141 976	-10,7%
Total	**7 735 548 586**	**8 434 242 531**	**+9.0%**

Please note that comparisons between the two years are difficult due to the restructuring of income categories in SAP. The primary sources of income to the City remain the rates and tariff charges.

Geographic distribution by sub-council

COMPARISON OF CAPITAL EXPENDITURE PER SUBCOUNCIL: 2002/03 AND 2003/04

Subcouncil	Wards	2002/03 R	2003/04 R
1	1,2,3,4	60 507 100	55 323 000
2	10,11,12,13	43 141 859	27 877 481
3	5,6,7,8,9,27	88 592 350	99 357 000
4	14,23,25,26	22 767 221	17 070 000
5	28,29,30,31,32,50	31 509 483	10 506 016
6	15,17,19,21,22,24	38 812 144	26 882 500
7	16,18,20,83	100 840 579	94 171 028
8	84,85,86,87,100	48 102 450	34 439 800
9	95,96,97,98	21 448 385	75 762 285
10	90,91,92,93,94,99	23 797 940	43 626 285
11	40,41,42,43,44	1 112 168	32 738 000
12	76,77,78,79,81,82	21 837 697	39 951 064
13	33,34,35,75,88,89	119 342 862	66 427 300
14	36,37,38,39	39 842 772	34 244 119
15	51,52,53,54,55	41 732 383	36 786 300
16	56,57,58,74	261 424 272	20 040 992
17	45,46,47,48,49,59	47 614 000	33 718 000
18	63,65,66,67,68,80	22 573 894	40 093 916
19	64,69,70,71	20 249 575	26 495 700
20	60,61,62,72,73	15 948 500	10 200 000
Multi-ward		620 544 499	721 249 617
Corporate infrastructure		221 561 802	238 667 535
TOTAL		**1 913 303 935**	**1 785 627 811**

Due to the change in both the number and boundaries of Subcouncils from 2002/03 to 2003/04, it was necessary to dis-aggregate the 2002/03 capital budget to ward level. The capital expenditure was then adjusted to reflect the current 20 Subcouncils in order for a meaningful comparison to be made of the geographical patterns of expenditure from 2002/03 to 2003/04. The 2002/03 expenditure in the above table thus reflects the expenditure as per the current Subcouncils.

The geographical pattern reflects a significant reallocation capital expenditure to areas of poverty, particularly in the urban renewal areas of Khayelitsha and Mitchells Plain, where the capital expenditure has increased from R67.0 million in 2002/03 to R159.6 million (137%) in 2003/04.

Looking Ahead And Meeting The Challenges

Three Year Budget Trends

DESCRIPTION	Current	2003/2004	2004/2005	2005/2006
EMPLOYEE RELATED COSTS - SALARIES AND WAGES	2,183,179,697.50	2,414,512,614.25	2,629,955,735.33	2,838,358,768.95
EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	514,866,381.26	509,933,856.47	555,827,903.55	600,294,135.84
REMUNERATION OF COUNCILLORS	43,356,042.00	45,161,708.76	49,226,262.55	53,164,363.55
GENERAL EXPENSES	1,111,536,967.79	1,310,995,556.33	1,582,674,253.99	1,670,733,034.16
BULK PURCHASES	1,349,844,896.84	1,591,650,020.00	1,750,815,022.00	1,908,388,373.98
CONTRACTED SERVICES	260,086,471.89	403,236,146.42	427,430,315.21	448,801,830.97
GRANTS AND SUBSIDIES PAID	20,853,007.83	45,197,242.00	48,813,021.36	52,229,932.86
BAD DEBTS	25,725,417.00	73,496,654.07	119,376,386.40	128,932,733.44
COLLECTION COSTS	29,102,577.52	30,052,332.57	32,456,519.18	34,728,475.52
REPAIRS AND MAINTENANCE - PRIMARY	294,604,533.76	391,476,499.00	418,879,853.93	444,012,645.17
REPAIRS AND MAINTENANCE - SECONDARY	0.00	209,075,935.00	223,711,250.45	237,133,925.48
CAPITAL CHARGES	1,346,244,272.35	877,755,842.62	947,976,310.03	1,014,334,651.73
INCOME FORGONE	147,466,100.00	189,950,143.80	205,146,155.30	219,506,386.18
TRANSFERS FROM / (TO) OTHER RESERVES	564,937,525.00	553,467,799.42	597,745,223.37	639,587,389.01
SETTLEMENT	358,262.94	0.00	0.00	0.00
INTERNAL UTILITIES	1,273,473.18	0.00	0.00	0.00
COIDA CLAIMS	0.00	0.00	0.00	0.00
SELF INSURANCE	0.00	35,600,800.00	38,448,864.00	41,140,284.48
INTERNAL BILLING - INSURANCE DEPT PREMIUMS	0.00	0.00	0.00	0.00
INTERNAL BILLING - BULK CHARGES	-1,350,193.57	0.00	0.00	0.00
PURE SECONDARY	-155,786,847.29	0.00	0.00	0.00
ACTIVITY BASED COSTS	0.00	-247,320,619.00	-267,106,268.52	-285,803,707.32
	7,736,298,586.00	8,434,242,531.71	9,361,376,808.12	10,045,543,223.98
PROPERTY RATES	-1,842,873,408.00	-2,062,935,290.00	-2,269,228,819.00	-2,473,459,412.71
PENALTIES IMPOSED	-44,889,765.00	-53,713,350.00	-58,010,418.00	-62,071,147.26
USER CHARGES FOR SERVICES	-3,801,541,570.00	-4,106,201,862.35	-4,434,698,011.34	-4,745,126,872.13
REGIONAL SERVICES LEVY - TURNOVER	-540,000,000.00	-614,000,000.00	-663,120,000.00	-709,538,400.00
REGIONAL SERVICES LEVY - REMUNERATION	-114,200,000.00	-135,194,000.00	-146,009,520.00	-156,230,186.40
RENT ON FACILITIES AND EQUIPMENT	-142,053,134.00	-186,246,365.00	-205,802,233.33	-225,353,445.49
INTEREST EARNED - EXTERNAL INVESTMENTS	-183,790.00	-135,904,000.00	-144,058,240.00	-151,261,152.00
INTEREST EARNED - OUTSTANDING DEBTORS	-24,261,855.00	-34,469,360.00	-36,537,521.60	-38,364,397.68
FINES	-77,255,883.00	-96,367,770.00	-104,077,191.60	-111,362,595.01
LICENCES AND PERMITS	-20,915,325.00	-29,806,772.00	-32,191,313.76	-34,444,705.72
INCOME FOR AGENCY SERVICES	-41,472,134.00	-58,872,402.00	-63,582,194.16	-68,032,947.75
OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS	-996,915,995.00	-852,196,156.00	-904,005,488.48	-962,240,122.67
OTHER INCOME	-88,985,727.00	-65,253,320.00	-70,473,585.60	-75,406,736.59
PROFIT ON SALE OF ASSETS	0.00	-3,081,884.36	-3,328,435.11	-3,561,425.57
	-7,735,548,586.00	-8,434,242,531.71	-9,135,122,971.97	-9,816,453,546.99
	750,000.00	0.00	226,253,836.15	229,089,676.99

This budget model is largely driven by applying growth parameters to the 2003/04 budget as advised by National Treasury. It should be noted that this is an illustrative model result and not part of a more rigorous three year budget process. Clearly the shortfall indicated will have to be met by increased income or reduced expenditure before Council formally adopts the budgets of the forth coming years.

Macro Strategy

The City needs to develop a long term implementation strategy for service delivery and the eradication of backlogs. This must also be supported by institutional capacity transformation and financial and fiscal discipline. While the IDP has commenced a process, which highlights the needs of the City's Communities, there is also a need for a long term financially driven strategy to improve the service delivery capacity of the City.

It is also proposed that the City set three high-level corporate benchmarks for revenue collection, cost reduction and external funding. This would have the effect of increasing the capital budget for service delivery over time and sustain current levels of spending. In summary, internal cost containment and restructuring and transformation will lead to improved service delivery to communities in the long term.
The City therefore needs to develop strategies, which forces the Administration to achieve targets over time through continuous improvement and alternate service delivery mechanisms. This is but one of the many strategic options available to the City.

Medium Term Income and Expenditure Framework

The City is developing a tool to facilitate a medium term income and expenditure planning. This medium term income and expenditure tool will need to be developed in an iterative manner with the macro-strategy, as set out above, to ensure that strategic objectives and financial resources are balanced.

From this exercise, strategies to ensure a sound and sustainable financial position in light of delivery demands will be developed. This will bring greater certainty to the operations of the City and communities served by the City.

Restructuring Grant Application

The City will be making an application to National Treasury for a restructuring grant. The grant is available to the larger municipalities with budgets in excess of R300 million and is to be used for a number of specific objectives: In keeping with the spirit of the Restructuring Grant the application of the City will be centred around the following key areas: -

- Transformation of the City's delivery capability;
- Restructuring the fiscal position of the City;
- Acceleration of service delivery and backlog eradication; and
- Exploitation of external opportunities and/or mitigation of external risks.

The transformation of the City's delivery capacity will focus on the systematic reduction of staff levels, hopefully financed in part by the Restructuring Grant, as well as the realisation of savings from the implementation of the ERP systems, which may also be financed from the Restructuring Grant funds.

The acceleration of service delivery will focus on the application of Restructuring Grant on the implementation of free basic services to communities who do not have these benefits at the present. As part of this exercise, alternate service delivery models will be investigated, to leverage delivery for each rand of spending.

However, Council will need to commit to specific performance benchmarks in order to qualify for Restructuring Grant funds. If performance benchmarks are not met, the grant funds will need to be repaid to National Treasury.

In conclusion, it should be noted that the City has some serious financial and service delivery challenges and a common thread that links all these initiatives together must be developed so that the synergistic benefits that should accrue to the City in the long term materialise.

8. CONCLUSION

This review of the IDP is the start of an ongoing process to align the service delivery imperatives of the Council to the macro-strategy, the needs of the disadvantaged and the development of the City. The IDP will be supplemented with detailed service Business Plans which will provide clear and measurable targets for the programmes included in the IDP. This will inform the organisations performance management system and will ensure that the budget is spent in the areas reflected in the IDP and budget.