



Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

Provincial Gazette Extraordinary

8689

Monday, 28 November 2022

Buitengewone Provinsiale Koerant

8689

Maandag, 28 November 2022

Registered at the Post Office as a Newspaper

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*(*Reprints are obtainable at Room M21, Provincial Legislature Building, 7 Wale Street, Cape Town 8001.)*

PROVINCIAL NOTICE

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PROVINCIAL NOTICE

The following Provincial Notice is published for general information.

DR HC MALILA,
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Provincial Legislature Building,
Wale Street,
Cape Town.

P.N. 136/2022

28 November 2022

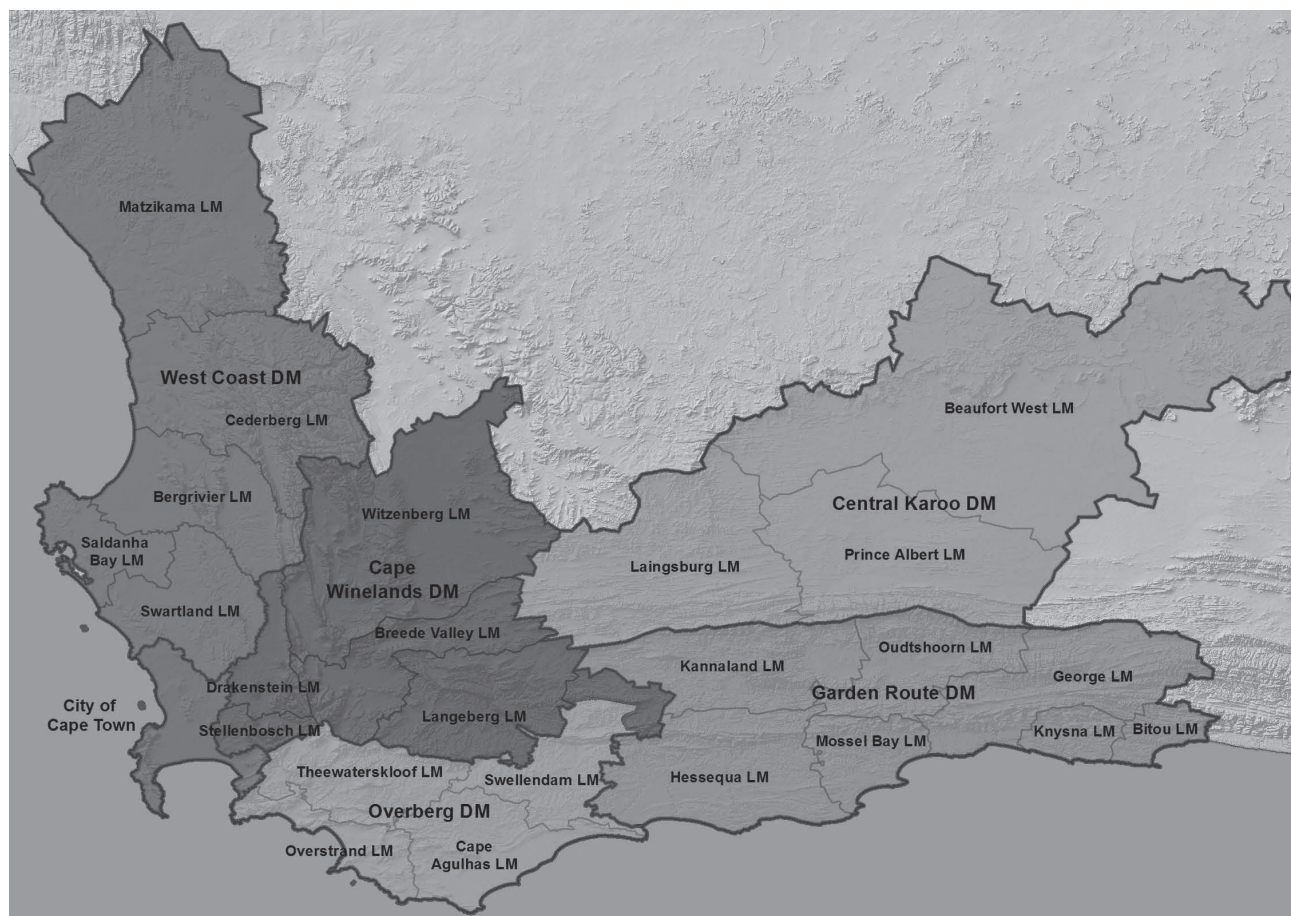


**Western Cape
Government**



DEPARTMENT OF LOCAL GOVERNMENT
**Consolidated Annual Municipal
Performance Report**
2020/2021

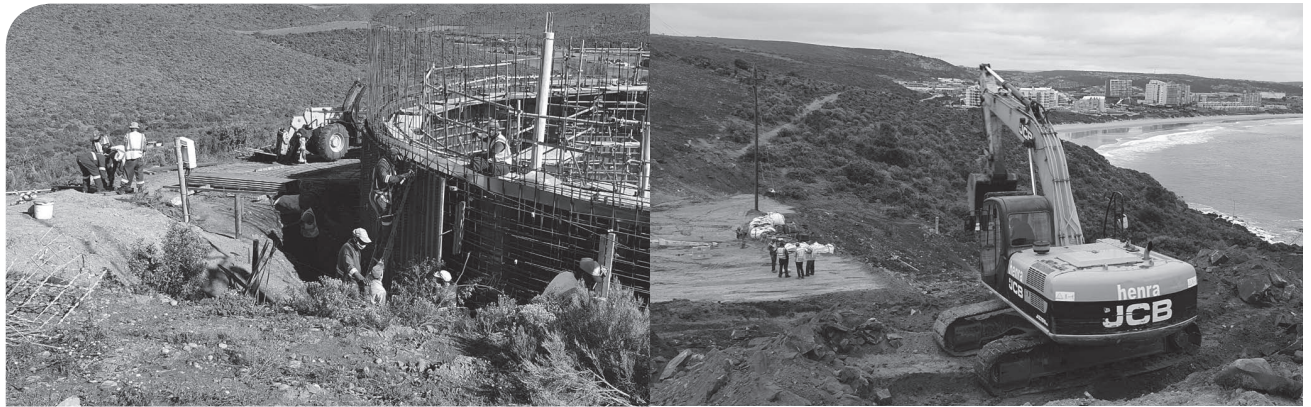
WESTERN CAPE MUNICIPALITIES



CONSOLIDATED ANNUAL MUNICIPAL PERFORMANCE REPORT 2020/2021



DEPARTMENT OF
LOCAL GOVERNMENT



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LIST OF ACRONYMS

AFS	Annual Financial Statements
AG	Auditor General
CDW	Community Development Worker
DEADP	Department of Environmental Affairs and Development Planning
DWS	Department of Water and Sanitation
IDP	Integrated Development Plan
JPI	Joint Planning Initiative
KPI	Key Performance Indicators
LED	Local Economic Development
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MGRO	Municipal Governance Review and Outlook
NI	No Information Provided
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery & Budget Implementation Plan
TOR	Terms of Reference

MINISTER'S FOREWORD

The Consolidated Municipal Performance Report provides operational meaning and impetus to the spirit of S154 of the Constitution of South Africa, which requires that Provincial Government monitor and support municipalities to manage their own affairs, exercise their powers and perform their functions.

This report is completed in compliance with the legislative obligations placed on the MEC for Local Government in Section 47 of the Municipal Systems Act 32 of 2000. It provides a status on the performance of municipalities, identifying underperformances and remedial actions to be taken, as well as reflects on some of the key Provincial Government interventions rolled out in support of municipalities.

Municipalities are at the coalface of service delivery. They provide services in a dynamic environment and, as such, must continue to evolve to meet the needs of their communities.

Notwithstanding the challenges experienced on a municipal level, it prides me to say that there has been an incremental overall improvement in the performance of municipalities. This is evident in the number of unqualified audit opinions expressed by the Auditor General in her 2020/21 Audit Outcomes Report.

My Department is committed to continuously support municipalities to provide affordable and sustainable services to the people.



Anton Bredell

Minister for Local Government, Environmental Affairs and Development Planning

EXECUTIVE SUMMARY

The Department of Local Government together with other Provincial Departments have provided extensive support to all municipalities in the Western Cape towards strengthening controls and achieving good governance to ensure positive audit outcomes. All municipalities in addition, proceeded to put effective control measures in place. These collective measures have resulted in the significant improvement of audit outcomes to a 90% unqualified audit result in the Western Cape during 2020/21.

Municipalities have a responsibility towards developmental local government to work with local communities to find sustainable ways to meet their needs and improve the quality of the lives of citizens. One of the key ingredients in achieving effective community participation is the ward committee system designed to ensure that citizens' inputs are considered during the planning and decision-making processes at local government level. Due to the impact of the COVID-19 lockdown during the initial parts of the year, ward Committee functionality was impeded. Municipalities were however able to adapt to the changing needs and many opted for virtual meetings to effectively improve functionality.

Access to government services and information has the potential to improve the living conditions of citizens. The Thusong and Community Development Worker Programmes are critical to increasing access to government services and information to communities. For the year under review, communities continued to access government services and information through Thusong Service Centres located in various municipalities as well as Thusong Outreach Programmes which are conducted in remote locations such as farming areas to offer basic services to communities based on their needs.

Information and Communication Technology (ICT) in the wake of COVID -19 and the related Lockdown has undeniably become the backbone of municipalities as it enables the efficient delivery of services. The main areas identified in municipalities that warrant further improvement in ICT includes the implementation of ICT Strategies, development of a functional Disaster Recovery and backup systems as well as establishment of structures for effective ICT governance.

The effects of COVID -19 further had an immense effect on the economy, the level of employment and households' income. It also had an impact on the number of indigents and the demand for free basic services amongst others. The provision of basic services has a direct impact on the quality of citizens' lives and the Western Cape municipalities has prioritised the delivery of services to its citizens. The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and extending the infrastructure to eradicate the backlog in service delivery. The level of services remained above 95% in the Western Cape.

An overall underspending in capital expenditure was identified due to delays in the municipal supply chain processes such as bid specifications, advertisement as well as awarding of contracts to potential bidders. These processes proved to be very slow in municipalities, pointing to ineffective planning processes which are further exacerbated by the effects of the COVID-19 pandemic.



INTRODUCTION



BACKGROUND AND PURPOSE OF THE REPORT

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

The Constitution further guides intergovernmental relations together with the Intergovernmental Relations Act that sets out the principles for co-operative governance between the three spheres of government. All three spheres of government, as well as the private sector and communities, have a role to play in service delivery. The objects of Local Government according to the Constitution requires municipalities to provide democratic and accountable government for local communities, to ensure the provision of services to communities in a sustainable manner, to promote social and economic development, to promote a safe and healthy environment and to encourage the involvement of communities and community organisations in the matters of local government.

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) established a framework for planning, performance management systems, effective use of resources and organisational change. This Act requires that all municipalities prepare an Integrated Development Plan (IDP) which sets a five-year strategic plan that enables municipalities to achieve service delivery and development goals for their municipal areas in an effective and sustainable way. Each municipality is then further expected to prepare

an Annual Performance Report that reflects on the performance of the municipality during a financial year, this report together with the Annual Financial Statements forms part of the municipality's Annual Report compiled in terms of Chapter 12 of the Municipal Finance Management Act (MFMA) and Section 46 of the Municipal Systems Act.

Section 47 of the Municipal Systems Act, places an obligation on the MEC for Local Government to annually compile and submit to the Provincial Legislature and the National Minister a consolidated report on the performance of municipalities in the Province. The Section further states that the report must identify municipalities that underperformed during the year, propose remedial action to be taken and this report must be published in the Provincial Gazette. A copy of the Section 47 report must then be submitted to the National Council of Provinces.

The purpose of this Report is to assess the performance of municipalities and the state of service delivery in the Western Cape Province for the 2020/21 financial year. The Report was compiled with information collected from municipalities by means of their annual reports, audit reports, IDPs and additional information obtained from provincial sector departments.

The annual reporting process of municipalities is presented in the table below and outlines the key responsibilities and due dates for submission:

Table 1: Statutory Annual Report Process

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

WESTERN CAPE POPULATION AND SOCIO-ECONOMIC OVERVIEW

The Western Cape Province is bordered to the North and East by the Northern Cape and Eastern Cape province, respectively, the Atlantic Ocean in the West and the Indian Ocean in the South. The Province is geographically diverse, encompassing areas as vastly differentiated as the Metropolitan area, Boland, West Coast, Southern Cape and the Karoo. The Province is divided into five district councils, which are made up of 24 local municipalities and one metropolitan municipality.

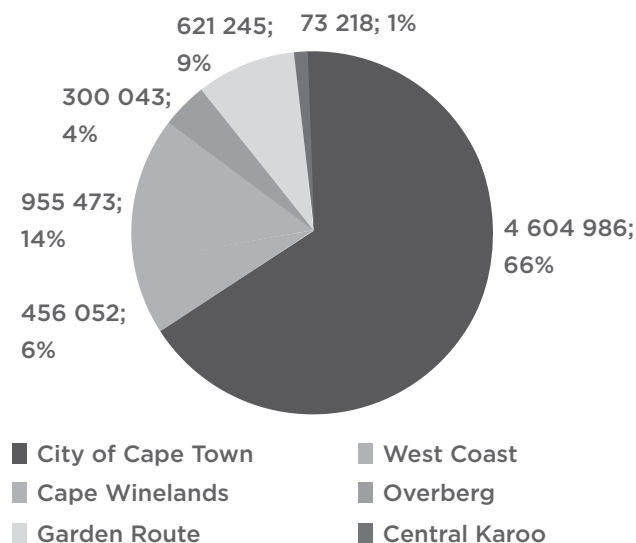
According to the Provincial Economic Review and Outlook (PERO) of 2021, the Western Cape's demographic profile continues to change primarily due to in-migration and improved health outcomes. The relatively high levels of in-migration continue to drive the demand for public services, especially the social sector services such as education, healthcare and the expansion of housing opportunities, and access to basic services in the Province.

Between 2016 and 2020, the Western Cape gained 292 521 people due to net in-migration. The Western Cape is now home to 7.1 million residents, accounting for 11.8 per cent of the South African population.

Income inequality remains an immense challenge in South Africa and is expected to be exacerbated by the COVID-19 pandemic. Between 2012 and 2020 the Western Cape Gini Coefficient increased from 0.60 to 0.63. In contrast to the deterioration of income inequality the Western Cape made progress in human development with the HDI increasing from 0.709 to 0.769 over the same period (PERO, 2021).

The table below reflects the population per region as depicted in the municipal annual reports of 2020/21.

Graph 1: Population per district



Source: 2021 Annual reports

WESTERN CAPE ECONOMIC PERFORMANCE

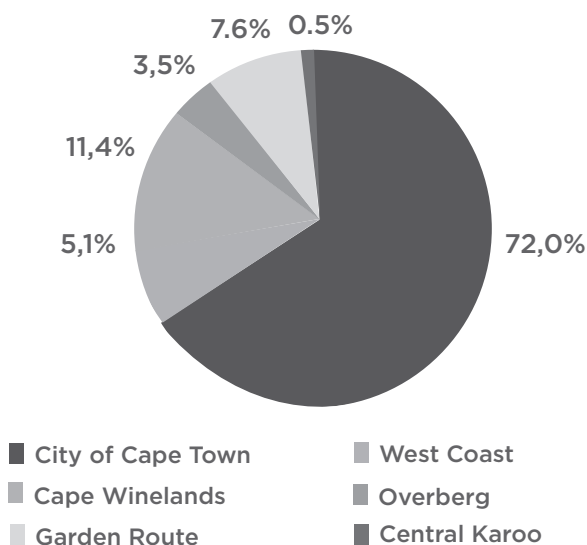
"A gradual recovery of the South African economy is expected in 2021 and beyond. The long contraction of the economy from the third quarter of 2019 to the second quarter of 2020, coupled with frequent power cuts and soaring fuel, electricity and food prices, further complicates the country's social challenges". – Municipal Economic Review and Outlook (MERO) 2021.

According to the 2021 MERO, Growth in the Western Cape has been steadily declining from 3,8 per cent in 2011 to a contraction of 6,7 per cent in 2020, mirroring the economic decline in the rest of South Africa. Between 2011 and 2020, Provincial economic growth is estimated to have averaged 1,0 per cent.

The Province was greatly affected by the COVID-19 pandemic and the associated restrictions that had an impact on the performance of the tourism and wine industry. Changes in the Western Cape's economic performance relative to the rest of South Africa are largely driven by dynamics in the agriculture and tourism sectors.

In the Western Cape, the unemployment rates are estimated at 23,7 per cent and 27,9 per cent using the narrow and expanded definitions, respectively. Unemployment is more prevalent among the youth. Although the unemployment rate in the Western Cape is 23,7 per cent, 45,2 per cent of young people aged 15 to 24 in the labour force were unemployed in the first quarter of 2021 (PERO, 2021).

Graph 2: Regional Contribution to GDPR



Source: 2021 Municipal Economic Review and Outlook

With a contribution of R440,8 billion, the Cape Metro area contributed the largest share to total Gross Domestic Product per Region (GDPR) in the Province in 2019 at 72,0 per cent. The Cape Winelands District (CWD) contributed the second-largest share to Provincial GDPR during the same year, with a contribution of 11,4 per cent. This was followed by the Garden Route District (GRD) and West Coast District (WCD), with contributions of 7,6 per cent and 5,1 per cent respectively in 2019. Valued at R3,2 billion in 2019, the Central Karoo District (CKD) was the smallest contributor to the Provincial economy (0,5 per cent) (MERO 2021, Quantec Research 2021).

In the Province, the finance sector was the leading contributor to GDPR at 25,3 per cent in 2019. This was followed by the trade sector (17,7 per cent) and the manufacturing sector (15,3 per cent). The two largest contributing sectors were concentrated in the Cape Metro area, the CWD and the GRD. In terms of the finance sector, the Cape Metro area contributed 19,8 per cent, while the CWD and GRD contributed 2,3 per cent and 1,9 per cent respectively. Of the 17,7 per cent contributed to GDPR by the trade sector, 12,5 per cent originated from the Cape Metro area, while 2,2 per cent and 1,4 per cent originated from the CWD and GRD respectively. Manufacturing activity was largely concentrated in the Cape Metro area (10,8 per cent), CWD (1,8 per cent) and the WCD (1,2 per cent). The GRD contributed 1,1 per cent to total manufacturing activity in the Province in 2019.

Economic activity in the secondary and tertiary sectors was concentrated in the Cape Metro area, highlighting its importance to the Provincial economy. Within the primary sector, mining activities were also concentrated in the Cape Metro area. However, in respect of the 3,2 per cent contribution to GDPR by the agriculture sector, the CWD had a marginally higher contribution than that of the Cape Metro area (MERO 2021).



PERFORMANCE INFORMATION



CHAPTER 1: GOVERNANCE

1.1. INSTITUTIONAL ARRANGEMENT AND CAPACITY BUILDING

1.1.1. POLITICAL GOVERNANCE

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community.

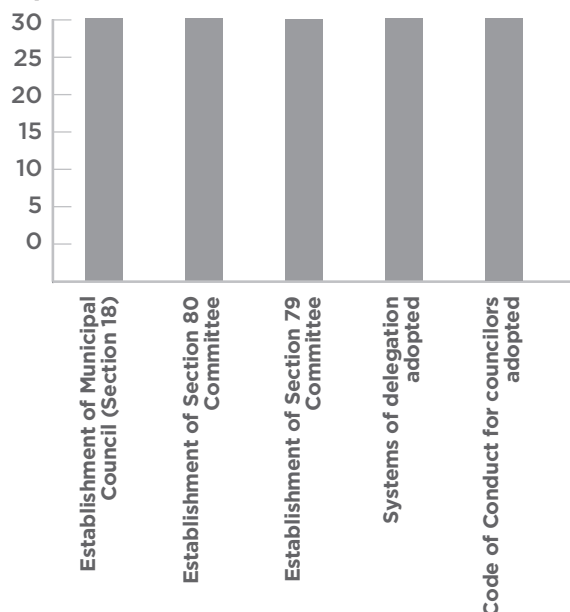
A municipality is established by the MEC for local government by means of a Section 12 notice, referring to Section 12 of the Municipal Structures Act. Among other things, this notice determines the choice between having an Executive Mayor, Executive Committee or no separate Executive at all. The Western Cape municipalities have opted for the option of a Mayoral Committee system.

The Municipal Council, being the highest authority within the municipality, must focus on legislative oversight and their participatory role delegating its executive functions to the Executive Mayor and Mayoral Committee. The Executive Mayor must ensure that the Municipality meets its legislative obligations.

For the 2020/21 financial year, Western Cape municipalities had a total number of 912 council seats across the Province. The Democratic Alliance remained a leading party and obtained a total number of 475 seats across all municipalities in the Province, while the African National Congress had a total of 213 seats and the remaining 224 seats were obtained by other Political Parties/or Independents. The Democratic Alliance controlled thirteen (13) municipalities and governed in coalition with other parties or independents in seven (7) municipalities.

During the period under review, some Councils could not conduct their meetings as per statutory requirement of Sec 37(c) of the Municipal Structures Act due to the COVID -19 pandemic. In most cases, Councils had to seek out innovative methods to communicate and conduct their meetings. Most meetings were held virtually.

Graph 3: Political Governance



Source: Municipal Annual Reports 2020/2021

All Councils have been established as required by Section 18 of the Municipal Structures Act. Based on the information obtained from the annual reports, all 30 municipalities have adopted their system of delegations in line with Section 59 of the Municipal Systems Act, ensuring the maximisation of administrative and operational efficiency. The respective Codes of Conduct were adopted in accordance with the Municipal Systems Act.

1.1.2. ADMINISTRATIVE GOVERNANCE

Municipalities must, within their administrative and finance capacities establish and organise their administration to be responsive to the needs of local communities. To this end, Section 51 of the Systems Act identifies the various institutional objectives applicable to municipalities. The objectives are linked to the specific needs of the municipalities and requires the implementation of appropriate organisational structures.

Section 54A of the Municipal Systems Act requires that the Municipal Council appoint a Municipal Manager who is the head of administration of the Municipal Council. During the period under review, 20% of the municipalities had reported to have vacant Municipal Manager positions at

the end of 2021 (Status of Municipalities Report, June 2021). Cederberg, Matzikama, George, Kannaland, Knysna, Oudtshoorn, Mossel Bay, Beaufort West, Central Karoo DM had acting Municipal Managers as at June 2021.

Section 56 of the same Act states that a Municipal Council after consultation with the Municipal Manager must appoint a Manager directly accountable to the Municipal Manager.

The 2020/21 year was a challenging year for municipalities, given the realities of the COVID-19 pandemic. The Western Cape has also experienced a marked increase in both political and administrative instability across several municipalities in the Province. The resignation/suspension of Municipal Managers and other Senior Managers further exacerbated the instability in the administrations of these municipalities. This resulted in several municipalities having senior management vacancies and acting arrangements in place which destabilised the administration and directly impacted on effective and efficient service delivery.

Section 57 of the Municipal Systems Act requires that a person appointed as a Municipal Manager and a person appointed as manager directly accountable to the Municipal Manager, may be appointed to that position only in terms of a written contract for which a performance agreement should be concluded annually. All Municipal Managers and managers directly accountable to the Municipal Managers have signed and submitted performance agreements to the MEC for Local Government. Municipalities ensured that all performance agreements of both Section 54 as well as Section 56 appointments were aligned to the strategic objectives of the IDP.

1.1.3. WORKPLACE SKILLS PLAN

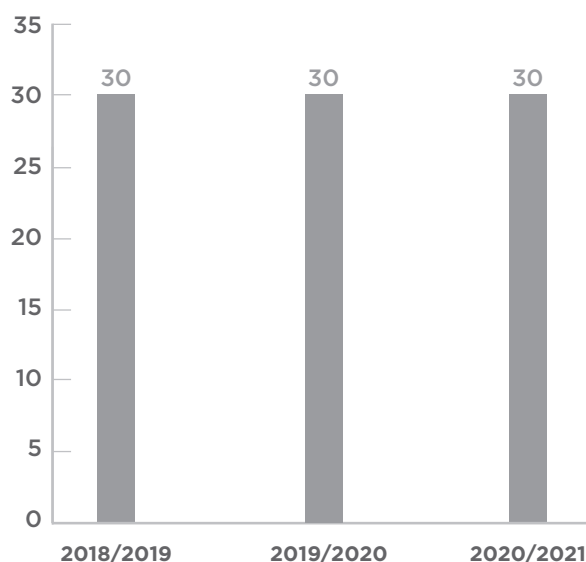
Capacity building at municipalities is crucial in achieving effective service delivery. As such, Human Resource Management is aimed at strengthening institutional capacity. This is contained in the Municipal Systems Act of 2000:

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

To promote skills development and capacity building, all municipalities have complied with developing and submitting their workplace skills plans to the Local Government SETA. Although all municipalities submitted skills development plans and implemented those plans, an average of 89% of municipal personnel budgets was spent during 2020/21 financial year.

Various capacity and skills development initiatives were provided by municipalities which include, amongst others, training through LGSETA programme, Municipal Minimum Competency, Learnerships, Short courses such as Project Management Training, End User Computing, Supply Chain Management, and Local Government Accounting Certificate.

Graph 4: Submission of Workplace Skills Plan



Source: Municipal Annual Reports 2020/2021

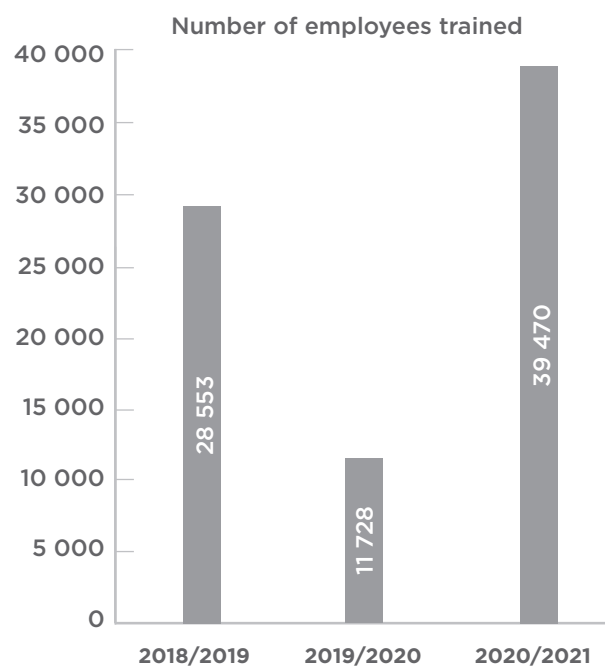
Graph 4 above shows the number of municipalities who complied with this requirement in the past three years.

1.1.4. SKILLS DEVELOPMENT AND TRAINING

Western Cape municipalities continued to experience challenges related to attracting and retaining skilled staff during 2020/21. This was as a result of, amongst other reasons, budget constraints and a shortage of the required skills especially in rural areas.

Most municipalities have spent their personnel budget in enhancing and capacitating their employees with the necessary skills to perform their duties. During the 2020/2021 financial year, municipalities ensured that about 39 400 employees during the current financial year were empowered with skills. This is a significant improvement when compared to previous years.

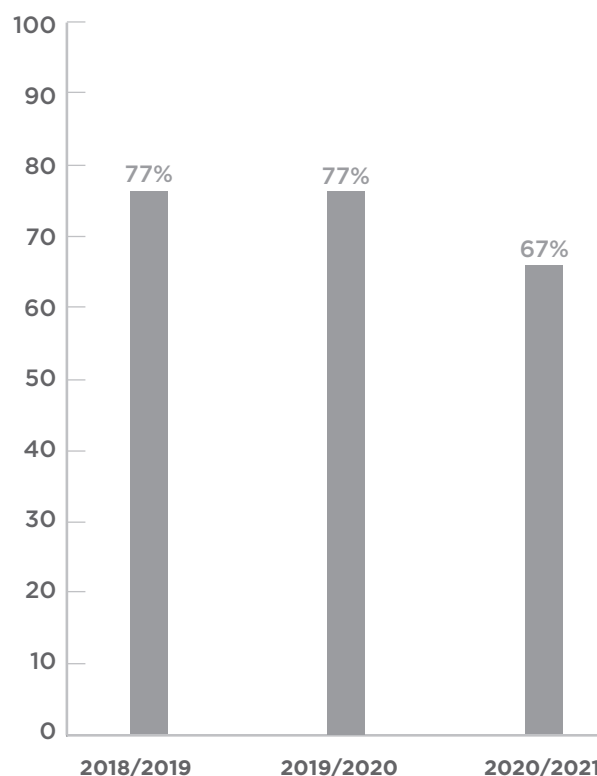
Graph 5: Capacity Development training



Source: Municipal Annual Reports 2020/2021.

Graph 5 above depicts the number of personnel trained over the three-year period.

Graph 6: Percentage Spent on Skills Development



Source: Municipal Annual Reports 2020/21

As indicated in the graph below, expenditure on the Workplace Skills Plan averaged at 67% across municipalities, which is significantly lower than previous financial years. The graph below represents the average percentage spent on skills development from municipal personnel budgets

CHAPTER 2: ACCOUNTABILITY



2.1 COMMUNITY PARTICIPATION

To ensure that the voices of the poorest of the poor and the most vulnerable are heard in decision-making the implementation of good governance practices are essential.

A key requirement for achieving good governance is effective public participation. Public participation allows for constituents to monitor the actions of their elected officials and encourages the community to play an active role in the performance of their municipality. This enables citizens to assess whether their interests are considered, and their needs met.

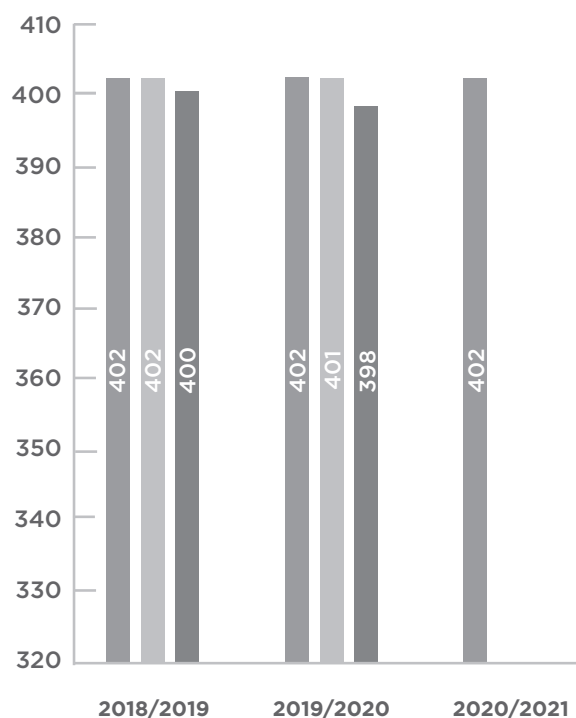
Public participation provides an opportunity for allow all citizens to form part of decision-making platforms that determine developmental priorities. Ward-based planning and consultative forums are central structures through which public participation and good governance can be achieved.

2.1.1 WARD COMMITTEES

Ward committees are established in terms of the Municipal Systems Act, 2000, and the Municipal Structures Act, 1998. The ward committee system was designed to ensure that residents' inputs are considered during planning and decision-making processes at local government level. Ward committees play a very important role in the development and annual revision of the Integrated Development Plan of the Municipality through the facilitation of wider community participation.

As indicated in the table below, there were 402 wards across municipalities of which 395 was effectively established. The table further demonstrates the number of ward committees that were functional over a three-year period.

Graph 7: Ward Committees



- Number of wards
- Number of ward committees established
- Ward committee functionality

Source: Municipal Annual Reports 2020/21

As indicated in the table above, only 328 of the 395 ward committees established were functional.

2.1.2 CITIZEN PARTICIPATION AND COMMUNITY DEVELOPMENT WORKERS PROGRAMME

The Community Development Workers (CDWs) play an important role in establishing and maintaining relationships between communities and government services. Because CDW's have grassroots knowledge on local conditions they serve as a valuable resource through which service delivery effectiveness can be enhanced in municipalities. Communities, especially in impoverished areas are often unaware of their rights to access a range of services (including free basic services and indigent grants) and the required application process. CDWs therefore play a crucial role in mobilising local communities in this regard and providing them with the necessary information.

At the end of the 2020/21 financial year, CDWs also continued to provide support to small scale initiatives aimed at improving access to economic opportunities across the municipalities. These initiatives are classified as food security and local economic development and contribute significantly towards making a positive impact on the lives of citizens.

2.1.3 INFORMATION COMMUNICATION TECHNOLOGY (ICT)

Information and Communication Technology has undeniably become the backbone of any organisation. Municipal ICT enables efficient delivery of service and can be described as the effective and efficient management of ICT resources and processes to facilitate the achievement of Municipal goals and objectives.

Every Municipality must have its own ICT needs articulated in their individual ICT Strategy that should be aligned to the IDP. Currently more than

80% of our municipalities have ICT strategies which are consistently reviewed and aligned with their IDP. There are however municipalities that have failed to put a plan in place indicating how ICT will deliver services to the overall organisation so that it efficiently achieves the goals set in the IDP.

- The following challenges were highlighted by municipalities towards the development of their ICT strategy, amongst others:
- The lack of dedicated ICT personnel to drive ICT governance
- Some of dated strategies that need to be reviewed but they lack capacity
- Reliance on service providers makes it very expensive to comply
- Capacity constraints in the ICT department to implement ICT governance

The table below outlines the compliance of municipalities on overall ICT governance.

Table 2: Compliance to ICT Strategy

	West-Coast	Swartland	Saldanha Bay	Matzikama	Cederberg	Bergivier	Overberg District	Cape Agalhus	Overstrand	Swellendam	Theewaterskloof	Garden Route	Oudtshoorn	Mossel Bay	Knysna	Kannaland	Hessequa	George Local	Bitou	Central Karoo District	Beaufort West	Laingsburg	Prince Albert	Cape Winelands District	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
Site location	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✗	✓	✓	✓	✓	✓	✓
	N/A	✓	✓	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	N/A	✓	✓
Per Room	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓
PerCom	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓
dband	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Un Total	86	100	100	71	57	86	100	100	100	100	100	100	100	100	100	43	100	100	100	100	86	29	29	100	100	100	86	100	86

As indicated in the table above, all municipalities can publish the necessary legislative information on their respective websites. The lack of ICT Strategy, development of a functional Disaster Recovery system as well as establishment of structures for effective ICT governance is however a big concern. A number of municipalities have challenges with employing adequate security mechanisms in their respective server rooms.

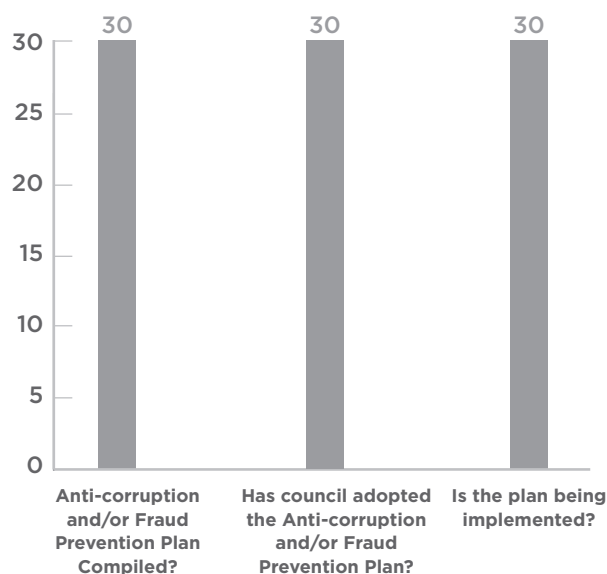
2.2 CORPORATE GOVERNANCE

2.2.1 ANTI-CORRUPTION AND FRAUD PREVENTION

Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure the implementation of proper mechanisms and separation of duties in the supply chain management system to minimise the likelihood of several issues, including corruption and fraud.

Anti-corruption measures are an integral part of ensuring good governance at municipalities and promotes whistleblowing for corrupt activities. To this end, all municipalities in the Province have effectively adopted anti-corruption and fraud prevention plans which are being implemented. The graph below shows the status and implementation of Anti-corruption and Fraud Prevention Plans in municipalities.

Graph 8: Anti-corruption and Fraud prevention plans prevention plans



Source: Municipal Annual Reports 2020/21

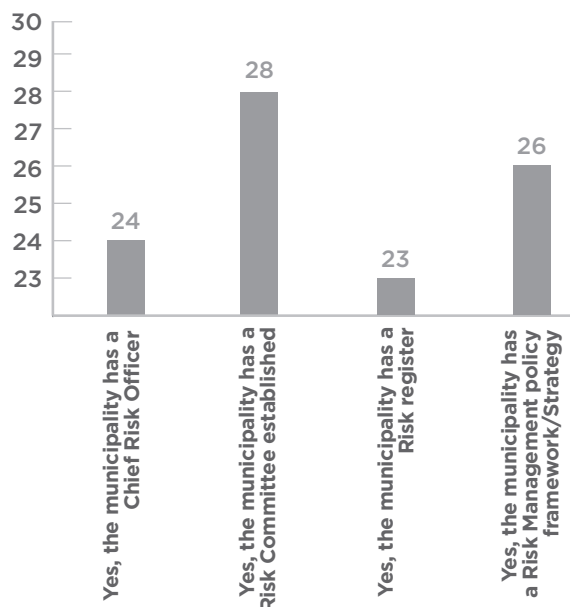
2.2.2 RISK MANAGEMENT

Risk management is a systematic and formalised process through which risks are identified, assessed, managed and monitored in order to mitigate its negative effects on the municipality's service delivery capacity.

In ensuring that this function is embedded within the municipality, the municipalities appoint Chief Risk Officer (CRO) tasked with the responsibility of establishing a Risk Management Committee.

The graph below, illustrates the number of municipalities fulfilling the risk management functions.

Graph 9: Risk Management



Source: Municipal Annual Reports 2020/21

During the year under review, 24 municipalities had appointed CRO's and 28 municipalities had reported to have Risk Management Committees established and functioning effectively. Due to capacity constraints in municipalities, some municipalities are using the Internal Audit Unit to fulfil the responsibilities of risk management.

Only 23 municipalities have risk registers that are monitored and reported against on a quarterly basis. 26 municipalities have developed risk management policy frameworks/strategies which have been adopted by the Municipal Council.

2.2.3 INTERNAL AUDIT UNITS AND AUDIT COMMITTEES

According to Section 165 of the MFMA, municipalities are required to establish an internal audit function. Internal Audit Units in municipalities play an important role in strengthening the financial management control environment.

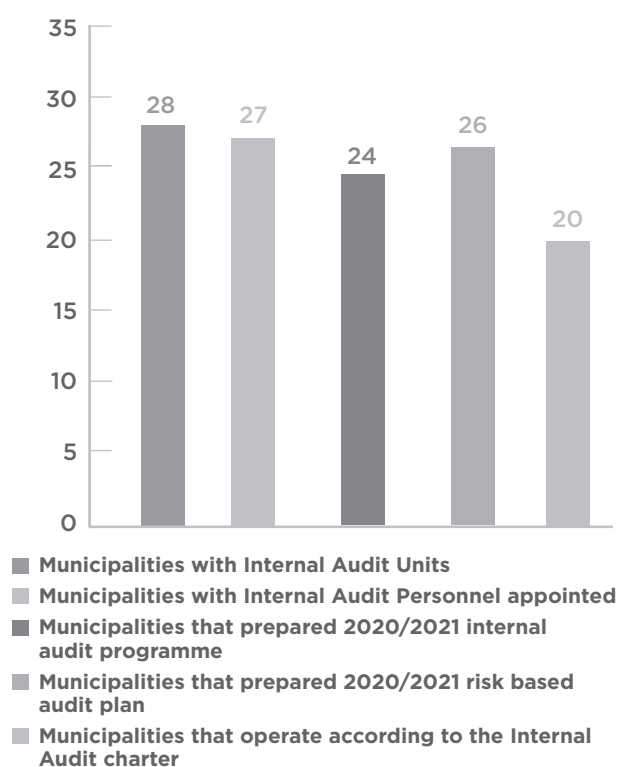
In order to effectively add value, Internal Audit Units in municipalities must be adequately staffed with appropriately qualified officials and must have a well-informed risk-based annual audit plan approved by the Audit Committee and supported by the Municipal Manager and the Municipal Council. In addition, they should be guided by an Internal Audit Charter that is supported by the Audit Committee, Municipal Manager and the Municipal Council.

drive the internal auditing function while others are assisted by a service provider.

It was also reported that twenty-four (24) municipalities have prepared their 2020/21 internal audit programme, while twenty-six (26) municipalities have prepared their risk-based audit plans. Only twenty (20) municipalities were reported to operate their audits in accordance with their Internal Audit Charter.

The MFMA and Municipal Planning and Performance Management Regulations require municipalities to establish an Audit Committee consisting of a minimum of three members, where most members are not employees of the municipality. It also requires the Municipal Council to appoint a Chairperson who is not a municipal employee.

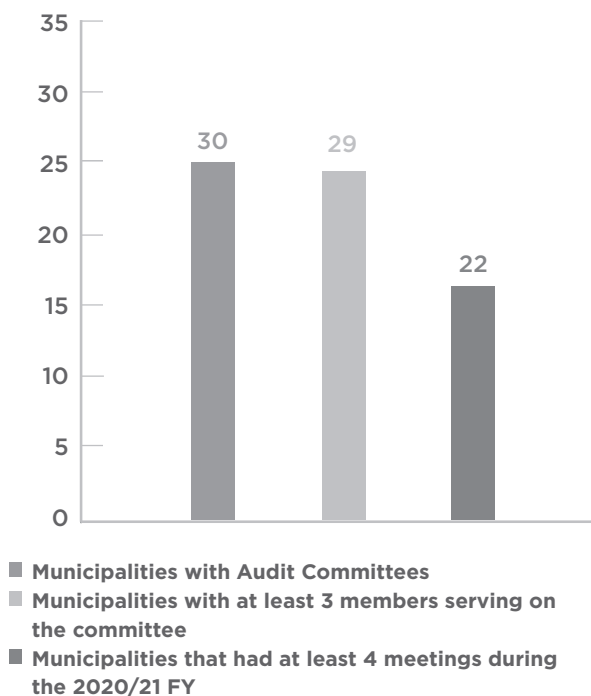
Graph 10: Internal Audit



Source: Municipal Annual Report 2020/21

As depicted in the graph above, twenty-seven (28) municipalities were reported to have Internal Audit units in place. Twenty-eight (27) municipalities appointed a dedicated person to

Graph 11: Audit Committees



Source: Municipal Annual Report 2020/21

All municipalities in the Western Cape Province have functional Audit Committees in place with at least three (3) members serving on the committee. Knysna municipality is the only municipality whose committee does not have at least 3 members.

In the current financial year, 22 municipalities had at least four meetings during the 2020/21 financial year. This is mostly due to the COVID-19 lockdown restrictions which inhibited committees to engage effectively.

2.2.4 COUNCIL OVERSIGHT

Section 129(1) of the MFMA requires all municipalities to table and adopt an Oversight Report on their Annual Report. The Council of a municipality or are to annually consider the Annual Report by no later than two months from the date on which the Annual Report was tabled to Council in terms of Section 127(2).

The Oversight Report must be adopted and contain all comments made by council on the

Annual Report, which must include a statement whether the Council has:

- Approved the Annual Report with or without reservations;
- Rejected the Annual Report; or
- Referred the Annual Report back for revision of those components that can be revised.

Section 129(2)(a) further requires that copies of the minutes of the meeting where the Oversight Report has been adopted must be submitted by the Accounting Officer to the Auditor General, relevant Provincial Treasury and the Department of Local Government.

Table 5 below provides a status of all municipalities in compliance with the above requirements:

Table 3: Annual Report Tabling and Oversight report

MUNICIPALITY	FINANCIAL YEAR	ANNUAL REPORT TABLING	OVERSIGHT REPORT ADOPTION	ANNUAL REPORT APPROVED WITHOUT RESERVATIONS	ANNUAL REPORT APPROVED WITH RESERVATIONS	ANNUAL REPORT REJECTED
City of Cape Town	2018/2019	29-Jan-20	26-Mar-20	✓		
	2019/2020	31-Mar-21	27-May-21	✓		
	2020/2021	27-Jan-22	31-Mar-22	✓		
West Coast DM	2018/2019	28-Dec-20	22-Nov-20	✓		
	2019/2020	25-Aug-21	26-Aug-21	✓		
	2020/2021	25-Aug-21	20-Jan-22	✓		
Matzikama	2018/2019	12-Dec-19	04-Feb-20	✓		
	2019/2020	29-Jun-21	No info	No info	No info	No info
	2020/2021	25-Jan-22	29-Mar-22			
Cederberg	2018/2019	13-Dec-19	30-Jan-20	✓		
	2019/2020	31-Mar-21	24-May-20	✓		
	2020/2021	25-Jan-22	31-Mar-22	✓		
Bergrivier	2018/2019	21-Jan-20	26-Mar-20	✓		
	2019/2020	30-Mar-21	25-May-21	✓		
	2020/2021	29-Mar-21	31-May-22	✓		
Saldanha Bay	2018/2019	30-Jan-20	01-Mar-20	✓		
	2019/2020	01-Apr-21	27-May-21	✓		
	2020/2021	27-Jan-22	23-Mar-22	✓		
Swartland	2018/2019	30-Jan-20	31-Mar-20	✓		
	2019/2020	11-Mar-20	29-Apr-21	✓		
	2020/2021	27-Jan-22	31-Mar-22	✓		

MUNICIPALITY	FINANCIAL YEAR	ANNUAL REPORT TABLING	OVERSIGHT REPORT ADOPTION	ANNUAL REPORT APPROVED WITHOUT RESERVATIONS	ANNUAL REPORT APPROVED WITH RESERVATIONS	ANNUAL REPORT REJECTED
Cape Winelands DM	2018/2019	30-Jan-20	26-Mar-20	✓		
	2019/2020	25-Mar-21	27-May-21	✓		
	2020/2021	27-Jan-22	24-Mar-22	✓		
Witzenberg	2018/2019	23-Jan-20	03-Mar-20	✓		
	2019/2020	28-Apr-21	25-May-21	✓		
	2020/2021	No info	No info	No info	No info	No info
Drakenstein	2018/2019	29-Jan-20	05-Mar-20	✓		
	2019/2020	27-Mar-21	31-May-21	✓		
	2020/2021	26-Jan-22	10-Mar-22	✓		
Stellenbosch	2018/2019	29-Jan-20	26-Mar-20	✓		
	2019/2020	31-Mar-21	26-May-21	✓		
	2020/2021	28-Jan-22	30-Mar-22		✓	
Breede Valley	2018/2019	16-Jan-20	16-Jan-20	✓		
	2019/2020	30-Mar-21	28-Apr-21	✓		
	2020/2021	01-Dec-21	07-Dec-21	✓		
Langeberg	2018/2019	05-Dec-19	12-Feb-20	✓		
	2019/2020	30-Mar-21	25-May-21	✓		
	2020/2021	22-Feb-22	22-Feb-22	✓		
Overberg District	2018/2019	30-Jan-20	18-Mar-20	✓		
	2019/2020	29-Mar-21	24-May-21	✓		
	2020/2021	31-Jan-22	28-Mar-22			✓
Theewaterskloof	2018/2019	23-Jan-20	19-Mar-20	✓		
	2019/2020	30-Mar-21	31-May-21	✓		
	2020/2021	25-Jan-22	30-Mar-22	✓		
Overstrand	2018/2019	22-Jan-20	25-Mar-20	✓		
	2019/2020	31-Mar-21	26-May-21	✓		
	2020/2021	26-Jan-22	30-Mar-22	✓		
Cape Agulhas	2018/2019	22-Jan-20	29-Jan-20		✓	
	2019/2020	30-Mar-21	24-May-21	✓		
	2020/2021	14-Dec-21	17-Mar-22	✓		
Swellendam	2018/2019	30-Jan-20	26-Mar-20	✓		
	2019/2020	31-Mar-21	10-May-21	✓		
	2020/2021	31-Jan-22	23-Mar-22	✓		
Garden Route District	2018/2019	29-Aug-19	13-Dec-19	✓		
	2019/2020	30-Oct-20	29-Mar-21	✓		
	2020/2021	28-Sep-21	10-Dec-21	✓		
Kannaland	2018/2019	29-Jan-20	24-Mar-20		✓	
	2019/2020	No info	No info		✓	
	2020/2021	28-Feb-22	No info	No info	No info	No info

MUNICIPALITY	FINANCIAL YEAR	ANNUAL REPORT TABLING	OVERSIGHT REPORT ADOPTION	ANNUAL REPORT APPROVED WITHOUT RESERVATIONS	ANNUAL REPORT APPROVED WITH RESERVATIONS	ANNUAL REPORT REJECTED
Hessequa	2018/2019	28-Jan-20	17-Mar-20	✓		
	2019/2020	31-Mar-21	24 My 2021	✓		
	2020/2021	07-Feb-22	22-Mar-22	✓		
Mossel Bay	2018/2019	24-Jan-20	18-Mar-20	✓		
	2019/2020	30-Mar-21	27-May-21	✓		
	2020/2021	25-Jan-22	31-Mar-22	✓		
George	2018/2019	30-Jan-20	04-Mar-20	✓		
	2019/2020	31-Mar-21	06-May-21	✓		
	2020/2021	31-Jan-22	28-Mar-22	✓		
Oudtshoorn	2018/2019	23-Jan-20	11-Mar-20	✓		
	2019/2020	No info	07-Jun-21	✓		
	2020/2021	31-Jan-22	18-Mar-22	✓		
Bitou	2018/2019	31-Jan-20	23-Mar-20		✓	
	2019/2020	No info	No info	✓		
	2020/2021	31-Mar-21	31-Mar-22			
Knysna	2018/2019	30-Jan-20	04-Mar-20		✓	
	2019/2020	29-Apr-21	31-May-21	✓		
	2020/2021	28-Feb-22	28-Apr-22	✓		
Central Karoo District	2018/2019	29-Jan-20	26-Mar-20	✓		
	2019/2020	No info	No info	✓		
	2019/2020	No info	No info	No info	No info	No info
Laingsburg	2018/2019	23-Jan-20	13-Mar-20			
	2019/2020	31-Mar-21	05-May-21		✓	
	2020/2021	24-Jan-22	25-Mar-22		✓	
Prince Albert	2018/2019	13-Dec-19	12-Feb-20	✓		
	2019/2020	No info	No info	✓		
	2020/2021	28-Jan-22	29-Mar-22			
Beaufort West	2018/2019	28-Jan-20	31-Mar-20		✓	
	2019/2020	31-Mar-21	31-May-21	✓		
	2020/2021	30-Jan-22	28-Mar-22		✓	

Source: *Municipal Annual Reports 2020/21*

As indicated, all Annual reports and Oversight reports of the municipalities were adopted in accordance with Section 129(1) of the MFMA except 4 municipalities whose information could not be obtained at the time of drafting the report. Municipal annual reports of 25 municipalities

were approved without reservations. Knysna municipality's annual report was approved with reservations.

CHAPTER 3 SERVICE DELIVERY



3.1 SERVICE DELIVERY PERFORMANCE

The South African Constitution states that municipalities have the responsibility to ensure that all citizens are provided with basic services to satisfy their basic needs. These services have a direct and immediate effect on the quality of life for people. Having potable water, sanitation, refuse removal, and electricity are essential components of the basket of services required for a dignified life.

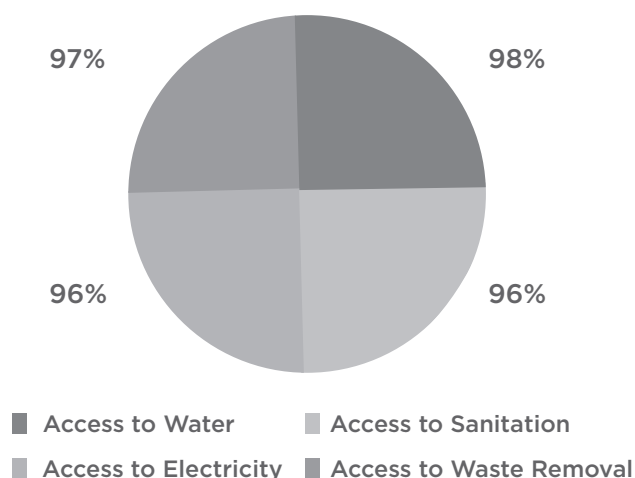
The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and extending this infrastructure to eradicate the backlog in service delivery.

The relatively high levels of in-migration continue to drive up the demand for public services, especially access to basic and free basic services. This is further exacerbated by the rapid population growth.

The stressed economic conditions experienced in 2020 and the effect of the recent COVID-19 lockdown have applied added pressure on household income levels which had a ripple effect on affordability and caused an increase in the number of indigent households and resultantly an increase in the demand for free basic services.

The graph below depicts the overall level of basic services provided by municipalities to households in the Western Cape:

Graph 12: WC Access to Basic Services



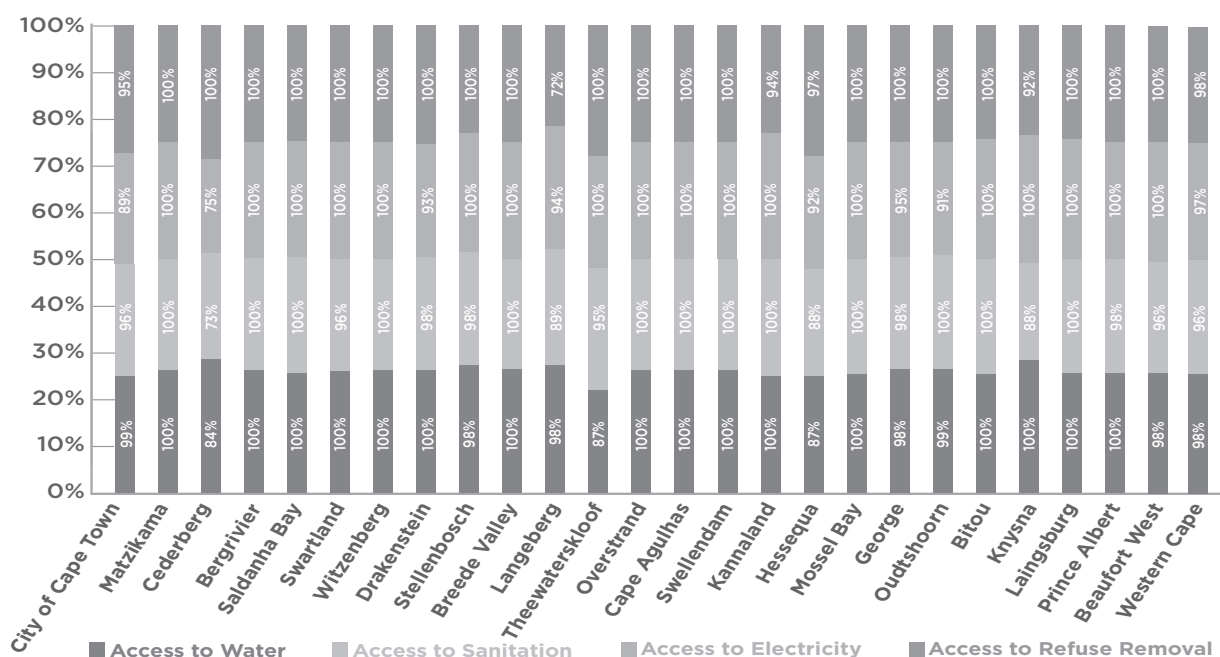
Source: Municipal Annual Reports 2020/2021 Basic Services

3.1.1 PROVISION OF BASIC SERVICES

The provision of basic services is a fundamental duty of local government and it directly aids in supporting poor households to escape the poverty trap. Services such as water, electricity, wastewater and refuse removal are critically important basic services to ensure a healthy and safe environment.

Immigration, urbanisation, increases in land invasions as well as vandalism of infrastructure and illegal electricity connections adds to the challenge to provide adequate basic services.

The tables below depict the provision of basic services in municipalities in the Western Cape.

Graph 13: : Access to Basic Services

Source: Municipal Annual Reports 2020/2021

As indicated in the table above, there are very high levels of basic services in the Province with most municipalities reporting 100% provision for water, sanitation, electricity and refuse removal.

Households in the City of Cape Town are supplied with water in line with the national policy, which requires that every household should be within 200m of basic water supply facilities. The City's Water Strategy further aims to secure Cape Town's water future by increasing the available water supply from 98% to 99,5% through exploring investment in alternative water sources, including groundwater, wastewater reuse and desalination.

Cederberg Municipality have reported the lowest level of access to water, sanitation and electricity at 84%, 73% and 75% respectively. The Municipality sights water quality failures from the Clanwilliam Dam during low water levels of the dam, the lack of infrastructure to purify drinking water to acceptable standards as per SANS 241 levels and challenges to explore additional boreholes as some of their challenges related to water services. In addition, Cederberg Municipality has insufficient bulk capacity in Clanwilliam and are unable to provide electricity services in this area due to a shortage of electricity from the Eskom bulk intake point. Negotiations between Eskom and the Municipality are on-going.

Langeberg Municipality sighted limited water tanks and the lack of limited water access points as some of their challenges experienced under basic service delivery. Their provision of refuse removal dropped from 79.3% in 2019/20 to 71,5% in 2020/21.

3.1.2 PROVISION OF FREE BASIC SERVICES

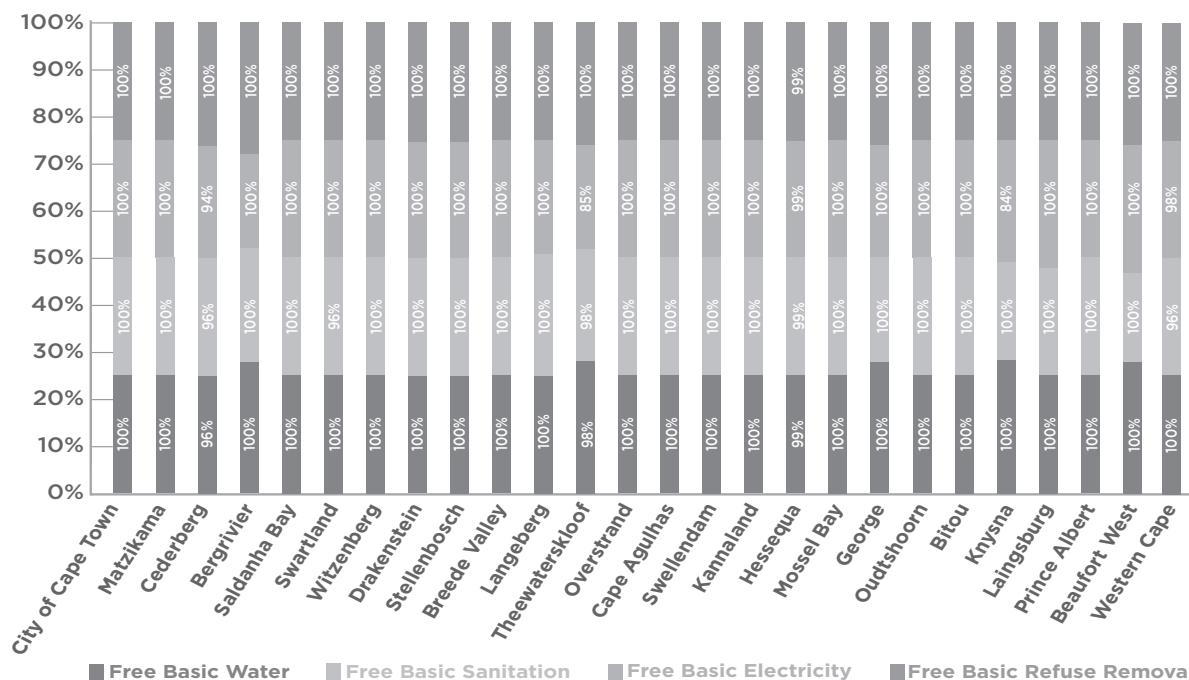
In an attempt by National Government to address the plight of the poor and ensure that all citizens have access to basic services, the Free Basic Services Programme was created. The National Indigent policy was adopted in 2005, after government announced its intention to provide free access to basic services in the fight against poverty. It required municipalities to adopt indigent policies and draw up registers of indigent households that are within their jurisdiction. The policy provided for a social package which provides indigent households with free basic services, which includes 6kl of water, 50kWh of electricity, free sanitation and weekly refuse removal.

Western Cape municipalities have continued to provide the nationally mandated free basic services to registered indigent households within their areas. Over and above the national standards stipulated in the national indigent policy, some

municipalities have put procedures in place in their policies that allow their residents to receive more than what is required in terms of the national policy.

The graph below illustrates provision of free basic services by municipalities in the Western Cape.

Graph 14: Free Basic Services



Source: Municipal Annual Reports 2020/2021

According to the information collected, Cederberg, Swartland and Knysna are still experiencing challenges with complying with the National Indigent policy requirements of 100% free basic services to all indigent households.

According to Cederberg municipality, notwithstanding their current status of access to free basic services to registered indigent households, they do provide free basic services to all households earning less than R3 800 per month as prescribed by the national policy.

Swartland Municipality provides sewerage blockages for indigent households subject to a reduced sewerage service fee as determined subject to the municipality's rates and tariff policies.

Knysna Municipality indicated that the reason for the low provision of free basic electricity is due to

residents in Rhenendal who buy their electricity directly from Eskom and therefore do not get free electricity from the Municipality.

3.1.3 MUNICIPAL INFRASTRUCTURE GRANT

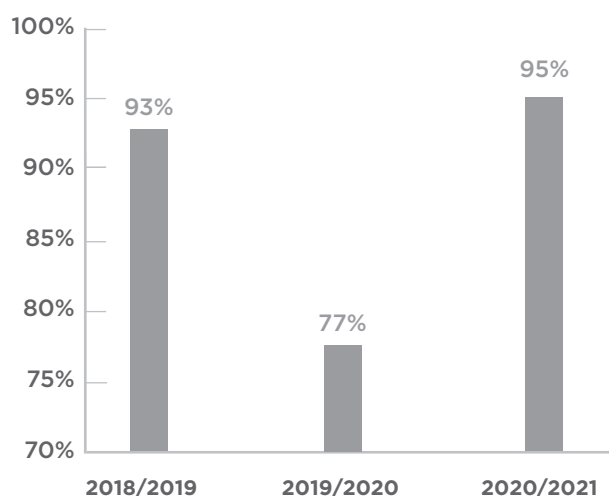
The lack of adequate infrastructure is a major challenge in South Africa. The Municipal Infrastructure Grant (MIG) is a national grant that enables municipalities to undertake capital projects and to enrich the longevity of assets. It is part of the major reforms implemented by the South African Government to improve service delivery in a coordinated manner. The key principles underpinning the design of the MIG are outlined below:

- Focus on infrastructure required for a basic level of service: The MIG programme is aimed at providing only basic infrastructure;

- b) Targeting the poor: The programme is aimed at providing services to the poor and funds will therefore be targeted to reach them;
- c) Maximising economic benefits: The programme will be managed to ensure that the local economic spin-offs through providing infrastructure are maximised. This includes employment creation and the development of enterprises;
- d) Equity in the allocation and use of funds: The mechanism for distributing funds must provide for equitable access to such funds by the poor in order to make uniform progress in closing the infrastructure gap;
- e) Decentralisation of spending authority within national standards: Decisions relating to the prioritisation of municipal infrastructure spending, such as the identification, selection and approval of projects, are best undertaken at municipal level, with the following provisions:
- the operating finance and management arrangements must be in place;
 - a degree of national and provincial influence over capital spending, expressed through clear norms, standards and spending conditions must be retained; and
 - unintended consequences should be limited: the grant must promote sound management practices, not the contrary;
- f) Efficient use of funds: Funding must be used to provide the greatest possible improvement in access to basic services at the lowest possible cost. This implies the following:
- There should be an appropriate selection of service levels;
 - Incentives and conditions must ensure that other funds are mixed with grant funds to minimise leakage to non-eligible households and service levels;
 - The mechanism to disburse funds should be simple and easy enough to monitor, and the outcomes of municipal spending should be easy to evaluate;
- g) Reinforcing local, provincial and national development objectives
- h) This implies the following:
- The funding mechanism must be consistent with the planning processes of local, provincial and national government;
 - Nodal municipalities associated with the Urban Renewal Strategy and the Integrated Sustainable Rural Development Programme must receive proportionally greater allocations of funding;
 - Spatial integration must be promoted;
 - The emphasis must be placed on the selection of appropriate service levels;
 - The formula should promote appropriate municipal performance relative to policy objectives;
- i) Predictability and transparency: Funds should be provided to individual municipalities on a three-year basis, consistent with medium term budgeting practice, with minimal changes occurring during the year; and with year-on-year changes based only on clearly defined conditions. This is essential for municipalities and other stakeholders to easily understand how the funds are distributed.

The table below depicts the MIG performance in the Western Cape for the last three years.

Graph 15: Municipal Infrastructure Grant



Source: Western Cape MIG Expenditure Report as of June 2021

At the end of the 2020/21 financial year, the MIG expenditure amounted to 95% of the total allocated amount of R437 million. All municipalities performed above 70% expenditure with several municipalities achieving 100% expenditure levels. This is a significant improvement from the prior year performance which is indicative of the municipalities' recovery post COVID-19 lockdown.

3.1.4 PROVISION OF HUMAN SETTLEMENTS (HOUSING)

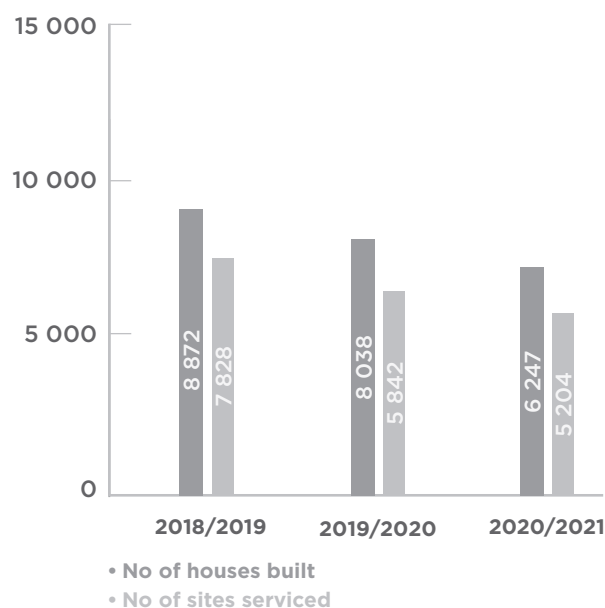
In terms of Part A of Schedule 4 of the Constitution, housing is a concurrent National and Provincial competency. Section 10 of the Housing Act, 1997 (Act 107 of 1997) sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between municipalities as well as Provincial and National Departments responsible for Housing.

The Western Cape Province has continued with the positive trend of more than 100% expenditure on the Human Settlement Development Grant. Through the implementation of the various strategies, the Department of Human Settlements succeeded in delivering on its mandate by providing housing opportunities to residents of the Western Cape.

This was evident in the 12 764 housing opportunities afforded to deserving and qualifying beneficiaries. They were able to empower people by making them owners of their properties with the transfer of 6 352 title deeds. It is reported that 67% of the Human Settlement Development Grant (HSDG) were spent on Small, Medium and Micro Enterprises (SMME's), with a particular focus on youth and women.

Graphs 16 illustrate the delivery of housing and serviced sites while Graph 17 illustrate the related grant expenditure against the Division of Revenue Act for the past three financial years towards human settlement development in municipalities.

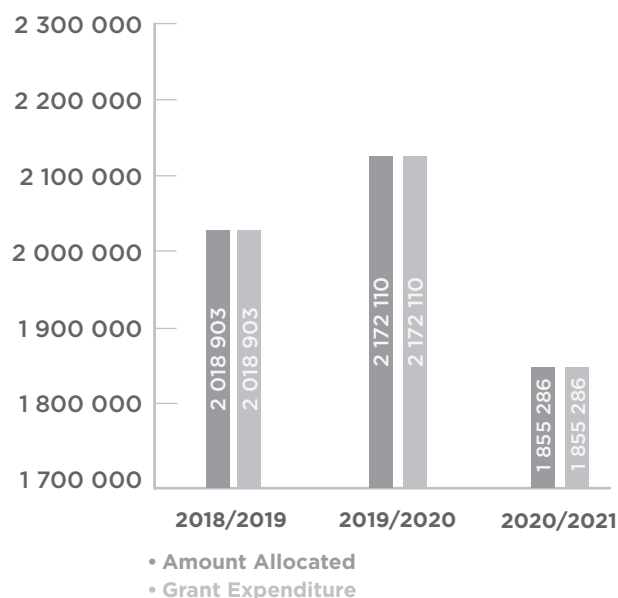
Graph 16: Housing Delivery



Source: Department of Human Settlements Annual Report 2020/2021.

The Department of Human Settlements delivered 5 204 service sites against a target of 5 697. The Department further transferred 6 247 title deeds against a target of 8 506.

The under-performance is due to several factors such as land invasions, gangsterism, poor performance of contractors and vandalism of units during level 4 and 5 lockdowns. In addition, delays in the marketing and sale of housing units resulted in less FLISP applications being received than was anticipated.

Graph 17: Human Settlement Grant Expenditure

Source: Department of Human Settlements Annual Report 2020/2021

The table above, depicts the changes in expenditure year-on-year with a significant drop in the allocation for the 2020/21 financial year. Notwithstanding the good expenditure, human settlement development performance was significantly hampered by the impact that the COVID-19 lockdown had on construction activities.

3.2 DISASTER MANAGEMENT

The Disaster Management Act, 2002 (Act 57 of 2002) provides for the incorporation of disaster risk reduction measures (prevention, mitigation and preparedness) with a wider focus on disaster response and recovery and a wholistic stakeholder approach.

The Disaster Management Act, 2002 (Act 57 of 2002) was amended in 2015 providing for the required legal mandate to municipalities to make provision for Disaster Management capacity. The need for capacity at local level has become

critical considering the impact of climate change evident in the recent disasters across the Western Cape, which has been amplified with the current COVID-19 national disaster.

To ensure implementation of the Act, District Municipalities committed to invest in programmes and interns were appointed in their various areas in order to enhance capacity. A total number of 12 Disaster Management interns were appointed in the Western Cape through various funding avenues which assisted with the capacity at local level.

The Disaster Management Framework developed by the Department of Local Government sets out a uniform approach to assessing and monitoring disaster risks that will inform Disaster Risk Management Planning and Disaster Risk Reduction undertaken by organs of state and other role players. It is within this Framework that the Provincial Disaster Management Centre developed a standardized best practice risk assessment methodology.

The methodology proposes approaches that incorporates two components:

- A community-based risk assessment; and
- A scientific-based disaster risk assessment.

The focus of the Disaster Management Centre is to provide financial and technical support to district and local municipalities in the Province to undertake disaster risk assessments. To date, all district municipalities and local municipalities have developed Disaster Risk Assessments.

Disaster Risk Reduction ensures that disaster management stakeholders develop and implement plans and risk reduction programmes to be included in the Municipal Integrated Development Plan. Disaster Risk Reduction is premised on the theory that resources invested today can prevent human and financial losses that outweigh the initial investment many times over.

It is required by legislation that a municipality include a Disaster Management chapter in the IDP to effectively implement the Disaster Management Plan and ensure proactive disaster risk reduction activities. The Department have developed content guidelines for municipalities for the Disaster Management Chapter in the IDP.

The Disaster Risk Reduction Education School Pilot Project was recently initiated by the Department as part of Disaster Management Education and Training. The main objective is to integrate Disaster Risk Reduction into the school curriculum thereby empowering schools and surrounding communities with the knowledge and skills required to deal with and manage disasters.

CHAPTER 4

FINANCIAL MANAGEMENT



4.1 FINANCIAL PERFORMANCE

Financial viability is crucial in determining a municipality's ability to ensure effective service delivery to its community. Adequately funded budgets combined with prudent financial management by municipalities are critical factors that play a determining role in sustainability.

The effects of the COVID-19 pandemic and subsequent lockdown have had a compounding negative effect on municipalities' cash flow and their ability to collect revenue from ratepayers.

As industries and businesses closed amidst the lockdown, widespread job losses and temporary loss of income across all sectors occurred throughout the Province which resulted in

communities and businesses not being able to pay for municipal services.

In an effort to alleviate some of the pressure experienced by communities and businesses, municipalities considered various options to relieve the resultant socio-economic plight. In some cases, municipalities have offered payment holidays to both households and businesses.

4.1.1 PERFORMANCE AGAINST BUDGET

Table 7 below summarises the operating revenue and expenditure per Municipality and identify municipalities with surplus/deficit budgets. It further illustrates the differences in scale of the various municipal budgets in the Province.

Table 4: Operating Revenue and Expenditure (R'000)

MUNICIPAL FINANCIAL PERFORMANCE			
MUNICIPALITY (‘000)	OPERATING REVENUE	OPERATING EXPENDITURE	SURPLUS/-DEFICIT
	ACTUAL	ACTUAL	YTD
City of Cape Town	42 527 468	41 604 697	922 771
Matzikama	334 046	327 110	6 936
Cederberg	309 289	324 658	- 15 369
Bergrivier	424 983	386 792	38 191
Saldanha Bay	1 101 152	1 092 888	8 264
Swartland	789 094	698 615	90 479
West Coast DM	413 689	400 287	13 402
Witzenberg	593 352	553 403	39 949
Drakenstein	2 570 947	2 469 619	101 327
Stellenbosch	1 643 191	1 346 973	296 218
Breede Valley	995 446	889 557	105 889
Langeberg	834 995	817 161	17 834
Cape Winelands DM	407 811	357 063	50 748
Theewaterskloof	654 578	546 011	108 567
Overstrand	1 290 646	1 320 936	30 290
Cape Agulhas	326 264	294 437	31 827
Swellendam	299 743	271 603	28 140
Overberg DM	253 690	237 485	16 205
Kannaland	151 916	131 466	20 450
Hessequa	518 008	454 191	63 817
Mossel Bay	1 215 444	992 674	222 770
George	1 980 635	1 910 189	70 446
Oudtshoorn	577 585	613 744	- 36 159

MUNICIPAL FINANCIAL PERFORMANCE			
MUNICIPALITY (‘000)	OPERATING REVENUE	OPERATING EXPENDITURE	SURPLUS/-DEFICIT
	ACTUAL	ACTUAL	YTD
Bitou	725 979	817 920	- 91 941
Knysna	849 224	919 584	- 70 360
Garden Route DM	387 191	408 510	- 21 319
Laingsburg	86 865	92 327	- 5 462
Prince Albert	77 076	78 414	- 1 338
Beaufort West	293 109	239 547	239 547
Central Karoo DM	114 053	68 814	45 239

Source: Provincial Treasury Consolidated Municipal Budgets Performance Report as at 30 June 2021

On aggregate Western Cape municipalities' operating revenue amounted to R62,35 billion or 97,7 per cent of their total adjusted revenue budget of R63,80 billion for the 2020/21 financial year. This represents a slight year-on-year progression when compared to the R60,15 billion or 97,1 per cent reported in June 2020. Aggregated operating expenditure amounted to R60,28 billion or 90,7 per cent against the total adjusted budget of R66,45 billion. The proportionate year-on-year performance has also slightly increased when compared to the R56,56 billion or 89,6 per cent reported in June 2020 (Provincial Treasury, Section 71 report June 2021).

As indicated in the table above, the Cederberg-, Bergrivier-, Oudtshoorn-, Bitou-, Knysna-, Garden Route-, Laingsburg- and Prince Albert municipalities had deficit operating budgets as at June 2021.

4.1.2 CAPITAL EXPENDITURE

The year-to-date total capital expenditure of municipalities for the 2020/21 financial year aggregated at R7,58 billion or 68,9 per cent against the total adjusted capital budget of R11,01 billion. This yielded an overall underspending of 31,1 per cent in capital expenditure of municipalities in the Western Cape. This is a concern considering that municipalities are expected to spend at least 80% of their capital budgets in line with the Provincial norms (referred to in Treasury Circular Mun No 4/2015).

The table below depicts the percentage of capital budget spent by municipalities over the last three (3) years.

Table 5: Capital Expenditure

MUNICIPALITY (‘000)	2020/21		2019/20	2018/19
	YTD ACTUAL	YTD ACTUAL %	YTD ACTUAL %	YTD ACTUAL %
City of Cape Town	4 767 880	64,2%	91,3%	80,1%
Matzikama	47 625	62,7%	51,5%	65,1%
Cederberg	42 501	92,9%	61,1%	98,7%
Bergrivier	49 845	88,7%	83,4%	90,7%
Saldanha Bay	172 039	54,0%	61,9%	78,6%
Swartland	205 053	96,6%	87,5%	90,4%
West Coast DM	9 794	72,7%	81,4%	96,4%

	2020/21		2019/20	2018/19
MUNICIPALITY ('000)	YTD ACTUAL	YTD ACTUAL %	YTD ACTUAL %	YTD ACTUAL %
Witzenberg	66 014	76,6%	45,0%	95,6%
Drakenstein	221 646	92,7%	87,5%	101,6%
Stellenbosch	392 791	86,54%	70,2%	87,5%
Breede Valley	121 740	91,7%	80,5%	97,5%
Langeberg	57 414	52,5%	79,1%	92,1%
Cape Winelands DM	2 329	27,2%	69,3%	84,8%
Theewaterskloof	10 534	5,0%	72,5%	86,5%
Overstrand	254 800	90,0%	76,5%	98,87%
Cape Agulhas	37 531	24,3%	99,5%	107,2%
Swellendam	21 206	45,9%	107,3%	75,2%
Overberg DM	3 090	65,1%	53,1%	116,0%
Kannaland	12 673	33,7%	----	68,8%
Hessequa	80 513	70,8%	92,6%	73,6%
Mossel Bay	409 104	161,3%	95,9%	90,0%
George	186 857	66,2%	52,0%	71,8%
Oudtshoorn	69 301	65,4%	55,6%	63,5%
Bitou	72 584	85,6%	70,4%	91,0%
Knysna	214 219	128,5%	79,5%	70,4%
Garden Route DM	1 700	12,4%	92,2%	50,0%
Laingsburg	59 927	230,5%	100,0%	85,1%
Prince Albert	27 346	101,1%	41,8%	62,1%
Beaufort West	21 178	85,8%	69,3%	85,0%
Central Karoo DM	153	6,0%	18,1%	84,2%

Source: Provincial Treasury Consolidated Municipal Budgets Performance Report as at 30 June 2021 and Municipal Annual Reports 2018/19 and 2019/20

As indicated in the table above, eighteen (18) municipalities have under spent by more than 20% of its adjusted capital budgets at the end of 2020/21. There is also a general decline in capital expenditure over the last three years.

Amongst the contributing factors to this under spending were delays in the SCM value chain processes, which include bid specifications, advertisement as well as evaluating and awarding of contracts to potential bidders. These processes tend to be very slow in municipalities, pointing to ineffective planning processes which are further exacerbated by the effects of the COVID-19 pandemic (Provincial Treasury, Section 71 report June 2021).

4.1.3 DEBTORS

The MFMA requires of municipalities to develop and implement effective revenue collection systems that are consistent with their credit control and debt collection policy as well as the requirements set out in section 95 of the Municipal Systems act that aims to ensure adequate customer care and management.

Section 96 of the Municipal Systems Act further requires of municipalities to collect all money due and payable to it subject to the act and other applicable legislation.

According to the Provincial Treasury, total outstanding consumer debtors has declined sharply year-on-year from 2020 to 2021. Municipalities reported total consumer debtors of R10,82 billion in June 2021, a decline of 16,4 per cent compared to June 2020. Debtors older than 90 days are reported at R7,19 billion or 66,5 per cent of the total debt, reflecting a year-on-year decrease of 14,6 per cent from R8,43 billion

in June 2020. This decline is due to the write-off of old debts by many municipalities within the Western Cape (Western Cape Provincial Treasury Consolidated IYM Report Section 71 – June 2021).

Table 9 below provides a picture of the amount of debt owed to municipalities older than 90 days in comparison with the total amount of debt due.

Table 6: Debtors Analysis

MUNICIPALITY (’000)	DEBTORS OVER 90 DAYS	TOTAL DEBTORS	% DEBTORS OVER 90 DAYS
City of Cape Town	4 611 948	6 995 705	66%
Matzikama	73 277	104 042	70%
Cederberg	102 311	128 866	79%
Bergvliet	89 369	116 315	77%
Saldanha Bay	189 347	269 478	70%
Swartland	24 651	75 966	32%
West Coast DM	470	6 252	8%
Witzenberg	216 944	379 218	78%
Drakenstein	160 007	389 438	41%
Stellenbosch	182 088	282 892	64%
Breede Valley	144 946	218 737	66%
Langeberg	60 412	100 079	60%
Cape Winelands DM	715	1 201	60%
Theewaterskloof	216 122	257 278	84%
Overstrand	52 396	128 345	41%
Cape Agulhas	No information	No information	No information
Swellendam	19 276	41 862	46%
Overberg DM	859	3 034	28%
Kannaland	96 286	104 765	92%
Hessequa	28 967	64 718	45%
Mossel Bay	77 919	156 101	50%
George	210 513	349 179	60%
Oudtshoorn	69 732	113 820	61%
Bitou	219 917	169 194	82%
Knysna	231 825	300 532	77%
Garden Route DM	36 419	38 746	94%
Laingsburg	7 421	9 225	80%
Prince Albert	20 463	23 788	86%
Beaufort West	No information	No information	No information
Central Karoo DM	8 292	11 201	74%
Total	7 194 890	10 815 001	67%

Source: Provincial Treasury Consolidated Municipal Budgets Performance Report as at 30 June 2021(NT Database June 2021 – AD data strings)

According to the Western Cape Provincial Treasury Consolidated IYM Report Section 71 for June 2021, the City of Cape Town (Metro) reported outstanding debtors for more than 90 days amounting to R4,61 billion or 65,9 per cent of the total debtors of R7 billion. This represents a month-on-month percentage decrease of 30,4 per cent from the R6.62 billion reported at the end of May 2021, due to the write-off of debts. The debt category that is the highest contributor to the City of Cape Town's debt of more than 90 days relates to water services and property rates with total contributions over 90 days of R1,82 billion and R1,40 billion respectively. Household debt for the City of Cape Town remains the biggest customer group and contributes R4,71 billion or 67,4 per cent of the total debt of R7 billion for the month of June 2021.

Secondary cities reported that their cumulative debtors over 90 days amount to R594,61 million which reflects a slight decrease when compared to the R613,89 million that was reported in May 2021. The largest debt contributing to the total outstanding amount of R1,01 billion relates to households with 70,4 per cent or R712,33 million reported for the period under review, of which R496,19 million or 69,7 per cent is reported over 90 days. The largest debt based on these debt categories relates to water services which contributes R240,70 million or 76,3 per cent of the R594,61million owed for more than 90 days. Government departments (National and Provincial) owe Secondary Cities an aggregate amount of R34,69 million as at the end of June 2021 (Western Cape Provincial Treasury Consolidated IYM Report Section 71 – June 2021).

4.2 AUDITOR GENERAL REPORT

When a municipality receives a clean audit opinion, it means that its financial statements and performance report provides a true, transparent and credible account of its finances and its performance against the targets that had been set. A clean audit opinion also means that the municipality complied with the important legislation that applies to it and, where transgressions did occur, they were rare or not material. These accountability reports enable municipal stakeholders such as council, communities, community organisations, national and provincial government and any other party with an interest in the municipality, to establish how the municipality is doing and take necessary actions or precautions. A clean audit is not always an indicator of good service delivery and does not always correlate directly to the lived experience of all the communities in a municipal area. Good governance and clean audits do however provide a solid foundation for service delivery and ensuring the delivery of quality services (Auditor General Report, 2021).

Audit outcomes are based on the audits performed by the Auditor General on the quality of financial statements and performance reports as well as on compliance with key legislation. These outcomes fall into the following categories:

A financially unqualified opinion with no findings (clean audit) means the municipality produced quality financial statements free of material misstatements (in other words, errors or omissions that are so significant that they affect the credibility and reliability of the financial statements) and produced quality performance reports that measure and report on performance in a manner that is useful and reliable and complied with key legislation.

A financially unqualified opinion with findings means the municipality was able to produce quality financial statements but struggled to produce quality performance reports and/or to comply with all key legislation.

A financially qualified opinion with findings

means the municipality's financial statements contained material misstatements that were not corrected before the financial statements were published. The municipality also had challenges with the quality of the performance report and/or compliance with key legislation.

The financial statements of a municipality with an adverse opinion with findings

included so many material misstatements that AG disagreed with virtually all the amounts and disclosures in the financial statements.

A municipality with a disclaimed opinion with findings

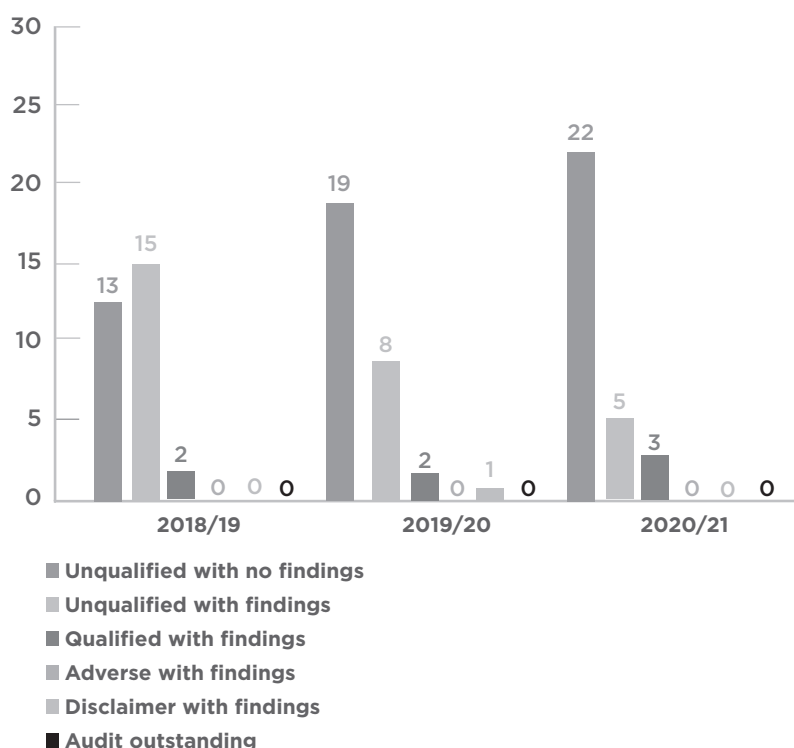
could not provide AG with evidence for most of the amounts and disclosures in the financial statements. AG were unable to conclude or express an opinion on the credibility of the financial statements.

Municipalities with adverse and disclaimed opinions

are typically also unable to provide sufficient supporting documentation for the achievements they report in their performance reports and do not comply with key legislation.

The graph below reflects the status of audit outcomes of municipalities in the Western Cape:

Graph 18: WC Audit Outcomes for the Period 2018 – 2021



Source: Auditor General MFMA Audit Report 2021

According to the Auditor General report, the province continued on an upward trajectory, with a year-on-year improvement in audit outcomes. The Western Cape Province had twenty-two (22) municipalities who achieved a clean audit outcome in 2020/21.

The Auditor General further pins the poor outcomes of the rural municipalities to instability in political and administrative leadership and an inability to attract and retain suitably skilled staff due to their geographic location. These factors further led to the delayed completion of the Beaufort West, Kannaland and Laingsburg audits because their

financial statements were submitted late (over the past four years, Kannaland and Laingsburg had submitted their financial statements late at least twice).

Kannaland and Laingsburg municipalities received qualified opinions and had material findings on their performance reports. The reported performance was not supported by sufficient evidence and performance targets were changed without the required approval. The unreliability of performance information at these municipalities affected the delivery of services to communities, as decisions about targets and budgets were made based on information that was not credible.

Strong, institutionalised financial reporting disciplines were a hallmark of all the municipalities that received an unqualified opinion on their financial statements, with only Bitou and Prince Albert requiring material corrections to achieve this outcome. These municipalities were supported by capacitated and competent finance units under the direction of chief financial officers who had occupied the position for at least three years enabling the required stability and direction.

The Auditor General Report further reflect on Irregular expenditure, which was incurred at 27 municipalities and decreased to R1,23 billion from R1,38 billion in the previous year. Non-compliance in the area of procurement caused almost all of the irregular expenditure and the material findings raised on compliance (Auditor General Report, 2021).

4.2.1 MEASURES TAKEN TO ADDRESS ISSUES RAISED BY THE AUDITOR GENERAL

The Western Cape Government (WCG) have instituted various measures to address issues raised by the Auditor General and provided extensive support to municipalities towards achieving good governance and positive audit outcomes. The Province conducted diagnostic assessments to determine the current state of affairs in a municipality and to develop specific support plans to enhance and improve the status of a municipality. These reports are considered and adopted by the respective Councils and who fully supports the implementation thereof

with the municipal manager taking ownership for the implementation of the plan. To this end, the following support initiatives have been instituted:

- Targeted support packages are prepared in line with specific challenges experienced in municipalities. These support packages are tailor made and include projects to improve systems, processes, procedures and ultimately the “lived experience” of community members in a specific municipality. The Department of Local Government takes lead in facilitating this support function and solicit support and participation from various external and internal stakeholders. The implementation of this support action is regarded as a benchmark on a national level (previous Back-to-Basics programme);
- The Department of Local Government has established a knowledge management hub and digital municipal status reporting platform where the status of municipalities can be tracked in real-time and which informs decision making, guide budget allocations and influence support strategies by all stakeholders;
- All Provincial Departments have institutionalised technical working groups/work sessions with municipalities where topical matters are discussed, and peer learning is encouraged;

The Department of Local Government have an agreement in place with the Provincial Treasury, by means of a Memorandum of Understanding (MOU), where Provincial Treasury is required to monitor and drive all financial related matters concerning municipalities and to report these matters to the MEC of Local Government on a regular basis. A Joint Working Group committee has also been established between the two departments to monitor the implementation of this agreement, that meets on a quarterly basis. To this end, the following support initiatives have been instituted to strengthen financial governance in municipalities and promote good audit outcomes and address issues raised by the auditor general:

- Development of an audit action plan support strategy where municipalities are actively supported to address matters raised by the AG.
- Vetting of all submitted Audit action plans reported to National Treasury and ensuring timeous follow ups to ensure that there is implementation of corrective action.
- The development of a Consolidated municipal management reports database where like issues are grouped together and made available to all municipalities as a library of audit issues with practical examples of how it has been responded to by municipalities. This has been an ongoing, institutionalized process for the last number of years. Consequently, the issues raised by the AG to our Western Cape municipalities are mostly non-recurring and transversal in nature.
- Collaborative TIME engagements have allowed for a proactive approach on transversal issues that spans across various disciplines within relevant government departments, in order to craft transversal support plans to cater for the requests and needs of the municipalities.
- Audit readiness engagements are held regularly where an assessment is done on certain aspects required for audit, amongst other things, to ensure that municipalities are well prepared for their upcoming audits.
- The hosting of an Annual Financial Systems (AFS) consistency workshop. This is where Provincial Treasury presents its position on certain accounting complexities based on its review of the draft AFS, prior year audit findings and a heat map analysis using its consolidated AFS database. This workshop assists in achieving minimal material misstatements across the Western Cape municipal portfolio using a consolidated analysis and drilling down to the root causes of the accounting complexities.
- Review of Annual Financial Statements prior to submission to the Auditor General with the aim that municipalities may institute corrective measures of any findings before they submit it to the auditors.
- Weekly Provincial audit steering committee meetings are held during the audit cycle consisting of key provincial departments to assist municipalities to identify and elevate potential transversal issues timeously and getting the right people to engage and assist.
- Various engagements are hosted throughout the year such as the Chief Risk Officers (CRF) and Chief Audit Executives (CAE) forums, Management Accounting Forum (MAF), Accounting Working Group meetings, Municipal Managers forums, Public Sector Accounting forum, ICT governance forum amongst others, to stay abreast of what is happening in the industry and to alert municipalities of any matters that could potentially impact audit outcomes.
- The initiation of an Unauthorised, Irregular and Fruitless or Wasteful Expenditure (UIFW) strategy where expenditure is regularly monitored in line with the National Treasury strategy, to curb/curtail incidents of UIFW.

The Department of Local Government also provides continuous support to municipalities to institutionalise Information and Communication Technology (ICT) governance and to address ICT related Audit findings.

CHAPTER 5 LOCAL ECONOMIC DEVELOPMENT



5.1 DEVELOPMENT AND IMPLEMENTATION OF LED STRATEGIES AND PLANS

In order to foster economic growth and development, municipalities must ensure that they develop and implement constructive Local Economic Development (LED) strategies and plans that enable growth and poverty alleviation.

These municipal LED strategies must seek to create an enabling environment within which economic growth and development can be achieved by stimulating and transforming the

local economy to create sustainable jobs and business opportunities.

The table below highlights municipalities that have developed, reviewed and implemented their Local Economic Development Strategies as well as the Regional Economic Development Strategies in the case of districts.

Table 7: Local Economic Development Strategy

MUNICIPALITY	LED STRATEGY DEVELOPED
City of Cape Town	The Municipality Economic Growth Strategy (EGS) addresses unemployment and poverty through a targeted approach to encourage economic growth and investment. As part of the review to EGS, the city has as part of the Economic Growth Strategy review, hosted several online focus group sessions with prominent business owners in Cape Town to obtain their perspectives on how the City can best support economic growth. These engagements yielded some important insights, which were subsequently incorporated into the revised and renamed Inclusive Economic Growth Strategy. Project Camissa, the City's economic intelligence research initiative, also continued its work. The opportunities, challenges and strategic interventions identified by businesses are used to inform how the City supports the development of these industries.
West Coast DM	Economic Growth is Strategic objective 3: Pursuing economic growth and facilitation of job opportunities. "To pursue economic growth and the facilitation of job opportunities". The strategic objectives are discussed as part of the performance scorecard of the Integrated Development Plan (IDP) of the district municipality. To give effect to this objective, there are a number of sub-objectives linked thereto. There is also a Regional Economic Development Strategy that guides the vision for economic growth in the region. Along with supporting investment destination marketing of the region and providing local economic development implementation support, the West Coast Business Development Forum (WCBDF) forms part of an integrated strategy for promoting growth and the facilitation of job opportunities within the region. A service provider is utilised for technical facilitation and creating key linkages with role-players for the BDF process. Due to COVID-19, A District Municipal Economic Recovery Plan (MERO) aligned with the Provincial Economic Recovery Plan (PERO) has been developed along with the Economic Restructure & Recovery Plan (ERRP) of the Presidency which was announced in October 2020. National Master Plans which affect all provinces and 17 sectors have been undertaken, and those relevant to the West Coast have been reviewed and essential elements have been incorporated to the thinking of the WCBDF.

MUNICIPALITY	LED STRATEGY DEVELOPED
Matzikama	<p>The Municipality indicated that a new LED Strategy has been adopted and approved by Council. The current LED Strategy is built around commitment to develop, a climate in which economic development and economic growth can prosper. The LED Strategy of the Municipality identifies various issues and strategic areas for intervention including: Financial support from provincial and national government. The lack of skills and training facilities in our communities which are contributing largely to our poor developed economies, particularly in terms of Black Economic Empowerment (BEE). The lack of project development aid for the local communities that have a negative impact on BEE and makes it increasingly difficult for BEE to meaningful impact on the local economy. Community ownership of local projects</p> <p>Aquaculture development, both marine and freshwater, can have a meaningful impact on the local economy, especially in the coastal towns. SMME development has potential to contribute significantly to the socio-economic challenges of the Municipality and accessing government land is a major obstacle and needs earnest attention should we want to attract investment to the area for LED.</p>
Cederberg	<p>The Municipality, Top layer strategic objective 4 focuses on facilitate, expand and nurture sustainable economic growth and eradicate poverty. The Municipality has recognised the importance of LED as a vehicle for growth and poverty alleviation and has committed itself to create an enabling environment within which economic growth and development can be achieved.</p>
Bergrivier	<p>The impact of the initiatives undertaken over the last years led to Council establishing a Portfolio Committee for Economic Development that started with its mandate in November 2018. The first major task was the review of the Economic Development Strategy. The Economic Development Strategy identified four (4) pillars for economic development in Bergrivier Municipal Area, namely agriculture and Agri processing, tourism, manufacturing, and the development of small and medium enterprises. Various programmes have been developed to address these pillars as catalysts for economic growth. COVID-19 led to the drafting and approval of an Economic Recovery Plan with clear deliverables. The approved Economic Development Strategy and the Economic Recovery Plan were also integrated as to ensure a single plan. Monthly progress reports were submitted to the Economic Development Portfolio Committee to monitor progress.</p>
Saldanha Bay	<p>The new coronavirus pandemic has dealt a heavy blow to economic growth which caused a significant decline in the vibrancy of the economy and resulted into masses job losses. The current economic crisis has a ripple effect on local companies and some of them were forced out of business. It was therefore expected of the municipality to provide relief to assist businesses to get out of distress and the various interventions and projected outcomes were presented in an economic recovery plan. The compilation of a Saldanha Bay Municipal (SBM) Economic Recovery Plan emanated from a District LED Cluster meeting upon instruction from Province where it was resolved that the District Recovery Plan will be compiled from the individual municipal economic recovery. the SBM Economic Recovery Plan is mindful that municipalities have limited levers to bring immediate relief to businesses and broadly includes reduced rates or making provision for payment arrangements for outstanding debt. However, these measures will only bring immediate short-term relief and will not provide a long-term result.</p>

MUNICIPALITY	LED STRATEGY DEVELOPED
Swartland	<p>The Swartland Economic Development and Recovery Plan was approved by the Mayoral Committee in May 2021. It contains portions of the LED Strategy of May 2018 and the Economic Recovery Plan of November 2020 as well as a comprehensive strategy to address the impact of Covid-19 on the local economy. The strategy is based on three pillars namely (1) Boost industries, (2) Stimulate the Market and (3) Overcome binding constraints and reform. It provides a basis for the development of implementation commitments by first identifying national and provincial initiatives to which local government can contribute and secondly by listening other initiatives discussed in the document to which local government can contribute. The Municipality cannot grow the economy or create jobs. Therefore, to implement this plan, a partnership between the public and private sector is inevitable. The national, provincial and other initiative identified above provides a framework within Swartland Municipality can develop its own implementation commitments, i.e. how and where the Municipality can become involved or provide support to economic development and recovery initiatives.</p>
Cape Winelands DM	<p>The Cape Winelands Regional Socio-Economic Development Strategy (CW-RSEDS) was adopted by Council on 27 May 2019. The core focus of the CW-RSEDS is to outline how the CWDM will invest in its people and how it will create an enabling environment in which business can develop, grow and thrive by fostering greater investment that will increase job growth and alleviate poverty in the district. The strategy builds on the Cape Winelands Regional Local Economic Development Strategy (2011/12-2018/19), which has been successful in implementing several programmes and initiatives that have helped grow the Cape Winelands economy over the last six years. The COVID-19 pandemic necessitated the district municipality and its local municipalities to relook at their current economic strategies. This led to a process where the district municipality and its local municipalities all drafted and finalised Economic Recovery Plans. This year saw us developing and drafting Economic Recovery Plans to kick-start the district economy. The CWDM understood that the choices that the district municipality and its partners made to restart the district economy, including the long-term social and economic co-benefits that we seek to achieve through our business and community investments.</p>
Witzenberg	<p>The LED Strategy along with the LED process plan is in the process of being implemented. The LED Strategy is built upon commitment to develop a climate in which economic development and economic growth can prosper. The LED Strategy for the next financial year (2021/22) is in review process.</p>
Drakenstein	<p>The municipality focused on intensifying the implementation of sustainable interventions to further reignite the local economy to stimulate job creation, increase household consumption and ensure the promotion of a stable healthy and safe living environment. With the existing Integrated Economy Growth Strategy as our premise, the municipality remained resolute to work towards rebuilding the economy through collaboration, cooperation and enhanced business efficiency.</p>
Stellenbosch	<p>Local Economic Development encompasses a spectrum of economic activity ranging from Business interventions, Mentorships, enterprise development and support to tendering and process training and create space for community markets to flourish. The Municipality considers the planning of spatial direction as essential to secure infrastructure development which can result in economic growth; The Focus on Urban Regeneration and update to the existing MSDF is critical to ensure spatial development and sustainability that can lead to economic growth.</p>

MUNICIPALITY	LED STRATEGY DEVELOPED
Breede Valley	<p>The 2020-21 financial year, the Local Economic Development Department primarily managed existing activities and facilitated relieve initiatives earmarked for companies that have been severely impacted by the Covid-19 pandemic. In addition, collaborative business support interventions (in partnership with WESGRO) were provided to support two local companies that were desperate for assistance, we also used virtual and online methods to provide information about various kinds of business support that is offered by the Government. Hence, local economic maturity will be enhanced by forming and fostering partnerships with the private sector and various community organisations in the pursuit of realising economic development outcomes. The 2017-2022 LED strategy continues to serve as a road map informing planned interventions earmarked for implementation by the department, although in some cases, it may require the synergy of national and provincial government. The scale of reaching our target were severely affected as development funds from the Provincial and National Government were repurposed to develop a response against the Covid pandemic and to provide vaccines to the South African population.</p>
Langeberg	<p>The Municipality indicated that C19 had a significant impact on their local economy and businesses and it will affect them for some time to come. The Annual Report indicates that Local Economic Development has been a key performance area for the Municipality, with an average budget spend of 95% on Local Economic Development projects within the Infrastructure Directorate such as Upgrading the bus route upgrades within the area. The Annual Report further indicates that there are currently 2 vacancies within the LED unit.</p>
Overberg DM	<p>The Municipality has successfully transitioned from a Local Economic Development (LED) focus to a Regional Economic Development (RED) focus. The Municipality adopted a Regional Economic Development/Tourism Strategy with an implementation plan. Regular progress reports on the implementation were submitted to the Community Services Portfolio Committee, who oversee the function. With the ongoing COVID-19 pandemic, in collaboration with Overberg Local Municipalities, a District Economic Recovery Plan with an implementation plan was developed as an addendum to the RED/Tourism Strategy. The Recovery Plan will be regularly updated to tract the reality of the pandemic. Bi-annual reports are submitted to the Western-Cape cabinet to progress instituted.</p>
Theewaterskloof	<p>The municipality is constantly driving local economic development in primary economic sectors such as agriculture, tourism, agricultural product processing, and industries (the LED strategy was being reviewed and will be adopted in 2021 according to the Annual Report).</p>
Overstrand	<p>The municipality indicated that the COVID-19 pandemic continues to cause havoc in the local economy with all economic activities aligned to tourism being the most affected. The municipality has approved an economic recovery plan to encounter the negative impact. The recovery plan proposes the following: a Creative way in approaching the way we do things. Address and deal decisively with red tapes issues. Ensure that there is local business relief. Ensure that the municipality create public employment opportunities to ensure spending that will notch the economy forward and collaborate with other municipalities in the Overberg district and ensure competitiveness going forward.</p>
Cape Agulhas	<p>During the 2019/20 financial year, there was a significant shift to regional economic development. The Overberg District Municipality commenced the process of developing a Regional Economic Development Strategy (RED), and the Municipality participated in this process. A revised LED and Tourism Strategy incorporating an action plan, was once again submitted to and approved by Council in 2019/20.</p>

MUNICIPALITY	LED STRATEGY DEVELOPED
Swellendam	The Municipal annual Report indicated that The Swellendam Tourism Growth and Development Strategy 2019 to 2025 was adopted by Council on the 31 October 2019. Ongoing partnerships with the local private sector, NGO's, government entities (sector focused meetings) strengthen the support regarding procurement planning and an economically sustainable delivery model.
Garden Route DM	The Garden Route District Municipality indicated that the vision for the Municipality economic growth and development continues to develop a diverse, sustainable and shared regional economy through innovation and partnerships. The risk context and profile for the District and its plans have been revised, and medium and long-term outlooks adjusted based on the best available information and forms the Garden Route Growth and Development Strategy. The strategy is shaped by seven (7) regional priorities, which are the thematic focus areas listed below, selected through a combination of research, policy analysis and stakeholder engagement: A water secure future, A circular economy, Resilient agriculture, Sustainable tourism, Supporting wellbeing and resilience and a connected economy: transport and rural-urban integration.
Kannaland	The annual report has indicated that the Municipality will redevelop their led strategy by June 2021. The Municipality indicated that a platform must be developed for continuous interaction between business sectors, political, leadership, the administration and community to build a common understanding on Local Economic Development objectives and outcomes linked to the IDP.
Hessequa	The objective of the reviewed LED Strategy / framework is to provide strategic direction in terms of economic programmes and projects for the remaining term of Council. The organogram in the annual Report indicates that the Local Economic Development & Tourism Manager post is currently vacant.
Mossel Bay	The Municipality T LED Unit that handles almost all functions with exception of Tourism. The Municipality recently reviewed and approved its LED and Tourism strategy and during this financial year the Municipality implemented the strategy. The Mossel Bay Municipal Local Economic Development and Tourism Strategy focus on Economic Development, Tourism Development & Marketing, SMME's Development, Investment Promotion & Attraction, Integrated Development, Rural Development, Spatial Development, Empowerment & Training, Business Hives Programme and Special Interventions.
George	The Municipality Local Economic Development Strategy is in place and Economic Profile (Captured in IDP) as per (Section 26(c) of the MSA. The Municipality has put in place a development of the Integrated Economic Growth and Development Strategy to ensure that the municipality has a foundation in place to give effect to economic growth. An Economic Recovery Plan has been approved by Council. The strategy is aligned with the Garden Route District Municipality's Economic Recovery Strategy to ensure cohesion and maximum benefit for the region. This strategy will primarily focus on; Investor facilitation in targeted sectors which include agriculture, BPO, logistics, tourism and the informal sector, SMME capacity building and growth, Enterprise development, Investment promotion, Infrastructure development, Small business linkages, Skills development and The film and gaming sector.

MUNICIPALITY	LED STRATEGY DEVELOPED
Oudtshoorn	The Municipality LED strategy aims for sustainable infrastructure and an integrated human settlement system that can create opportunities. The Municipality through its LED Strategy has identified as vital to the LED program, strategically located pockets of land that can be targeted for integrated mixed-use development to benefit all sectors of society, including land owned by the Municipality, public agencies and the private sector. The LED Strategy strategic areas include; Agriculture, Industrial Development, Infrastructure economy and Tourism.
Bitou	The LED and Tourism Unit is tasked with the obligation of growing the Bitou economy by enabling small, medium and micro-sized enterprises (SMME), creating an environment wherein business can optimally operate and to ensure that sustained increases in growth is obtained. The Municipality recognises that by enabling small, medium and micro-sized enterprises (SMME), creating an environment wherein business can optimally operate and to ensure that sustained increases in growth is obtained might foster the economic development within the area. The Municipality biggest challenge, like other local entities has been the COVID-19 Pandemic and its stalling effect on economic activity. The Municipality has indicated that they would continuously support local businesses and create local opportunities for increased economic activities to roll back the effects of C19.
Knysna	The Knysna Municipality, key deliverable for the reporting period was the development the Niche Manufacturing and Light Industry Growth Strategy. The focus of the strategy was to identify mechanisms to enable sustainable growth in the niche manufacturing and/or light industry sector in Knysna and develop diversity away from a reliance on tourism and the financial sector. The strategy identified six interventions that will inform future planning and budget allocations, to wit, market access, the expansion of launching and commissioning sits for boat building, the securing of sustainable timber supplies for furniture manufacturing, skills development, exploring the hosting of a boat show, and reliable alternative energy supplies.
Central Karoo DM	The CKDM LED Strategy is a sector plan that forms part of the IDP. The purpose of the District LED Strategy is to support pro-poor economic growth and job creation through an integrated approach. Several areas are mentioned in this regard, incorporating new business creation, improving infrastructure, attracting inward investment, strengthening the LED capacity, encouraging local procurement, improving skills and knowledge. The CKDM established an Economic and Tourism Working Group, where issues on LED and Tourism are discussed and Aids SMME's with registration on the CSD.
Laingsburg	The Municipal Annual Report indicates that the vision of the LED strategy is to create sustainable communities in the central Karoo through local economic development. The LED strategy identify various areas of intervention for the Municipality. The biggest challenge for the Municipality during the period under review was the utilisation of the limited resources, to reach the community and the awareness through the supply of personal protective equipment (PPE)
Prince Albert	The Municipality previously entered into an agreement with the University of Stellenbosch to do a socio-economic assessment of existing structures and programmes within the Municipal area and to identify opportunities to provide forward growth within the community. A key concept throughout this process is partnership: partnerships within the municipality, as well as with others outside the municipal building, with whom these endeavours can be undertaken. The Municipality fostered a positive relationship with Wesgro and facilitated invitations to webinars for business and interested parties on business opportunities and support during Covid-19. The Municipality provided with the assistance of SEDA, cleaning packages to spaza shops and also held a joint workshop on support packages available to business due to COVID-19. The Municipality have worked towards establishing Prince Albert as a film destination, culminating in a film being shot in Prince Albert in September 2021 with an economic influx of 150-200 people for a three-week period.

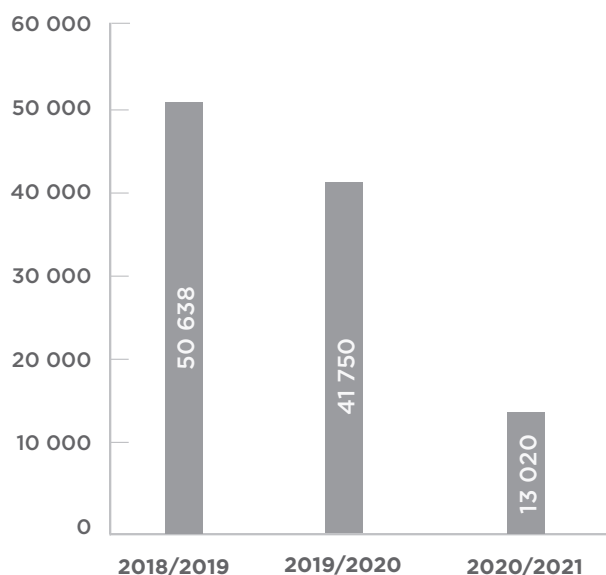
MUNICIPALITY	LED STRATEGY DEVELOPED
Beaufort West	The Municipality does not currently have a dedicated LED official but recognises that the development of a LED strategy will strive to develop the area's economy into a vibrant and diversified one. The Municipality has entered engagement with SALGA and with the support of MISA to assist in the development of a LED Strategy. Various engagements have provided for a positive outlook on the development of a LED Strategy, championed by MISA and assisted by SALGA.

5.2 JOB OPPORTUNITIES

The Expanded Public Works Programme (EPWP) is a Government programme introduced to provide short-term work opportunities for unemployed citizens in order to improve their wellbeing and dignity.

The graph below illustrates that there has been a drop in the number of employment opportunities created through the EPWP programmes at municipalities over the last three years, with a significant drop in opportunities created in 2020/2021. COVID-19 has been sighted by municipalities as one of the main contributing factors leading to the decrease in job opportunities.

Graph 19: Job Opportunities (EPWP)



Source: Municipal Annual Reports 2020/21



PROVINCIAL INITIATIVES IN SUPPORTING MUNICIPALITIES



CHAPTER 6: MUNICIPAL SUPPORT

Provincial Government is continuously striving towards strengthening positive intergovernmental relations between the Provincial Government and municipalities. To facilitate this, we use collaboration as a strengthening and enabling mechanism to encourage and enhance vertical and horizontal co-planning, co-budgeting and co-implementation in a geographical space (JDMA).

To this end, Provincial Departments have adopted strategies to provide hands-on and targeted support to municipalities to improve and enhance their functioning and service delivery. This chapter reflects on some of these support strategies and approaches.

6.1 TECHNICAL INTEGRATED MUNICIPAL ENGAGEMENT (TIME)

The TIME process, as part of the Western Cape Government's integrated management approach, forms part of a series of engagements and processes aimed at ensuring continuous improvement in municipal planning, budgeting, and implementation. The TIME process specifically focuses attention on the efficacy of the implementation of municipal strategic and operational plans in adherence to good governance practices. The aim of TIME is to proactively identify and address municipal governance and performance challenges to enable improved municipal performance for the benefit of the citizen.

The TIME process is a joint initiative by the Provincial Treasury (PT), the Department of Local Government (DLG), the Department of Environmental Affairs and Development Planning (DEA&DP) and the Western Cape municipalities. The TIME process provides the platform to deliberate and agree on a collective response to the challenges and risks identified in a municipal area or discipline.

Key elements of the TIME process are the Integrated Municipal Governance Assessment, Mid-year Budget and Performance Assessment, 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budget readiness; and the 2020/21 Audit Outcomes.

Below is a high-level overview of the key findings and transversal support initiatives emanating from the 2021/22 TIME assessment reports and engagements with municipalities:

Municipalities face key governance challenges and risks. These include:

- a) The transition since the local government elections. Coalition councils in the local authorities may potentially experience instability due to leadership changes, impacting on the ability to sustain stable governance, administration and service delivery.
- b) Concerning trends emerging regarding the lack of due diligence in the appointment of staff and the premature termination of employment contracts of senior managers.
- c) Non-alignment between approved Service Delivery Budget Improvement Plan (SDBIP) (original or adjusted) and performance report. This may result in the non-achievement of KPIs.
- d) A lack of clarity on certain accounting practices, including the basis for the cost calculation for the provision of landfill sites, the accounting treatment on availability charges and various VAT-related matters and their implications for municipalities.
- e) The need to implement and institutionalise combined assurance systems to drive continuous improvements in internal control systems and address internal control deficiencies.

In response to the municipal governance challenges and risks, the WCG will:

- a) Strengthen political leadership in municipalities (oversight) by providing dedicated training, which include Integrity Management, implementing the local government anti-corruption strategy and providing training and mentorship programmes for officials.

- b) Ensure ongoing support, guidance and monitoring of the functionality of oversight structures (e.g. Municipal Public Account Committees) and providing clarity on legal documents, regulations and other statutory documents.
- c) Monitor critical vacant senior management posts and providing legal guidance on the appointment of competent, qualified and skilled senior managers through the distribution of good governance practice notes and advice, and the enforcement of statutory prerequisites.
- d) Ensure the development of Municipal Information and Communication Technology (ICT) action plans, specifically focusing on the response plan in the Municipal ICT Forum.
- e) Advise and capacitate municipalities on the reporting of Pre-determined Objectives (PDOs) to ensure an enhanced link between planning, budgeting and service delivery performance.
- f) Continuously provide support to municipalities during the municipal external audit process, which includes the PTHelpme facility, Zoho platform, the Provincial Audit Steering Committee, the Accounting Working Committee and the monitoring of audit issues through our audit tracking team.
- g) Providesupporttomunicipalassuranceservices regarding the effective implementation of combined assurance within municipalities.
- h) Ensure the improvement of collaboration through vertical and horizontal integration of JDMA and DCF to the advantage of the citizen, and hosting of intergovernmental support forums for sharing of best practices, guidance, and assistance with legal interpretations.
- i) Annexed to this submission is a summary of the Western Cape Municipal Audit Outcomes which informs the support to municipalities.

Municipalities continue to face significant challenges and risks related to the SCM Governance Environment. This include:

- a) The recent Constitutional Court Judgment regarding Preferential Procurement Regulations, 2017, and its implications on municipalities.
- b) Continuous improvement is required in the internal control system enabled by using systems in the SCM environment to improve governance, performance and to deter fraud and corruption.

In response to the SCM Governance challenges and risks the WCG will:

- a) Roll out of the Western Cape Supplier Evidence Bank (SEB) to municipalities. The SEB is a cloud-based solution that enables access by municipalities to all suppliers bidding documentation/Supplements and integrated with the National Treasury Central Supplier Database.
- b) Continue with capacity building initiatives to municipalities and suppliers to improve compliance within the Local Government SCM environment.
- c) Prioritise the support initiatives to proactively combat fraud and corruption within the SCM environment.
- d) Continue to implement the municipal SCM Governance workstream and PT participation in NT workstreams to address SCM interpretation and implementation challenges.
- e) A structured support programme for all municipalities regarding the Constitutional Court Judgment and its impact. This includes workshops, utilising all existing platforms, strategic sessions with CFO's and SCM Managers as well as roadshows for the implementation of the new PPPFA Regulations. Keep municipalities abreast of developments

related to the PPPFA regulations, associated risks, possible implementation challenges and continuous guidance will be provided by the PT.

Municipalities face significant challenges and risks related to asset management.

- a) This include the lack of an asset management framework, policies and contracting arrangements for repairs and maintenance, a reactive and silo approach to asset management implementation by municipalities leading to service delivery breakdowns, instability and increased maintenance cost.

In response to the asset management implementation challenges and risks WCG will:

- a) Continue with the implementation of the Asset Management Project which aims to develop appropriate governance structures and systems to enable the successful implementation of the municipal asset management strategies.
- b) Provide support in the design and implementation of works order management system for municipalities – including scheduling of asset life cycle management.
- c) Facilitate the establishment of a District Asset Management Reference Forum (Finance and Engineers) – sharing of information/good practice.

Municipalities face growing spatial development and environmental management challenges and risks. This include:

- a) There is a need for better alignment to legislative spatial and environmental indicators within the SDBIP to improve impact through the IDP and Budget.
- b) The effective implementation of planning functions and the utilisation of planning instruments (i.e. MSDF, Land Use Management Scheme and Capital Expenditure Frameworks)

is required to stimulate the optimal conditions for economic development and mitigate future risks).

In response to the spatial development and environmental management challenges and risks WCG will:

- a) Development of an Integrated Drought and Water Response Plan (15-year Water Resilience Strategy).
- b) Continue with quarterly Waste Management Officer (WMO) Forum meetings to provide support and advice to municipalities.
- c) Continue to support with direct licensing and landfill management and operator training.
- d) Continue with Waste Minimisation Training and assist municipalities with their waste services procurement strategy and specifications.
- e) Assist municipalities with their development of the next generation Integrated Waste Management Plan (IWMP), waste services procurement strategy and specifications and on waste minimisation training.
- f) Assist municipalities with the development of their organic waste, hazardous waste intervention and waste management planning interventions.
- g) Continue to monitor waste management facilities for compliance.
- h) Host four Western Cape Recycling Action Group (WCrag) meetings with key stakeholders in the sector.
- i) Host workshops for developing/completing their Air Quality Management Plans.
- j) Section 21 inspections undertaken with Municipalities to ensure compliance with Air Quality Management Licences.

- k) Biodiversity capacity building and mainstreaming. increased maintenance costs and premature failure of infrastructure.
- l) Continue to implement the Climate Change Municipal Support Programme with the Revised Western Cape Climate Change Response Strategy Implementation Plan. iv. With an increase in crime, an increased vandalism to infrastructure is experienced.
- m) Hosting of the Provincial Coastal Committee meetings and participation in Municipal Coastal Committees (MCC's) and Coastal Management Capacity Building and Awareness Events. b) Slow spending on the capital budget which lead to delays in service delivery, economic growth and investment.
- n) Coordinate the development, approval and implementation of Estuary Management Plans in the Western Cape. **In response to the planning, infrastructure management and service delivery challenges and risks the WCG will:**
- o) Establishment of Coastal Management Lines and roll out of Coastal Management Lines (CML) Implementation. a) Conduct on-going research on the basket of services and Municipal Financial Sustainability.
- p) Support Municipalities in the implementation of the Western Cape Provincial Coastal Access Strategy and Plan. b) Establishment of dedicated technical platforms to engage on infrastructure planning, expenditure and service delivery enhancement.
- q) Section 21 inspections undertaken with municipalities to ensure compliance with Atmospheric Emission Licences (AEL's) c) Introduce new planning and funding models for bulk infrastructure (SIDAFF programme – to take new catalytic projects from feasibility to bankability).
- d) Conduct infrastructure and service delivery assessments to determine the root causes and make recommendations in response to specific challenges.

Municipalities face challenges and risk related to planning, infrastructure management and service delivery.

- a) Increasing Service Delivery instability and a growing backlog as a result of the following challenges:
 - i. Increased pockets of inequality in service delivery.
 - ii. Misalignment between spatial, infrastructure and financial planning. This reduces the effectiveness of resource use and ultimately, undermines the development impact of public spending.
 - iii. Lack of asset management resulting in service delivery breakdown, instability,

- e) Provide direct engineering support and technical advisory services by deployed engineers and geohydrologists.

Municipalities face growing revenue and expenditure risks and challenges. These include:

- a) The constrained fiscal impacts on the municipalities' ability to maintain and protect adequate revenue streams to meet the growing demand for quality services.
 - i. Under recovery on certain municipal service charges such as electricity and water, and as a result, consumptions patterns which need to be appropriately projected when budgeting.

- ii. The growth in debtors in excess of 90 days and rising debt impairment remains a concern and is an indication that municipalities are struggling to collect debt.
- b) Failure to account for non-cash items such as depreciation and debt impairment in-year remains a challenge as it distorts the YTD surpluses.
- c) The need to maintain fiscal discipline and fiscal consolidation.
- d) Low levels of capital spending that poses a risk for future grant funding.
- h) Provide grant support for targeted revenue enhancement projects in selected municipalities.
- i) Build the capacity of municipalities to further strengthen financial management.
- j) Provide economic intelligence via the Municipal Economic Review and Outlook (MERO) and Socio-economic Profiles (SEP) to aid municipalities with strategic planning and budgeting.
- k) Assess tabled budgets and associated documents through the Strategic Integrated Municipal Engagement (SIME) process to determine levels of conformance, responsiveness, credibility and sustainability.

In response to the growing revenue and expenditure risks and challenges the WCG will:

- a) Closely monitor municipal finances for any sign of deterioration and/or financial risk.
- b) Monitor savings achieved through the implementation of cost-containment measures.
- c) Improve the accuracy of municipal financial information through advice and support to municipalities on how to improve the accuracy of their reporting through the municipal Standard Chart of Accounts (mSCOA).
- d) Support municipalities that have unfunded budgets to develop and implement Budget Funding Plans.
- e) Assess and provide advice on all draft municipal budgets on ways to further strengthen and achieve financial sustainability.
- f) Advise municipalities on ways to increase revenue, including measures to promote long-term growth.
- g) Facilitate intergovernmental forums to resolve disputes over debts owed to municipalities by other organs of state.

6.2 JOINT DISTRICT AND METRO APPROACH (JDMA)

In the 2019 State of the Nation Address, the President raised the urgency for adopting a district-based approach to “speed up service delivery, ensuring that municipalities are properly supported and adequately resourced”. To action this request from the President, the Department of Local Government (DLG) in the Western Cape conceptualised and designed the Joint District & Metropolitan Approach (JDMA) to lead collaboration efforts in the Western Cape and ultimately improve the lives of citizens.

The key principle of the JDMA is collaboration which is premised on co-planning, co-budgeting and co-implementation. The objectives of the JDMA include:

- To promote horizontal interface between Western Cape Government (WCG) Departments;
- To promote vertical interface between national, provincial and local government;
- To enhance co-planning, co-budgeting and co-implementation to ensure the silo approach is minimized;

- To avoid duplication and maximizing impact through combined coordination efforts;
 - To enhance alignment of long-term and short-term planning as well as alignment between different sectoral planning;
 - To strengthen and enhance the capacity to support local government;
 - To promote sustainable development in order to contribute to equality, poverty eradication and job creation;
 - To ensure increased oversight over financial management and monitoring, including budgeting and expenditure controls; and
 - To strengthen monitoring and evaluation of project implementation.
- Identify municipal strategic and planning priorities and address them through the development and implementation of a single implementation plan per district.
 - Monitor the implementation of projects identified in the JDMA Implementation Plans.
 - Identify and address any service delivery challenges through collaboration.

Since its establishment the JDMA has been used to implement several provincial projects such as:

- Drought Response Plan (DRAP) in Central Karoo
- Humanitarian support coordination
- COVID-19 hotspots coordination in the five districts
- Western Cape Recovery Plan: Safety, Jobs and Wellbeing

6.2.1 Institutionalisation of JDMA

The JDMA was endorsed by the Premier's Coordinating Forum in June 2019 as a Joint District Approach which is a geographical and team based, citizen focused approach with a single delivery/ implementation plan to provide developmental initiatives and government services.

The institutionalisation of the Joint District Approach commenced from 2019 with an extensive consultation process to secure buy-in from district and local municipalities as well as Western Cape Government (WCG) departments and National Departments with a footprint in the Western Cape.

During July 2019, JDMA Interface Teams were constituted comprising mandated departmental and municipal representatives chaired by a JDMA Team Leader from the Department of Local Government. Each JDMA Interface Team is mainly responsible to promote co-planning, co-budgeting, and co-implementation to strengthen service delivery to communities.

In the five districts, the JDMA Interface Teams make use of District Coordinating Forums (DCFs) and their Technical committees (DCF Techs) as governance instruments to:

All five districts have commenced with the implementation of projects outlined in their respective JDMA Implementation Plans.

6.2.2 JDMA Process Map

The following reporting structures have been established as per the Provincial Structures:

JDMA INTERFACE TEAM	
Lead	Assigned DLG Senior Manager
Membership	A representative from each National and Provincial Department, and the District and Local Municipalities
Purpose	<ul style="list-style-type: none"> • Equipped with a mandate from the Municipal Manager (Municipality) to partake in the Interface Team • Assist to identify JDMA catalytic projects • Drive project implementation • Prepare status reports • Unblock challenges • Present status and progress back to their respective Department/ Municipalities • Present to the DCF T and DCF • General oversight and monitoring the implementation of projects.

DCF T	
Lead	Municipal Manager: District Municipality
Membership	The JDMA Lead to present project status supported by the Interface Team – upon request of the DM: MM
Purpose	<ul style="list-style-type: none"> • Present project status and progress • Highlight challenges experienced where support/intervention from the Municipal Managers may be required • Present new proposed projects for consideration • Refer the report to the DCF for further consideration

DCF	
Lead	Executive Mayor: District Municipality
Membership	The JDMA Lead to present project status supported by the Interface Team – upon request of the Mayor
Purpose	<ul style="list-style-type: none"> • Present project status and progress • Highlight challenges experienced where support/intervention from the Mayors may be required • Present new proposed projects for consideration and support

All JDMA structures have been established and are stable and functional. The Interface Teams have convened and has been preparing progress reports and presentations that are tabled to the DCF T and DCF regularly.

CONCLUSION

The commitment of Western Cape municipalities to strive toward good governance has aided in the delivery of citizen-centric services enabled by a system of governance focussed on impact and results. This system has been instrumental especially in the wake of the COVID-19 pandemic to create an integrated and agile response.

The Western Cape Government's Economic Recovery Plan theme of Jobs, Safety and Wellbeing further laid the foundation for fostering longer term economic growth and poverty reduction in the Province and remain at the centre of operations.

The Province will continue with implementing the integrated management approach through the JDMA to respond to the needs of citizens and to prioritise placing citizens at the centre of decision making.

This report takes an objective look at the key challenges identified in municipalities as well as providing key support strategies implemented by the Western Cape Government to support municipalities to execute their powers and perform their functions.

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