

Written submission to the City of Cape Town 2021/2022 Draft Budget

Date: 30 April 2021

Submitted by: SA SDI Alliance as part of the Asivikelane campaign

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Key recommendations based on the analysis of the City of Cape Town 2021/22 Draft Budget

1. The City needs to allocate more of their capital budget to the projects titled “**Informal Settlements Sanitation Installations**” and increase the targets for new toilet installations. The current allocation of R25 million for 2021/22 is unchanged from the previous financial year’s adopted budget. It also constitutes a grossly disproportionate share of the Water and Waste capital budget (less than 1%), relative to the significant portion of the City’s households living in informal settlements (14%). (See pages 2-3)
2. Similarly, the City needs to allocate more of their capital budget to the project titled “**Informal Settlements Water Installations**” and increase the targets for new tap installations. The current allocation of R6 million constitutes a highly disproportionate share of the Water and Sanitation budget (0.2%), relative to the portion of the City’s households living in these areas (14%). (See pages 3-4)
3. It is noted that the City has significantly increased its budget allocation for informal settlements upgrading, but the immediate need for taps and toilets also needs to be prioritised. The allocations to both the “Informal Settlement Sanitation Installations” and the “Informal Settlements Water Installations” **should reflect progressive year-on-year increases informed by increased occupation of informal settlements** and the need for the progressive realization of everyone’s right to dignified water and sanitation access. (See page 4)
4. The City needs to clearly indicate the operating budget allocation to **informal settlements for repairs and maintenance** of full flush toilets and water standpipes. This allocation should be sufficient to afford residents of informal settlements reliable, clean and safe water and sanitation access with minimal interruptions to the service. (See page 4-5)

By making the recommended changes to the draft 2021/22 budget the City of Cape Town will demonstrate a commitment to real equity in the budget and will show that the provision of full dignified sanitation and water services to those living in informal settlements is a priority. The body of this submission will discuss the budget analysis that supports each of these asks.

The magnitude of the need for basic services in Cape Town’s informal settlements

About 570, 000 (or 14 percent) of the City of Cape Town’s 4.23 million residents live in informal settlements.¹ Many of these residents rely on shared water and sanitation facilities or have limited access to water and sanitation, making them particularly vulnerable to health and hygiene risks, including COVID-19. Sub-districts such as Tygerberg, Khayelitsha, and Southern – home to many informal settlements – quickly emerged as COVID-19 hotspots for infection last year.²

The City of Cape Town has estimated that there are 14,000 households across 173 informal settlements without basic services.³ Our Asivikelane campaign – an initiative where residents in informal settlement monitor access to basic services in their communities - has also shown that many settlements have no services or not enough services.⁴ In the last two Asivikelane releases (February and March 2021) the following access levels were reported by informal settlement residents:

- 46% of residents reported that they don’t have sufficient water access in their settlement,
- 25% of residents reported that the communal toilets in their settlement were not cleaned in the last 7 days, and
- and 33% of residents reported that waste was not collected in the last seven days.

The data collected through Asivikelane and the City of Cape Town’s own assessment, highlights the magnitude of the need and the urgency for basic services in Cape Town’s informal settlements.

This submission therefore focuses on budget allocations for the delivery of sanitation facilities and services to informal settlements in the City of Cape Town, which is the responsibility of the Informal Settlements Basic Services unit, which falls under the Water and Waste Directorate of the City. Through Asivikelane, we have attempted to engage the City of Cape Town on many of the issues raised here but little has changed. We hope that our inputs into the draft budget will affect the change that is greatly needed in informal settlement communities.

Key recommendations for draft 2021/22 budget

1. Increase the targets and allocation for Informal Settlements Sanitation Installations

The Draft Service Delivery and Budget Implementation Plan (SDIBP) indicates that the target for the number of toilets provided to informal settlements residents will not increase from where it was in 2020/21 in the coming financial year of 2021/22.

¹ https://www.westerncape.gov.za/assets/departments/treasury/Documents/Socio-economic-profiles/2017/city_of_cape_town_2017_socio-economic_profile_sep-lg_-_26_january_2018.pdf

² <https://coronavirus.westerncape.gov.za/news/update-coronavirus-premier-alan-winde-26-may>

³ <https://pmg.org.za/page/CityofCapeTownonitsCOVID19responseplansfollowupmeeting>

⁴ <https://asivikelane.org/>

Targets	2020/21	2021/22
Number of sanitation service points (toilets) provided to informal settlements	2,500	2,500

*Source : SDIBP 2021-22 (annexure A)

While the City implemented temporary relief measures in the last year, it is very concerning that the heightened risk faced by residents of informal settlements has a result of the pandemic has not played any role in influencing targets for new toilets in the coming year.

The 2021/22 budget allocation for sanitation installation is also exactly the same as in the adopted 2020/21 budget. (While it might have been useful to compare the draft 2021/22 budget allocation with the final January 2021 adjustment to the budget for this project, the City did not provide adjusted targets with the adjusted budget.) The City's budget documents do not give an explanation for this decline. However, given the immense need for clean and safe toilet access we implore the City to allocate more funds to installing adequate sanitation.

Project	2020/21 (Adopted budget)	2021/22	2022/23	2023/24
Informal settlements sanitation installation	R25 milion	R25 million	R30 million	R30 million

Source: Multi-year capital appropriations by vote ⁵ and Asivikelane Budget Analysis 2020/21

2. Increase the targets and allocation for Informal Settlements Water Installations

The Draft Service Delivery and Budget Implementation Plan (SDIBP) indicates that the target for the number of new taps provided to informal settlements residents will also not increase from where it was in 2020/21 in the coming financial year of 2021/22.

Targets	2020/21	2021/22
Number of water service points (taps) provided to informal settlements	700	700

*Source : SDIBP 2021-22 (annexure A)

⁵ https://resource.capetown.gov.za/documentcentre/Documents/Financial%20documents/Ann1_2021-22_Multiyearcapitalappropriationsbyvote.pdf

The Covid-19 pandemic has underscored the need for clean, safe and reliable water access. While the City provided additional water through temporary measures (water tanks and water trucks) in the last year, there is nothing in the budget which suggests that the City has a plan to offer a sustainable and improved level of water access to informal settlement.

Moreover, it's very concerning that the budget allocation for the installation of taps is set to decrease in the 2021/22 year. The City's budget documents do not give an explanation for this decline. However, given the magnitude of the need for reliable water access, we implore the City to allocate more funds to install adequate water infrastructure to informal settlements.

<i>Project</i>	<i>2020/21</i> <i>(Adopted budget)</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023/24</i>
Informal settlements water installation	R7,5 million	R6 million	R6 million	R8 million

Source: Multi-year capital appropriations by vote ⁶ and Asivikelane Budget Analysis 2020/21

3. Ensure that immediate needs for basic services are balanced with demand for housing through upgrading

An analysis of the total capital budget for the Informal Settlements Department which falls under the Human Settlements Directorate shows a significant increase in allocation for this coming financial year. This suggests that upgrading informal settlements is a much larger priority for the City than it was in the previous financial years. The budget increases from R220,3 million in the 2020/21 adjustment budget (January) to R340,9 million in the draft 2021/22 budget.

While it is laudable that the informal settlements department has seen such a substantial budgetary increase, we would argue that it will unfortunately not address service delivery issues in the short term.

The City's allocations to both the provision of water and sanitation to informal settlements should reflect progressive year-on-year increases informed by increased occupation of informal settlements and the need for the progressive realisation of everyone's right to dignified water and sanitation access immediately.

4. Allocate sufficient resources to maintenance

According to the City's draft budget priority is being given to repairs and maintenance; and this is reflected in the increase in allocation for repairs and maintenance budget over the medium term as shown below.

⁶ https://resource.capetown.gov.za/documentcentre/Documents/Financial%20documents/Ann1_2021-22_Multiyearcapitalappropriationsbyvote.pdf

Unfortunately, the budget does not state how much informal settlements residents will benefit from this increased budget.

Operational Repairs and Maintenance Budget

<i>Repairs and maintenance by expenditure item</i>	<i>2020/21 (Full year forecast)</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023/24</i>
Employee related costs	R1,03 billion	R1,13 billion	R1,18 billion	R1,23 billion
Inventory consumed (Project maintenance)	R371 million	R393 million	R410 million	R427 million
Contracted services	R2,49 billion	R2,56 billion	R2,66 billion	R2,77 billion
Other expenditure	R162 million	R159 million	R165 million	R171 million
TOTAL repairs and maintenance expenditure budget	R4,05 billion	R4,35 billion	R4,42 billion	R4,61 billion

*Source: 2021/22 - 2023/24 draft budget page 31

The City needs to clearly indicate the operating allocation to informal settlements for repair, maintenance and cleaning of full flush toilets and water standpipes in its budget and indicate what it will deliver with the allocation.

Broken taps, intermittent water and blocked or damaged toilets are persistently reported by informal settlement residents. The budget allocation for repairs and maintenance for taps and toilets should be sufficient to afford residents of informal settlements reliable, clean and safe water and sanitation access with minimal interruptions to the service.