



Submission on Buffalo City Metropolitan Municipality's Draft 2023/24 Budget

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Submitted by: Common Cause NPO and International Budget Partnership South Africa as part of the Asivikelane Campaign¹ representing informal settlements communities in Buffalo City Metropolitan Municipality.

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1. Key recommendations on the draft 2023/24 budget

Common Cause and International Budget Partnership (IBP) South Africa are making a submission responding to the 2023/24 draft budget and 2023/24 draft Integrated Development Plan. Our submission is informed by our analysis of the draft budget and draft IDP, responses from informal settlement residents through the Asivikelane Campaign, and the monthly releases of the Asivikelane Campaign.

The Asivikelane campaign monitors basic service delivery in informal settlements and amplifies the voices of residents who share their lived experiences and speak out about what they need from the government to improve their access to services such as water, sanitation and refuse removal.

The Asivikelane campaign is an initiative of the International Budget Partnership South Africa (IBP South Africa) and Non-Governmental Organisations (NGOs) across South Africa, and

¹ www.asivikelane.org

Common Cause is its partner in Buffalo City. Common Cause is a human rights organisation, based in Mdantsane, East London, which focuses on addressing socio-economic challenges in Buffalo City Metro Municipality and aims to alleviate poverty.² The organisation's activities include keeping elderly citizens active through sports, monitoring the provision of basic services in informal settlements, youth development, developmental programmes targeted at unemployed people and enterprise development. IBP South Africa is an NGO whose goal is to build the ability of poor people to engage in government budgets.

1.1 Make specific and clear budget allocation for the provision of communal toilets

There is no budget allocation in the 2023/24 draft budget for the provision of communal flush toilets. We ask the City to allocate funds to eradicate the sanitation backlog in the Metro and ensure that all residents have access to municipally provided sanitation. (*see pages 3,4 and 5 for full analysis*). We also ask the City to provide targets for the provision of new toilets and the names of the settlements that will receive toilets in the coming financial year.

1.2 Allocate more money for taps

Allocate enough money to eradicate the water backlog in the Metro to ensure all informal settlements have access to formal piped water closer than 200 meters from their dwellings (*see pages 3,5 and 6 for full analysis*). Provide targets for the provision of new taps and the names of the settlements that will receive these taps in the coming financial year.

1.3 Allocate more money for repairs and maintenance

Increase the total budget allocation for repairs and maintenance to align it with the prescribed guidelines provided by the National Treasury. Show how much is budgeted specifically for repairs and maintenance in informal settlements and ensure that such allocation is spent in full (*see pages 4,6, and 7 for full analysis*).

1.4 Allocate more money for waste collection and ringfence a specific portion for solid waste management in informal settlements.

Have a dedicated budget item for refuse collection in informal settlements as there are significant health risks posed by the growing backlog of refuse removal (*see pages 4 and 7 for full analysis*). Provide information on which settlements that are currently without services will receive refuse removal services in 2023/24.

1.5 Consider allocating more money for electrification and specify where streetlights and new services will be installed

² https://www.facebook.com/profile.php?id=100079977712648&_rdc=1&_rdr

Consider a larger increase in the allocation for electricity in informal settlements. Show clearly which settlements will benefit from new street lights and the provision of electricity in 2023/24 (see page 8 for full analysis).

1.6 Provide specific project information to explain the budget allocations funded by the ISUPG

Show which services will be delivered to settlements in the coming financial year, specifically whether these settlements will get permanent toilets and taps (see pages 8 and 9 for full analysis).

2. Service delivery challenges in Buffalo City

Evidence collected by the Asivikelane campaign shows that residents living in informal settlements in the Buffalo City Metropolitan Municipality face several service delivery challenges. Over the past year, residents have indicated that the cleaning of municipal-provided toilets and the provision of refuse removal services have deteriorated in Buffalo City, while access to water has improved.

In March 2023, Asivikelane asked informal settlement residents what they would like Buffalo City to allocate more money for in its 2023/24 budget to address their specific service delivery challenges. This section summarises residents' requests and provides supporting evidence from the most recent Asivikelane surveys of the challenges faced by residents.

2.1 Inadequate access to sanitation

Asivikelane residents have flagged several challenges with access to sanitation in Buffalo City. The Asivikelane March data collection shows that 97% of residents want to see more money in the budget for toilets. Specifically, 80% of residents want more money for toilets as there are currently not enough toilets in their settlement to service the entire community. Many residents indicated that they want the Metro to allocate more money for toilets because they do not have any. Additional funding was also requested to ensure the regular cleaning of toilets.

Evidence collected by Asivikelane in February 2023 confirms the situation is dire. Almost 30% of residents said that they have no access to municipal provided sanitation, with many of them relying on self-dug pit toilets. 66% of residents are reliant on communal flush toilets and most of these residents said that their toilets were not cleaned in the previous week.

Data provided by the City in the draft 2023/24 Integrated Development Plan confirms that the sanitation backlog was still significant in 2020. According to the 2020 statistics, more than 15,000 households still used pit toilets, more than 1 300 households still used the bucket system, and more than 6 800 households still had no toilets. The statistics provided included households in both formal and informal settlements, and it is therefore not possible to know exactly how many are in informal settlements.

2.2 Water provision in informal settlements

There are several key challenges related to water provision in Buffalo City. 97% of residents in March 2023 said they wanted to see more money for water in the budget. 79% of residents said they specifically wanted more money for taps as they didn't have enough. Additionally, more than 90% said they wanted to see more money allocated to fix broken taps.

In February 2023, 40% of residents told Asivikelane that they did not have enough water in the previous week. Most of these residents use communal taps. The City also seems to acknowledge that access to water is a major challenge. The IDP states that in 2020, out of all the households in the Metro, almost 17 000 used a standpipe that was further than 200 meters from their dwelling. The minimum standard in the Metro is a communal tap closer than 200 meters from a dwelling. More than 5 800 households did not have access to any piped water. These statistics, however, account for all households in the metro, so it may be safe to assume that most live in informal settlements.

2.3 Inadequate repairs and maintenance

The most critical finding about repairs and maintenance is that only 6% of residents said in February this year that a broken tap, toilet or water tank was fixed within a week after they had reported it. In March this year, more than 90% of residents said that they wanted to see more money in the budget for repairs and maintenance. Residents asked for more funds for repairs and maintenance to fix broken taps (95%), improve water pressure (35%), and fix broken and or blocked toilets (96%). The lack of regular repairs and maintenance means residents cannot use the toilets and taps that have already been installed in their settlements, severely limiting their access to adequate water and sanitation.

2.4 Waste removal services

In March 2023, 97% of residents said they wanted to see more money in the budget for waste removal. Uncollected waste poses a significant health risk to residents and the environment. In addition, more than 70% of residents said they wanted to see an allocation for the provision of skips/bins, while more than 90% asked for the municipality to allocate funds to provide enough refuse bags for all residents.

In February 2023, 98% of residents said they did not receive waste removal services in the previous seven days. According to the IDP, the number of households with no formal refuse removal was 102,000 in 2020. Again, we do not know how many of these households live in informal settlements, but it may be safe to assume that it is the majority.

3. Evidence from Buffalo City Metropolitan Municipality 2023/24 draft budget and current budget 2022/23

3.1 Provision of sanitation to informal settlements

Table 1 shows that after a 2022/23 budget allocation of R10 million for the provision of toilets to informal settlements, no money has been allocated in the draft 2023/24 budget. This means that no money has been allocated to provide communal flush toilets to informal settlements in 2023/24.

Table 1: Budget allocation for sanitation in informal settlements

Programme [Rand]	2022/23 Approved capital budget	2022/23 Mid-year adjustment capital budget	2023/24 Draft budget	% Difference between adjusted 2022/23 and draft 2023/24 budgets
Sanitation facilities in informal settlements	10 000 000	10 000 000	0	-100%

Source: 2022/2023 MTREF budget annexure C; draft 2023/24 MTREF budget capital projects annexure C.1

According to the Metro, there will be a small increase in the number of households in the Metro as a whole with access to a flush toilet connected to sewerage in 2023/24, but the lack of budget information means that it is not possible to see if any of these households are in informal settlements. The targets for the number of households using flush toilets (with septic tanks), chemical toilets, and ventilated pit toilets (VIPs) do not change between 2022/23 and 2023/24 (see Table 2). This indicates that the Metro is not considering providing chemical toilets as a temporary solution to the lack of access to sanitation in informal settlements.

Table 2: Targets for the number of households allocated toilets

Service	Full year forecast 2022/23	Budget year 2023/24
Flush toilet (connected to sewerage)	166 350	166 800
Flush toilet (with septic tank)	5 437	5 437
Chemical toilet	3 544	3 544
Pit toilet (ventilated)	56 175	59 025

Source: 2022/2023 MTREF budget annexure C; draft 2023/24 MTREF budget capital projects annexure C.

3.2 Provision of water to informal settlements

Overall, less money has been allocated in the draft 2023/24 budget for the provision of water to informal settlements, delivered by three projects in the capital budget. The budget for the provision of water to informal settlements has decreased from R12 million to R6.4 million. The good news is that the budget for the provision of water in the inland region has doubled to R2 million while the mainland area has received R1 million more. However, this amounts to a total decrease of R3,6 million or 22,5% in the allocation for water in informal settlements in the 2023/24 budget compared to the final 2022/23 budget.

However, the budget does not specify what these projects are delivering on the ground (e.g., standpipes or connector infrastructure).

Table 3: Budget allocations for the provision of water to informal settlements

Programme [Rand]	2022/23 Approved capital budget	2022/23 Mid-year adjustment capital budget	2023/24 Draft budget	% Difference between adjusted 2022/23 and draft 2023/24 budgets
Informal settlement Water mains inland	1 000 000	1 000 000	2 000 000	100,00%
Informal settlements Water coastal	12 000 000	12 000 000	6 400 000	-46,67%
Distribution mains informal settlements midlands	3 000 000	3 000 000	4 000 000	33,33%
Informal settlements-total water	16 000 000	16 000 000	12 400 000	-22,50%

Source: 2022/2023 MTREF budget annexure C; draft 2023/24 MTREF budget capital projects annexure C.1

Buffalo City considers the provision of water by communal or yard standpipes as the minimum level of service to informal settlements, but it is not clear how the changes in the allocations to the three projects shown in Table 3 will impact the delivery of standpipes to informal settlements in the Metro.

There are no targets for the provision of taps in informal settlements. The lack of increase in access for all households in the budget suggests that informal settlements will not receive more taps (see Table 4). This suggests the metro is not planning to improve access to piped water (inside or outside dwellings) in informal settlements.

Table 4: Targets of the number of households to be allocated taps

Service	Full year forecast 2022/23	Budget year 2023/24
Piped water inside dwelling	124 432	124 432
Using public tap (at least min. service level)	127 224	127 224

Source: 2022/2023 MTREF budget annexure C; draft 2023/24 MTREF budget capital projects annexure C.1

3.3 Repairs and maintenance

Despite the challenges associated with the lack of repairs and maintenance in informal settlements, there is no indication in the draft budget of how much money has been allocated towards repairs and maintenance in informal settlements. Table 5 below indicates an almost 8% increase in the total budget for repairs and maintenance for 2023/24. We can also see that all assets that might be relevant for informal settlement service delivery have received increases of more than 5%.

The National Treasury requires municipalities to spend 8% of the value of its Property, Plant and Equipment (PPE) on repairs and maintenance of infrastructure. The narrative in the draft 2023/24 budget indicates that BCMM has allocated 2,2% for repairs and maintenance as a percentage of the value of PPE, which is a slight increase from 2022/23's full-year forecast of 2,1%. This is however significantly lower than the guideline of 8%.

Table 5: Budget allocation for repairs and maintenance of service delivery infrastructure

Asset class R'000	2022/23 Approved budget	2022/23 Adjusted budget	2022/23 Full year forecast	2023/24 Draft budget	% Difference between adjusted 2022/23 and 2023/24 budget
Electrical infrastructure	36 851	42 851	42 851	45 122	5,30%
Water supply infrastructure	3 320	3 363	3 363	3 541	5,29%
Sanitation infrastructure	27 421	32 421	32 421	34 139	5,30%
Solid waste infrastructure	1 287	1 237	1 237	1 303	5.34%
Total R&M	446 130	472 403	472 403	497 510	7,9%

Source: MBRR table 14:SA34C; MBRR Table Asset management; MBRR SA36 capital budget per vote; draft 2022/2023 MTREF capital projects annexure C.1

3.4 Refuse removal

Table 6 shows that the Solid Waste and Environmental Management Department's 2023/24 draft budget for contracted services has decreased by 21,22%.

In Buffalo City, refuse removal services are provided by both by City employees and by outsourced contractors. Firstly, we do not know in which, if any, informal settlements refuse removal services are provided by contractors, and secondly, we do not know how much of the contracted services budget is specifically allocated for the appointment of contractors to remove solid waste. However, such a large decrease in the budget for contracted services is cause for concern. In addition, there is no indication in the draft budget of how much has been allocated specifically for solid waste removal services in informal settlements.

Table 6: Budget allocation for contracted services (Department of Solid Waste and Environmental Management)

	Final budget 2022/23	Adjusted budget 2022/23	Full year forecast 2022/23	Draft 2023/24	% Difference between 2022/23 full-year forecast and draft 2023/24 budget
Contracted services	57 933	46 865	46 865	36 921	-21,22%

Source: MTREF draft 2023/24 Table 68: Solid Waste & Environmental Management - operating revenue by source, expenditure by type and total capital transfers

3.5 Electrification of informal settlements

Buffalo City has increased its budget allocation for the electrification of informal settlements by 31.58% for the 2023/24 financial year. This is a significant increase after R6 million was cut from the budget for this project in the 2022/23 adjustment budget (see in Table 7).

Table 7: Budget allocation for electricity for informal settlements

Programme R'000	2022/23 Approved capital budget	Adjustments	2022/23 Mid-year adjustment capital budget	2023/24 Draft budget	% Difference between adjusted and draft
Electrification - Informal Dwelling Areas	25 000 000	-6 000 000	19 000 000	25 000 000	31,58%

Source: 2022/2023 MTREF budget annexure c; draft 2023/24 MTREF budget capital projects annexure C.1

The adopted 2022/23 budget allocation for streetlights was reduced to zero in the 2022/23 adjusted budget. Table 8 shows that R10 million has been allocated to this project, which is double the adopted 2022/23 allocation of R5 million. The budget doesn't show which settlements will receive electricity and streetlights in 2023/24, so we cannot see which informal settlements will receive these services in the coming financial year.

Table 8: Budget allocations for the provision of streetlights

Programme [Rand]	Approved budget 2022/23	Adjustment budget	Draft budget 2023/24	% Difference between draft and approved
Streetlights (high mast)	5 000 000	0	10 000 000	100%

Source: 2022/2023 MTREF budget annexure C; draft 2023/24 MTREF budget capital projects annexure C.1

3.6 Capital projects for informal settlements

Table 9 below lists the budget allocations for capital projects implemented by the Human Settlements and Water Directorate in informal settlements in the wards where residents participating in the Asivikelane campaign reside. We highlight these projects because they are funded by the Informal Settlements Partnership Upgrading Grant so we know that the budget will be spent on informal settlement upgrading, including service delivery.

The budget allocations for Cluster 1 and 2 have decreased substantially in comparison to the adjusted budget. The budgets for water projects in Hani Park, Hlalani, Kwatshatushu, Slovo Park, Ekuphumeni, Mdantsane, and Ethembeni have increased massively in comparison to the adjusted budget. However, the budget doesn't explain these changes in the allocations to individual projects. This means that we do not know if a smaller allocation means a project is coming to an end and requires minimum work to complete, or if an increase means faster delivery of services. Overall, it's not possible to say how these decreases/increases will impact service delivery in informal settlements.

The sewer upgrading projects and the alternative water project have no allocated budget for the upcoming financial year. Again, we are unable to see what impact this is likely to have on the delivery of basic services to informal settlement residents.

Table 9: Budget allocation of Capital projects for informal settlements

Account description R'000	Approved 2022/23	Adjusted 2022/23	2023/24 Draft capital budget	% Difference between adjusted 2022/23 and draft 2023/24 budget	Fund Source	Ward numbers
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Cluster 1	10 000 000	11 000 000	5 000 000	-54,55%	ISUPG	
Cluster 1	9 163 320	16 022 439	10 000 000	-37,59%	ISUPG	11,17,20,21,30,48
Hani Park - water	2 500 000	2 500 000	5 000 000	100,00%	ISUPG	11
Hlalani - water	2 500 000	2 500 000	5 000 000	100,00%	ISUPG	11
Kwatshatshu - water	5 000 000	500 000	5 000 000	900,00%	ISUPG	44
Slovo Park - water	1 000 000	100 000	5 000 000	4900,00%	ISUPG	42
Ekuphumleni - water	1 000 000	200 000	10 000 000	4900,00%	ISUPG	42
Ethembeni - water	1 000 000	200 000	10 000 000	4900,00%	ISUPG	11
Upgrading of first creek outfall	0	0	0	0%	ISUPG	11, 12, 14, 20, 21, 22, 23, 24, 30
Upgrading of second outfall sewer	0	0	0	0%	ISUPG	11, 12, 14, 20, 21, 22, 23, 24, 30
Alternative water supply	16 200 000	16 200 000	0	-100,00%	ISUPG	ALL WARDS
Mdantsane wastewater treatment works	15 000 000	15 000 000	17 000 000	13,33%	ISUPG	11, 12, 14, 20, 21, 22, 23, 24, 30

Source: draft 2023/24 MTREF budget capital projects annexure C.1; 2022/23 mid-year capital projects adjustment annexure 2.1

References

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