



Submission of inputs for Knysna Municipality's Draft 2023/24 Budget

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Submitted by: Development Action Group (DAG) and International Budget Partnership South Africa as part of the Asivikelane Western Cape Campaign¹ representing informal settlement communities in Knysna Municipality.

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1. Summary of recommendations for Knysna Budget 2023/24

Asivikelane Western Cape (WC) initiative conducted an analysis of Knysna Municipality's 2023/24 draft budget and Integrated Development Plan. Based on this, informal settlement residents in Knysna along with the Development Action Group (DAG) would like to submit the following recommendations to be considered in the final budget.

<i>Municipal service</i>	<i>Knysna 2023/24 IDP and budget: Key observations</i>	<i>Asivikelane WC recommendations</i>
Water	<ul style="list-style-type: none"> The 67% increase² in the allocation to standpipes from R150 000 in 2022/23 FY to R250 000 in 2023/24 FY is a step in the right direction, but more information needs to be provided. Currently, the Capital Budget does not indicate which wards are to be targeted nor does it include service delivery targets for water to informal settlements. 	<ul style="list-style-type: none"> Set a target for taps in informal settlements based on need. Asivikelane WC data shows that several informal settlements have no water, and in some places there is not enough water. Specify where the budget allocation for water/standpipes to informal settlements will be spent and how many standpipes will be installed.
Sanitation	<ul style="list-style-type: none"> The IDP states that Knysna "commits to provide basic level sanitation to all customers within the area of jurisdiction". But the municipality's budget says nothing about what has 	<ul style="list-style-type: none"> Establish targets for toilets in informal settlements based on need. Asivikelane WC data shows that several informal settlements have no sanitation, and in some places there

¹ <https://asivikelane.org/westerncape-releases/>

² In nominal terms.

	<p>been allocated for sanitation in informal settlements.</p> <ul style="list-style-type: none"> ▪ A sanitation needs assessment was planned last year but not implemented. ▪ There are no targets set for sanitation. ▪ This is concerning given that the need for safe sanitation in informal settlements remains high. 	<p>are not enough toilets. Many residents still use self-built pit latrines in informal settlements.</p> <ul style="list-style-type: none"> ▪ Specify the budget allocation for toilets in informal settlements. ▪ Conduct a sanitation needs assessment, prioritising informal settlements and the needs of women in particular.
Solid waste	<ul style="list-style-type: none"> ▪ The IDP states that Knysna “commits to provide waste management services in satisfaction of customers and protection of the environment”. ▪ But the municipality’s budget says nothing about what has been allocated for solid waste in informal settlements. ▪ There are no targets for domestic solid waste collection. 	<ul style="list-style-type: none"> ▪ Improve solid waste collection to informal settlements. Asivikelane WC data shows that several areas have no waste collection service, while others receive an irregular service. ▪ Specify the budget allocations for waste collection in informal settlements.
Repairs and maintenance	<ul style="list-style-type: none"> ▪ The Draft Operating Budget for 2023/24 was not published. ▪ The previous year’s operating budget does not show allocations for repairs and maintenance to informal settlement toilets, solid waste infrastructure and standpipes. We assume that these services will be funded by the maintenance budget for water supply infrastructure, sanitation infrastructure and solid waste infrastructure. 	<ul style="list-style-type: none"> ▪ Publish the 2023/24 operating budget. ▪ Specify the plans and budget allocation for repairs and maintenance to water, sanitation and solid waste removal services in informal settlements. ▪ A functional fault-reporting systems should be put in place. ▪ Ensure spending on repairs and maintenance is at least in line with National Treasury norm of 8%.

Despite the fact that 25% of municipal households are located in informal settlements, the municipality does not have a dedicated and integrated programme for informal settlements, with priorities and resources and capacity allocated. There is limited information about informal settlements throughout municipal documents; no targets or timeframes for addressing backlogs and no coherent narrative that takes into account the voices of residents as part of articulating a framework for working with informal settlements.

The overarching recommendation is therefore that Knysna Municipality has dedicated funding and plans for informal settlements. Residents can help develop this. In April 2023, 440 informal settlements residents were asked to identify which areas of services delivery Knysna Municipality should allocate more funding towards.

A summary of residents’ budgetary asks for 2023/24 is below, showing a ranking of what residents think the budget should be spent on, by service area:

93% asked for more money for sanitation to:	93% asked for more money for water to:	93% asked for more money for refuse removal to:	95% asked for more money for repairs and maintenance to:
<ol style="list-style-type: none"> 1. Provide enough toilets for everyone, closer to where residents live. 2. Improve drainage of chemical toilets. 3. Ensure regular toilet cleaning. 4. Replace chemical toilets and VIPs with flush toilets. 5. Replace broken toilets. 	<ol style="list-style-type: none"> 1. Provide more communal water. 2. Provide more taps, and install taps in settlements where there are none. 3. Ensure that water delivery via trucks is consistent. 4. Provide more taps closer to where residents live. 5. Provide more taps near toilets. 	<ol style="list-style-type: none"> 1. Ensure that everyone has a waste removal service. 2. Ensure that the waste collection service is regular. 3. Provide refuse bins and skips where there are none. 4. Provide refuse bags to all. 5. Regularly clean and clear dumping sites. 	<ol style="list-style-type: none"> 1. Improve water pressure. 2. Fix broken/leaking taps. 3. Repair broken taps. 4. Fix broken/blocked toilets.

2. Context of informal settlements in Knysna

In 2022, Knysna had a population of about 75 000 people. According to the 2021 Socio-Economic Profile (SEP) of Knysna, the municipality had a comparatively large share of informal dwellings, at 28% of all dwellings (about 6 500 households), compared to a Garden Route average of 17%.

Since April 2022, Asivikelane Western Cape has released regular updates on basic services in Knysna’s informal settlements using actual resident surveys. Results suggest that there is still plenty of scope for improvement in areas such as providing enough toilets and ensuring they are regularly cleaned, fixing broken taps and toilets timeously, and collecting refuse.³

In the February 2023 release, Asivikelane Western Cape reported the following, based on data gathered from residents living in 51 informal settlements in Knysna:

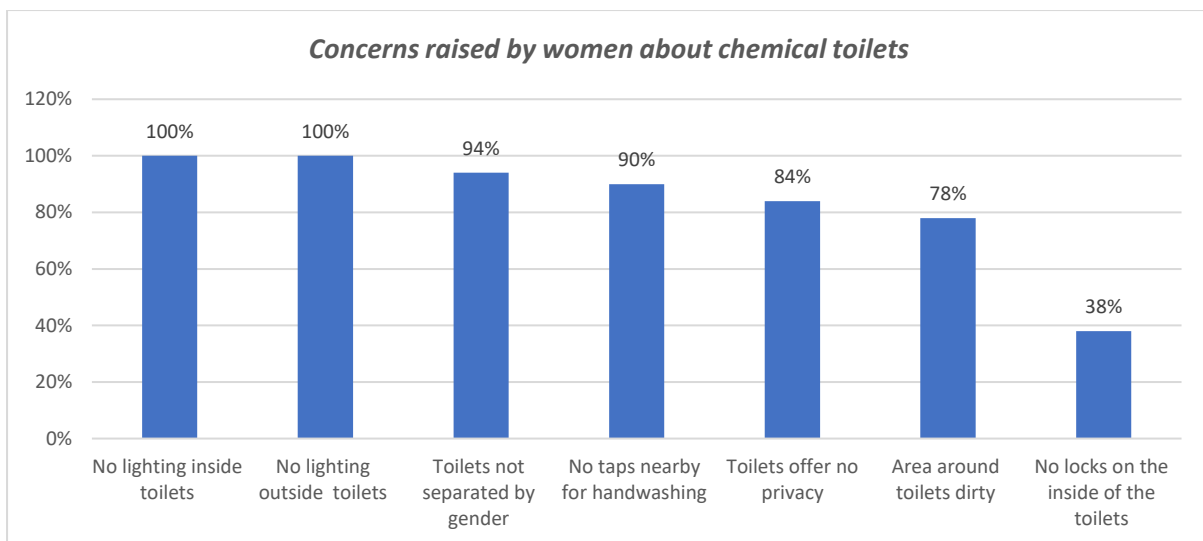
- **Repairs and maintenance:**
 - On average, Knysna takes up to a week to fix broken services
 - 12% of residents say that the municipality ‘never’ repairs broken taps and toilets

³ <https://asivikelane.org/westerncape-releases/>

- **Water Services:**
 - 15% of residents said that there was not enough water in the last 7 days
 - There are six settlements where all residents report insufficient access to water, with respondents typically emphasizing that they need more standpipes
- **Solid waste services:**
 - 17% of residents do not receive a waste collection service weekly
- **Sanitation access:**
 - Only 44% of residents said the toilet was cleaned in the last 7 days

Spotlight on the importance of safe sanitation for women and children

In March 2023, Asiviklane Western Cape placed the spotlight on **women’s experiences of using chemical toilets**. 40% of women in informal settlements rely on chemical toilets. They identified the following key challenges and concerns:



Graph shows the percentage of women who reported each issue as a concern.

Knysna municipality has appointed a contractor to provide and maintain chemical toilets in its informal settlements. To make sanitation safer and healthier for women to use, the **tender specifications for chemical toilets should at least require:**

- **Lights inside** the units.
- **Separate toilets** for females and males.
- Placement of toilets in **safe, well-lit** areas.
- **Cleaning** at least three times per week.
- Doors with **locks inside**.
- **Disabled-friendly** access.
- **Waste disposal** bin inside.

To keep women and children safe, Knysna must provide **public lighting** around, and on the way to, toilets. **Taps** should also be installed nearby to aid good hygiene.

Women are most impacted by services and we implore the municipality to listen to women and deliver services in a way that protects their health and safety.

3. Analysis of Draft IDP 2023-2028

The 2023/24 Budget needs to be read with the new Integrated Development Plan, 2023-2028, which sets out the broad priorities and strategic context of the municipality.

The new IDP retains the six strategic objectives of the previous IDP, set out in Table 2, below:

Table 2: Knysna municipality strategic objectives

1.	To Improve and maintain current Basic Service delivery through specific infrastructural development projects
2.	To promote a safe and healthy environment through the protection of our natural resources
3.	To create an enabling environment for social development and economic growth
4.	To encourage the involvement of communities in the matters of local government through the promotion of open channels of communication
5.	To structure and manage the municipal administration to ensure efficient service delivery
6.	To grow the revenue base of the municipality

The previous IDP included specific outputs which do not appear to have been implemented, including that the municipality planned to “conduct a comprehensive survey on sanitation backlogs, especially in informal settlements and remote rural areas which will inform the sanitation master planning.” **The sanitation needs assessment should be prioritised in the upcoming financial year as current sanitation services in informal settlements do not adequately meet the safety and hygiene needs of residents.**

One significant concern is that the IDP ‘Focus Area’, ‘Challenges’ and ‘Interventions’ were duplicated from the previous year’s IDP, without an indication of why particular priorities of the previous IDP were not acted on, what lessons were learned, how the new IDP has integrated these lessons to avoid further delay, and so on.

We note the addition to the 2023/24 IDP: the ‘Long List’ of community priorities which is included as an IDP appendix. The List, organized by Ward, gives a rich, nuanced and credible sense of challenges faced by communities. Some welcome effort has been made to organize commitments/objectives with a clear linkage between a particular objective and the responsible directorate.

Table 3 captures the information provided in the new IDP Implementation Plan that is relevant to informal settlement basic service provision.⁴

Table 3: Commitments to informal settlement basic services

Objective	Commitments	Programme /Project
Provision of water	Knysna Municipality commits to provide basic water to all residents and customers within the area of jurisdiction	Implementation of Water Services Development Plan
	Provision of basic level service to all customers in the municipality	Provision of standpipes to informal areas in line with the DWS standards
Provision of sanitation services	Knysna Municipality commits to provide basic level sanitation to all customers within the area of jurisdiction	Construction of flushing toilet facilities that are connected to septic tanks or sewer network
Waste management	Knysna Municipality commits to provide waste management services in satisfaction of customers and protection of the environment.	Address all waste related matters

However, there are some **limitations in the scope of information provided in the IDP:**

- It's not clear if/how community priorities have informed the municipality's plans and budget.
- There are no clear targets for basic services, nor is there an indicative trajectory for backlog elimination.
- There is no information that would enable accountability for progress.

4. Analysis of Budget 2023/24

Beginning from a very broad perspective, Table 5 shows operating and capital budgets for the six strategic objectives of the municipality for 2022/23. Similar information is not currently available for 2023/24.

Table 5: Expenditure allocations to strategic objectives, 2022/23

Rand ' 000	Operating budget	Capital budget
To Improve and maintain current Basic Service delivery through specific infrastructural development projects	598 802	93 295
To promote a safe and healthy environment through the protection of our natural resources	146 997	10 315
To create an enabling environment for social development and economic growth	6 930	1 200
To encourage the involvement of communities in the matters of local government through the promotion of open channels of communication	54 845	795
To structure and manage the municipal administration to ensure efficient service delivery	182 556	9 815
To grow the revenue base of the municipality	71 144	2 155
TOTAL	1 061 275	117 574

⁴ Pages 67-77.

Delving into the Table ‘Key Budget Projections’⁵ of the new Budget, we can note some important developments with respect to national and provincial grants; the basic trend (which is not expressed as such in the Budget) is towards a sizeable increase in both national and provincial grants from 2022/23 to 2023/24. More funds are certainly available that can be allocated to improve basic service delivery in informal settlements. It should be noted that no reference is made to any allocations Knysna might receive as part of the Informal Settlement Upgrading Partnership Grant.

Key grants are presented in Table 6.

Table 6: Key grants, Knysna, 2022/23 and 2023/24

R ‘ Million	2022/23 (Original Budget)	2023/24	% Change
National Grants (Selected)			
MIG	39.1	29.2	Decrease by 25.3 %
Integrated National Electrification Programme (INEP)	10.7	43.8	Increase by 309.3%
Neighbourhood Development Partnership Grant (NDPG)	5	15	Increase by 200%
Provincial Grants (Selected)			
Human Settlement Development Grant	21.8	32.3	Increase by 48.2%
Total National Grants	168.8	216.8	Increase by 28.4%
Total Provincial Grants	22.0	45.3	Increase by 105.9%

Of concern is the underspending on grants. For example, the budget states that, “There is a decline in the number of grants we used to receive as the Municipality when comparing with allocations of five years plus ago and a decrease in some other grants. This is as a result of various factors such as low spending and non-approval of roll-overs as well as compressed grants of three to one.”⁶

Perhaps more importantly, the next paragraph reads: “MIG has drastically decreased from R39 million to R29 million in the 2023-24 budget. As at the end of February 2023, only R6 million is spent against the grant. Revised SDBIP was received together with the February 2023 adjustments budget where projects were significantly revised in order to accelerate the currently running projects.”⁷

It seems that only R6 million of the R39 million MIG amount was spent;, which is a serious concern.

⁵ Draft MTREF Budget Report 2023/2024 page 9.

⁶ Page 24.

⁷ Page 25.

Overall, the Budget Report does not give stakeholders a sense of what allocations might mean for basic services in general, and for informal basic services in particular. Elements of the Budget that could be highlighted as successes or rays of hope include the new INEP grant.

The next section looks at two key annexures to establish whether they contain some information on how the budget might impact informal settlement basic services.

5. Information in Budget Annexures B and H

Annexure B is the *Budget Summary* and is in fact a 90-page document that contains the detailed municipal Budget Tables, including functional classifications and allocation by Vote. The functional classification table has two potentially useful line items, for 'Informal Settlements' under 'Housing' and for 'Public Toilets' under 'Waste Water Management,' and the Vote classification also has the Public Toilets item, but none of these line items contains any allocations, even though the Table runs back to 2019/20 and forward to 2025/26. It is also not clear whether 'Public Toilets' refers to communal toilets in informal settlements or public toilets elsewhere in the municipality.

Annexure H is entitled *Service Delivery Standards* and is identical to the one included in Budget 2022/23.

The *Service Level Standards* provide useful information for citizens about which directorate is responsible for what and who to contact for various challenges. In addition, the document gives 'Service Level Days', meaning the number of days within which the municipality aims to address a particular issue.

From an informal settlement basic services perspective, it is useful to note here that refuse collection and septic tank removal fall under the directorate Community Services, whilst all the other service concerns raised through the Asivikelane reports would fall under Infrastructure services, which is given responsibility for, amongst others:

- Faulty cable repair and load switches
- No electrical supply
- Street light faults
- Valve leakages
- Water quality checks
- Water tank delivery

Although it is not explicitly indicated, it can be assumed that new standpipe and in-dwelling taps would also fall under infrastructure services, as well as sanitation services.

6. Capital budgets and procurement plans

The detailed capital budget line items and procurement plans is one way to get a concrete sense of plans for informal settlements. . These line items are not linked through narrative to informal settlement services, but plausible conclusions can be drawn through line-by-line scanning.

Electrification of informal areas

Perhaps the most important development is that the new Budget includes the INEP grant, which is a large sum compared to the amounts available for electrification in the previous year.

Table 7: INEP Allocations 2021/22 – 2025/26

Grant	2021/22	2022/23	2023/24	2024/25	2025/26
Integrated National Electrification Programme	10.7	43.8	5	15	/
Percentage change	/	309%	- 88.6%	200%	

In addition to the INEP grant, funds are allocated to Electrification of Informal Areas from other sources as well for 2024/25 and 2025/26.

Table 8 summarizes all informal settlement electrification spend planned for the years 2023/24 to 2025/26, distinguishing between money from the INEP grant and money coming from other sources in the municipality (borrowing and the capital replacement reserve).

Table 8: Electrification of informal areas: INEP and Non-INEP funds in draft Budget 2023/24

	2023/24	2024/25	2025/26	Ward	Financing
Non-INEP		150 000		4	Borrowing
		150 000		11	Borrowing
		150 000		6	Borrowing
		150 000		7	CRR
		150 000		8	CRR
		150 000		1	CRR
		150 000		3	CRR ⁸
INEP	2 976 522			4	INEP
	2 895 652			4	INEP
	2 413 043			4	INEP
	2 815 652			4	INEP
	643 478			4	INEP
	2 654 783			6	INEP
	1 608 696			6	INEP
	2 091 349			7	INEP
	2 895 652			7	INEP
	3 056 522			7	INEP
	2 734 783			7	INEP
	2 413 043			8	INEP
	2 413 043			8	INEP
	2 413 043			8	INEP
	804 348			8	INEP
	2 413 043			8	INEP
	803 348			11	INEP
Electrification Northern Area	0	4 347 826	13 043 478	6	INEP

⁸ Capital Replacement Reserve

TOTAL: Non-INEP	0	1050 000	0		
TOTAL: INEP	38 046 000	4 347 826	13 043 478		
TOTAL	38 046 000	5 397 826	13 043 478		

Standpipes

The Capital Budget indicates that R250 000 is allocated to standpipes in 2023/24. This is a welcome increase of 67% from the R150 000 allocated in 2022/23. However, there is no indication of which wards are to be prioritised, and no targets have been set for the number of standpipes to be installed. We would also like to see further standpipe allocations included in the outer years of the Budget (2024/25 and 2025/26).

Water Services Infrastructure Grant

The municipality has also received some money through the Water Services Infrastructure Grant (R2 956 522) that was not indicated in last year's budget, though with far larger amounts of R29 million and R31 million anticipated for the two outer years (2024/25 and 2025/26). Currently, there is no further detail on how precisely this amount will be used.

Vacuum Tanker

The allocation for the purchase of a Vacuum Tanker for Sewerage (R 3.6 million) was included in the previous budget to be spent in 2024/25 but has now been shifted to the new outer year (2025/26).

Knysna Vision (Upgrading of Informal Settlements Programme)⁹

'Knysna Vision' spend has also been shifted to two new outer years, with allocations now of R2.4 and R7.9 million. In other words, no money will be spent on this initiative in the current year.

Table 9: Knysna Vision Spend in Budget 2022/23 and Budget 2023/24

	2023/24	2024/25	2025/26
In 2022/23 Budget	R 2.4 million	R 6 million	/
In 2023/24 Budget	/	R 2.4 million	R 7.9 million

Hornlee and Sedgfield Infill (Informal Settlements Upgrading Partnership Grant)

Budget 2022/23 contained ISUP grant allocations for Sedgfield and Hornlee informal settlement infills for 2023/24. Neither of these allocations is found in the draft budget and no amounts are indicated for this grant in the 'Key Budget Projections' table.

Table 10: Sedgfield and Hornlee Infill in previous budget

	2022/23	2023/24	2024/25
Sedgfield Infill - Informal Settlements Upgrading Partnership Grant	/	12 420 000	26 165 000
Hornlee Infill - Informal Settlements Upgrading Partnership Grant	/	4 800 000	5 945 000

⁹ This programme tries to provide running water, sanitation, electricity and roads to informal settlements, but not necessarily houses.

Operating spend items to look out for

As noted, an operating budget has not yet been released. Table 11 below uses line items that are likely to pertain to informal settlements as captured in Budget 2022/23. We assume these offer some indication of how the municipality might approach operations in 2023/24.

Table 11: Informal Settlement operating spend in Knysna Procurement Plan 2022/23, for 2022/23 – 2024/25

Department		2022/23	2023/24	2024/25	Where in Process
Housing Administration	Wendy houses (aggregation of 5 line items) ¹⁰	1 042 135	1 088 177	1 137 145	RFQ process to be followed
	Emergency housing materials (aggregation of 9 line items, including one of 393 000)	879275	917963	959271	RFQ process to be followed
	Housing Rectification (aggregation of 7 equal line items)	1483426	1548694	1618386	EOI process to be used
	Temporary Toilets	2910129	3038175	3174893	Some tenders in place, some RFQ to be followed
Technical Services	Repair and Maintenance Informal Settlement Toilets	850000	843000	925014	RFQ to be followed
TOTAL		6 122 830	6 347 832	6 677 564	

7. Maintenance and repair in Budget: What can be known?

We, unfortunately, need to use 2022/23 data as operating spend is not provided as an Annexure. Asivikelane WC data shows that maintenance of basic service infrastructure (e.g., standpipes), and responding to concerns are important challenges in informal settlements. *Unfortunately, the 2022/23 operating budget also does not currently provide much detail with regard to these services.*

The operating budget contains the following line items which can be assumed to be for maintenance and related services, but with no detail, and no indication of the relation between maintenance and repair and total PPE asset value (which National Treasury recommends to be at least 8%). We have the following line items:

Table 12: Operating Budget possible maintenance spend, Knysna, as found in Budget 2022/23

Line Item		2022/23	2023/24	2024/25
134	Electricity Infrastructure	15 331 947	15 206 225	16 686 032
179	Sewerage Infrastructure	5 899 061	5 850 689	6 419 669
194	Water: Infrastructure	5 117 398	5 075 437	5 569 023
247	Refuse Removal: Transnet / Moss B	1 761 153	7 467 287	7 915 324
261	Water: Infrastructure ¹¹	80 000	83 520	87 278

¹⁰ i.e., smaller allocations have been added up. In this case 5 different allocations for the same purpose (Wendy Houses).

¹¹ No explanation given of difference between LI 194 and 261.

It is important that the Municipality make more effort to report on maintenance and repair of assets, both in terms of performance and allocations, and specifically honing in on this element in informal settlements, where Asivikelane WC reports suggest challenges remain.