



Submission on Nelson Mandela Bay Metropolitan Municipality's Draft 2023/24 Budget

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Submitted by: Luthando OVC Care Centre and International Budget Partnership South Africa as part of the Asivikelane Campaign¹ representing informal settlements communities in Nelson Mandela Bay Metropolitan Municipality.

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Evidence from the Nelson Mandela Bay Metropolitan Municipality's draft 2023/24 budget and Integrated Development Plan

Luthando OVC Care Centre and the International Budget Partnership South Africa (IBP South Africa) have reviewed and conducted an analysis of the Nelson Mandela Bay Metropolitan Municipality's draft 2023/24 budget and its draft Integrated Development Plan. Based on its detail, and input from informal settlements residents we work with, we would like to submit the following recommendations:

- **The City must increase the budget and ensure that sufficient funds are allocated for the installation of an adequate number of standpipes in informal settlements to ensure that communities have access to sufficient water.**

¹ www.asivikelane.org

The Metro has cut its budget for the installation of standpipes in 2023/24 from what it was in 2022/23. Residents have indicated that there are simply not enough taps in their settlements at present. We urge the metro to increase this budget allocation to increase access to taps in informal settlements. The metro is in the midst of a drought and yet the metro does not have a budget allocation for water tanks. **(See page 5)**

- **The City must work speedily to ensure that all informal settlement residents have access to sanitation, as 69% of residents say they do not have any toilet.**

Residents welcome the 151% increase in the budget of the Bucket Eradication Programme which aims to supply and install communal ablution facilities. This is a key step in ensuring that bucket toilets are entirely eradicated and that residents get access to sanitation where they have none. The Metro is, however, urged to implement this project rapidly to put a dent in the vast sanitation backlog that presently exists. The Metro is also urged to publish the budget that it plans to spend on chemical toilets. **(See pages 5 and 6)**

- **The City must provide details on how much of its 2023/24 budget will be allocated for refuse removal in informal settlements.**

Residents welcome the new budget allocation for skips in informal settlements, introduced for the first time in the draft 2023/24 budget. However, the Metro still does not say what it plans to spend on refuse removal in total for informal settlements, so it is impossible to see if the Metro is prioritising informal settlement refuse removal. It is crucial that this be prioritised by Metro as 76% of residents said in February that they did not receive any waste removal services. This has a detrimental effect on public and environmental health. **(See pages 6 and 7)**

- **The City must allocate more money to provide public lighting in informal settlements, as well as for the electrification of informal settlements, to make it safer for women and children.**

It is a major concern that the Metro cut the draft 2023/24 budget for the undeclared informal electrification programme by 93% from the 2022/23 adjustment budget. We urge the Metro to revisit this decision to ensure the safety of residents, who have continuously indicated that the lack of electricity and public lighting in their settlements makes it dangerous to use communal facilities. The Metro should also indicate which settlements will benefit from this program. The Metro has increased the total budget for three street lighting programmes slightly, which is welcomed. However, the Metro should specify which of these three programmes will benefit informal settlement residents. **(See pages 7 and 8)**

- **Residents welcome the significant increases to the budget allocations for upgrading projects in Area 11 Gunguluza and Khayamandi Phase 5.**

We applaud the Metro for increasing budget allocations for upgrading projects in these two settlements in which Asivikelane residents live. It is a testament to what can happen if the metro works with community members to address their plight. The upgrading budget for Area 11 increased by 62% from what was allocated in the adjustment budget, whereas the

allocation for Khayamnandi Phase 5 increased by 22%. We urge the metro to now explain to residents what will be delivered on the ground by these projects, and to implement these plans expeditiously. (See pages 8 and 9)

- **The Metro should provide a** specific budget allocation for repairs and maintenance of water and sanitation infrastructure in informal settlements.

We welcome the 14% increase to the repairs and maintenance budgets for water and sanitation infrastructure. However, the Metro has, once again, not published how much of this will be spent on prioritizing repairs and maintenance of water and sanitation infrastructure in informal settlements. Our evidence has illustrated that poor repairs and maintenance is a major contributor to poor access to taps and toilets.

Asivikelane assessment of the state of service delivery in Nelson Mandela Bay

Luthando OVC Care Centre² is a community organisation which seeks to improve living conditions amongst residents, especially in informal settlements. IBP South Africa is an NGO whose goal is to capacitate informal settlement communities to engage in municipal budgets.

Luthando OVC and IBP South Africa, along with NGO partner organisations across South Africa, are part of the Asivikelane campaign.³ The Asivikelane campaign gives a voice to informal settlement residents in South Africa's major cities who face severe basic service shortages. The campaign supports informal settlement communities to monitor water, sanitation and refuse collection, and to engage with their metro municipality about these services.

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

1.1 Water provision in informal settlements

In April 2023, 95% of residents said they wanted **more money allocated for water**. In light of the drought faced by the Metro, this prioritisation of budget allocations for water will be integral to ensuring that all residents have access to enough water.

The key reason why residents said that they wanted more money for more taps is because they do not have enough taps in their settlements. They also want the Metro to allocate funds to improve the drainage below the communal taps and install taps where there are none.

Evidence collected in February shows why residents want the Municipality to prioritise budget allocations for the provision of water. Although Day Zero has not yet hit the Metro, 26% of the 716 residents who participated in the survey in February said they did not have access to enough water. The majority of residents (75%) use communal taps, which explains the need for more taps.

² https://web.facebook.com/people/Luthando-OVC-Care-Centre/100067087715895/?paipv=0&eav=AfYmqA88jleviN4eJVffNmF-oP_ER_9cB2lFwgXTATrVLRWPgASTWv4Dk4TvRswyNjU&_rdc=1&_rdr

³ Asivikelane.org

In addition, many residents said they did not have enough taps and, in some cases, taps ran dry as a result of water restrictions. Residents also struggled with broken taps.

Residents who used water tanks and trucks all said they had access to enough water in February, a positive development in light of the drought which might necessitate the use of more emergency water delivery should the situation worsen.

1.2 Sanitation in informal settlements

A total of **95%** of residents want the Metro to **spend more money on sanitation**.

Residents want the Metro to provide toilets where there are none, as well as provide more toilets as they do not have enough toilets. Residents want the Metro to allocate money to replace old toilets that can no longer be used, as well as ensure that toilets are cleaned regularly.

The need for more money for toilets is urgent, as 69% of all the residents that participated in Asivikelane in February said they have **no toilets**.

Of those residents that use chemical toilets, 46% said their toilets are dirty and are not cleaned and drained often enough.

1.3 Waste removal in informal settlements

A total of **98%** of residents want the metro to budget **more money for refuse removal** in informal settlements.

Residents want the Metro to spend more money on refuse removal to provide services where there are none, provide regular waste removal where there are already services, provide wheelie bins and skips as residents do not have wheelie bins and skips, as well as provide refuse bags to informal settlement residents. Residents also requested more money for cleaning and clearing communal dumping sites.

Evidence collected in February shows there is an overwhelming need for improved waste collection. 76% of residents did not have their waste collected by the Metro in the previous 7 days. Some residents who do get a waste collection service said their waste is collected infrequently and that they need more refuse bags.

1.4 Repairs and maintenance in informal settlements

A total of **99% of residents** say they want the Metro to **allocate more money for repairs and maintenance** of informal settlements water and sanitation infrastructure.

Residents want the Metro to spend more money on fixing broken and blocked toilets, and to fix broken taps, and broken and leaking pipes.

Residents have told Asivikelane that even when they report breakages, the City does not fix faults or takes a very long time to fix them. In September 2022, 92% of residents said they reported faulty water and sanitation infrastructure. Unfortunately, 77% of those residents who did report the faults said the faults were still not repaired more than a month after they had been reported.

1. Evidence from the metro’s draft 2023/24 budget

2.1 Water provision in informal settlements.

There is one key project which delivers taps in informal settlements in Nelson Mandela Bay.

Standpipes are provided by the Installation of Standpipes and Associated Water Meters programme. The budget allocation for this project increased significantly in the 2022/23 adjustment budget, with an additional budget line item being added, but this additional item was removed in the 2023/24 draft budget. This means that the draft 2023/24 budget for standpipes has decreased by 56% from the adjustment budget. It should be noted though that the draft 2023/24 allocation of R8 million is still 33% higher than the adopted 2022/23 allocation of R6 million.

2.1.1 Standpipes in informal settlements

Department	Programme Description	2022/23 Adopted Budget Rand	2022/23 Adjustment Budget Rand	2023/24 Draft Capital Budget Rand	2024/25 Draft Capital Budget Rand	2025/26 Draft Capital Budget Rand	% Increase between 2022/23 Adjustment Budget and 2023/24 Draft Budget	% Increase between 2022/23 Adopted Budget and 2023/24
Metro Water Service	WATER: INSTALLATION OF STANDPIPES AND ASSOCIATED WATER METERS	6 000 000	18 157 390	8 000 000	9 000 000	10 000 000	-56%	33%

*Source: Draft 2023/24 Capital Works Plan, Page 16 and 2022/23 adjustment budget

We urge the Metro to continue spending in line with what was budgeted in the 2022/23 adjustment budget. There is still a major need for more taps to be installed, as there are not enough taps in the informal settlements. The IDP lists settlements⁴ which will seemingly benefit from the installation of standpipes and associated water meters, but it is not known if all settlements listed in the IDP, which are part of the Upgrading of Informal Settlements Programme, will receive standpipes in this coming financial year. The Metro should state the settlements in which they will install taps in 2023/24, as well as indicate whether the list is exhaustive or whether settlements not listed in the IDP will be able to benefit from this programme in this coming financial year. We further call on the Metro to say how many taps will be installed.

Another point of concern is that the Metro does not provide any detail on what it plans to spend on water tanks in the coming financial year. This information is critical in light of the ongoing drought, in order to ensure that residents have access to water if the taps do run dry.

⁴ 2023/24 Draft reviewed Integrated Development Plan, page 198-202.

2.2 Allocations towards new communal toilets

The main project providing toilets in informal settlements is the Bucket Eradication Programme which supplies and installs communal ablution facilities in informal settlements.

We welcome the move that the Metro has increased the allocation for this programme by 151% from its 2022/23 adjustment budget. The budget increases from R8,06 million in the 2022/23 adjustment budget to R20,2 million in the 2023/24 draft budget. This is critical as residents in informal settlements in Nelson Mandela Bay struggle tremendously with access to sanitation.

2.2.1 Toilets in informal settlements

Department	Programmes	2022/23 Adopted Capital Budget Rand	2022/23 Draft Capital Adjustment Budget Rand	2023/24 Draft Capital Budget Rand	2024/25 Draft Capital Budget Rand	2025/26 Draft Capital Budget Rand	% Increase between 2022/23 Adjusted Budget and 2023/24 Draft Budget
Sanitation	Programme: Bucket Eradication (10043) - Total	6 177 150	8 067 821	20 226 090	10 000 000	5 000 000	151%
	Bucket Eradication Programme: Supply and Install Communal Ablution Facilities	6 177 150	200 000	10 000 000	10 000 000	5 000 000	
	Sanitation: Construction of Communal Ablution Facilities		7 867 821	10 226 090			

*Source: Draft 2023/24 Capital Works Plan, Page 12 and the 2022/23 adjustment budget

Given the severe sanitation backlog as detailed by the Asivikelane campaign, the Metro is urged to implement this project speedily. The list of projects in the IDP under the Upgrading of Informal Settlements Programme includes settlements that are going to benefit from the Bucket Eradication Programme. There are projects on the list that indicate that some settlements will also receive toilets, but not as part of the Bucket Eradication Programme. It is unclear if the provision of those toilets will also be funded from the budget for the Bucket Eradication Programme. The information in the IDP is also not clear enough to see if all the settlements on that Upgrading list will receive toilets in the 2023/24 financial year.

The Metro does not show in its operating budget how much it plans to spend on the supply and servicing of chemical toilets.

2.3 Allocations for refuse removal in informal settlements

It is not possible to see how much Nelson Mandela Bay plans to spend on refuse removal in informal settlements. In a welcome move, the Metro has, for the first time, set out how much it plans to spend on contracted services for refuse removal. However, we urge the Metro to go further and specify how much of this budget item will benefit informal settlements. Metros generally use contractors to remove refuse when they do not have the internal capacity to do so.

2.3.1 Contracted services refuse removal

Expenditure Item Description	2023/24 Draft Budget Rand	2024/25 Draft Budget Rand	2025/26 Draft Budget Rand
Expenditure: Contracted Services: Outsourced Services: Refuse Removal	53 848 040	57 341 590	61 055 850

*Source: Page 27 Draft Budget Report 2023/24-2025/26

The Metro, also for the first time, has a separate line item specifically for skips for informal settlements. This is welcomed, as it shows the metro has moved towards prioritising waste removal in informal settlements; in prior years, this was grouped together with bulk waste containers in general.

2.3.2 Skips for informal settlements

Department	Item	2023/24 Draft Budget Rand
Public Health	Purchase of waste containers (15cm ³ Skip Bins) for informal settlements	1 150 430

*Source: Page 21 of the 2023/24 Draft Capital Works Plan

The Metro, unfortunately, does not show how much it plans to spend on the provision of refuse removal bags to informal settlements. We urge the Metro to provide this information in the final budget.

2.4 Electricity and public lighting in informal settlements

There are two programmes that provide informal housing electrification; one programme for the electrification of state subsidised houses, another for undeclared informal electrification. While the budget has increased by almost 70% for the electrification of state subsidised houses, many settlements will not benefit from this as only a limited number of settlements will be receiving housing in this coming financial year. This makes the budget for undeclared informal electrification important, as it is critical that informal settlement residents have access to electricity even if they are yet in the pipeline to receive formal housing. The budget for undeclared informal electrification has, however, decreased by 93%. This is of major concern, and the Metro should revisit and explain this decision.

2.4.1 Informal Housing Electrification

Programme	2022/23 Adjusted Budget Rand	2023/24 Draft Capital Budget Rand	2024/25 Draft Capital Budget Rand	2025/26 Draft Capital Budget Rand	% Increase
Programme: Informal Housing Electrification (10012)	55 463 290	27 728 500	26 839 200	26 839 200	
<i>Electrification of State Subsidised Houses</i>	14 820 740	25 069 400	26 839 200	26 839 200	69%
<i>Undeclared Informal Electrification</i>	40 642 550	2 659 100			-93%

*Source: Pages 108 and 109 of 2022/23 adjusted budget AND page 18 of the draft 2023/24 Capital Works Plan

The Metro also has different projects to provide public lighting in the metro. It is, however, not clear which of these projects will benefit informal settlements. There is a major difference between the projects set out in the adjustment budget to those in the 2023/24 capital budget. Only three projects remained in the capital budget, which is what is now being considered in this analysis.

2.4.2 Street lighting

Programme	2022/23 Adjusted Budget Rand	2023/24 Draft Capital Budget Rand	2024/25 Draft Capital Budget Rand	2025/26 Draft Capital Budget Rand	% Increase
TOTAL: Programme: Street Lighting (10017)	64 826 080	25 826 080	28 695 650	26 956 520	-60%
<i>Public Lighting</i>	7 000 000	10 000 000	10 000 000	10 000 000	
<i>Public Lighting - Refurbishment/Retro fit</i>	10 000 000	8 000 000	10 000 000	10 000 000	
<i>E&E - EEDSM Energy Efficient Public Lighting</i>	7 826 080	7 826 080	8 695 650	6 956 520	
<i>Coega Reinforcement - Public Contributions</i>	20,000,000	-			
<i>Public Contribution - Private Township</i>	3,000,000	-			
<i>Miscellaneous Mains and Substations (Split from 19930255</i>	13,500,000	-			

*Source: Page 18 of the 2023/24 Draft Capital Works Plan and the 2022/23 adjustment budget

It is of concern that the total budget for street lighting in the Metro has decreased by 60% from the 2022/23 adjustment budget to the 2023/24 draft budget. It seems as if there were some once-off projects included in the 2022/23 adjustment budget, while only three projects seem to be ongoing. The total budget allocations for the three ongoing projects have, however, increased slightly from R24.8 million in 2022/23 to R25.8 million in 2023/24. The increase in these projects is welcomed as the Metro should prioritise public lighting in informal settlements, as lighting has a major impact on safety, especially for women and children who live in informal settlements.

2.5 Allocations for upgrading Area 11 and Khayamnandi Phase 5

The Metro has once again published a detailed list of settlements that will benefit from upgrading projects in its IDP, which we applaud.

There are two areas in which Asivikelane works that will benefit from upgrading projects provided for in the budget, namely Area 11 in Gunguluza, and Khayamnandi Phase 5.

We welcome the R30.8 million rand which will be spent on Area 11 in 2023/24, an increase of 62% from the R19 million set aside in the adjustment budget for Area 11. This is a major win for residents in Area 11. The Metro should, however, clearly explain to residents which services will be delivered, e.g., if water reticulation includes both pipes and taps.

2.5.1 Upgrading projects in Area 11

	2022/23 Adjusted Budget Rand	2023/24 Draft Capital Budget Rand	% Increase
Kwanobuhle Area 11: Roadworks (HS)		8,238,000	

Kwanobuhle Area 11: Stormwater Reticulation (HS)		4,159,000	
Kwanobuhle Area 11: Water Reticulation (HS)	2,500,000	1,000,000	
Kwanobuhle Area 11: Sewer Reticulation (HS)	3,500,000	1,500,000	
Kwanobuhle Area 11 PH6: Roadworks	6,000,000	8,000,000	
Kwanobuhle Area 11 PH6: Stormwater Reticulation	2,739,130	4,000,000	
Kwanobuhle Area 11 PH6: Water Reticulation	1,695,650	1,000,000	
Kwanobuhle Area 11 PH6: Sewer Reticulation	2,608,700	3,000,000	
Total for Area 11	19,043,480	30,897,000	62%

*Source: 2023/24 Draft Capital Works Plan, page 1, and 2022/23 Adjustment Budget

The budget for upgrading projects in Khayamnandi Phase 5 has also increased by 22% from R9,03 million in the 2022/23 adjustment budget to R11 million in the 2023/24 draft budget, which is welcomed.

2.5.2 Upgrading Projects in Khayamnandi Phase 5

Programme: Services for Housing Delivery (10074)	2022/23 Adjusted Budget Rand	2023/24 Draft Capital Budget Rand	% Increase
Khayamnandi Phase 5 - Roadworks (Human Settlements)	7,223,800		
Khayamnandi Phase 5 - Stormwater Reticulation (Human Settlements)	1,811,200		
Khayamnandi Phase 5 - Water Reticulation (Human Settlements)		4,000,000	
Khayamnandi Phase 5 - Sewer Reticulation		7,000,000	
Total for Khayamnandi	9,035,000	11,000,000	22%

*Source: 2023/24 Draft Capital Works Plan, page 4, and 2022/23 Adjustment Budget

2.6 No repairs and maintenance budget item for informal settlements

The Metro has increased its overall budget for repairs and maintenance, as well as the repairs and maintenance budget for water supply infrastructure and for sanitation infrastructure.

The increase is welcomed, but it is not known how much of this budget will fund repairs and maintenance in informal settlements.

The Metro should also clarify its spend on repairs and maintenance as a percentage of Property, Plant and Equipment (PPE), as it currently states that it is 0%. This cannot be correct, as it plans to spend more money than last year when the spending on repairs of maintenance as a share of PPE was 3.1%.

If the 2023/24 repairs and maintenance budget is approximately the same as the 3.1% of PPE in 2022/23, then the Metro should increase its budget further to be in line with the National Treasury guideline of 8% of PPE.

The Metro is also urged to ringfence money for repairs and maintenance of informal settlement water and sanitation infrastructure. This is crucial as a broken tap or toilet can result in residents having no access to water and sanitation, even though their settlements have been provided with these services.

5.1 Repairs and Maintenance by Asset Class

R000	2022/23 Adjusted Budget Rand	2023/24 Draft budget Rand	% Increase
Total Repairs and Maintenance	581 119	660 370	14%
<i>Water Supply Infrastructure</i>	89 295	101 473	14%
<i>Sanitation Infrastructure</i>	75 465	85 766	14%
R&M as % of PPE	3.10%	? (Budget says 0%, but that seems unlikely)	

*Source: Pages 68 and 69 of the draft 2023/24 - 2025/26 Budget Report