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## Development Action Group (DAG)



SUBMISSION TO THE CITY OF CAPE TOWN (COCT/CITY) ON ANNEXURE A.  
2024/25 – 2026/27 DRAFT BUDGET, 27 MARCH 2024

30 APRIL 2024

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### 1. INTRODUCTION

The Development Action Group (DAG) is a leading non-profit, non-governmental organisation working throughout South Africa to fight poverty and inequality and promote integrated urban environments. Established in 1986, DAG works with dispossessed communities towards empowering active citizenry to realise integrated, inclusive, and equitable cities.

DAG presents this submission as part of the Asivikelane Campaign<sup>11</sup> representing informal settlements communities in the City of Cape Town. The overarching focus of the submission is on repairs and maintenance, and the extent to which adequate dedicated funding for this purpose is paramount to improving informal settlements' access to basic services.

Section 2.1. below provides a summary of our key recommendations while section 2.2. includes our review of the draft budget

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<sup>1</sup> In March 2020, the International Budget Partnership South Africa (IBP South Africa) and its civil society partner organisations, including DAG, launched the Asivikelane Initiative. This initiative gives a voice to informal settlement residents in South Africa's major cities who face severe basic service shortages. It supports informal settlement communities to monitor the delivery of water, sanitation and refuse collection services and to engage with their municipality about these services. See: <https://asivikelane.org/about/>.

## 2. KEY CONCERNS AND RECOMMENDATIONS

Based on an analysis of the City of Cape Town's draft 2024/25 budget<sup>2</sup>, DAG and informal settlement residents in the City of Cape Town would like to submit the following recommendations to be considered in the final budget.

### 2.1. RECOMMENDATIONS

1. **The City should work closely with informal settlement residents to ensure the targeted spending of the dedicated allocation for water and sanitation operations and maintenance.** Communities have indicated they would be happy to work with the City to find ways they can participate in the repair of minor faults. Communities can also assist the City in identifying areas of most urgent need.
2. While we are very encouraged by the dedicated allocation of R745 million for informal settlement water and sanitation operations and maintenance, we urge **the City to provide a detailed breakdown in its final budget of how it intends to use this amount.** This level of detail will show informal settlement residents which specific aspects of water and sanitation will benefit from this allocation and will allow them to hold the City accountable for this expenditure.
3. **The City should include a specific line item in its budget for the repairs and maintenance of communal taps and toilets and its connection infrastructure in informal settlements.** As discussed in Section 2.2 below, broken water and sanitation infrastructure remains a major challenge in informal settlements, and dedicated funding to address this will ensure that residents can use the infrastructure which is already in their settlements.
4. **The City should provide separate line items for the servicing of chemical and portable toilets.** This information will show residents how much the City is spending on these interim services and also assist them in holding the City accountable for this expenditure.
5. **The City should include in its final budget dedicated funding to support skills training for communities to participate in basic repairs and maintenance of infrastructure in informal settlements.** As already mentioned, informal settlement residents have indicated that they are keen to repair minor faults themselves. By setting aside funding to pay for skills training, the City can make sure that residents can actively contribute to relieving some of the repairs and maintenance pressures in informal settlements.

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<sup>2</sup> City of Cape Town (COCT/City). Annexure a. 2023/24 - 2025/26 Draft Budget, 29 March 2023.

## **2.2. KEY CONCERNS**

### **2.2.1. Asivikelane's Evidence: Lack of Repairs and Maintenance of Informal Settlement Taps and Toilets**

Since March 2020, the Asivikelane campaign has collected evidence which shows that residents have no or inadequate access to water and sanitation in many settlements in Cape Town. Over the same period, residents have consistently reported that the lack of repairs and maintenance of communal taps and toilets is one of the main contributors to inadequate access to water and sanitation.

For example, in September 2022, 60% of Cape Town informal settlement residents participating in Asivikelane said that their taps are broken, while 80% said that there is something wrong with their toilets. The most common faults reported are broken and leaking taps, low water pressure, broken toilet doors and locks, blocked toilets and toilets that could not flush.

The impact of faults not being repaired or repaired promptly means that residents who do have access to taps and toilets can often not use these services for weeks, or even months.

In March 2022 only around 40% of residents said that the municipality or contractor fixed their broken tap, tank or toilets after they had reported it. Around a third of residents said that the community ended up repairing the fault.

In September 2022, residents who indicated that something was wrong with their tap, water tank or toilet (all types) at the time of data collection were asked if they had reported the fault and how long ago they had reported the fault. Eighty-five (85%) of residents said that they had reported it more than a week ago, while 65% of residents said that they had reported the fault more than a month ago, and it had not been fixed yet.

We note that the City improved its fault reporting system during the 2023/24 financial year, by including the common water and sanitation faults in informal settlements on the Customer Relations Management service menu and in the online reporting tool, as well as providing access to the City via its WhatsApp channel.<sup>3</sup> However, in August 2023 and October 2023, residents again provided evidence of numerous faults with both taps and toilets. In August 2023, 90% of residents said their tap head is not properly attached to the standpipe, 29% said their tap is broken, and 39% said it is leaking. Additionally, 43% of residents said their toilet is not in working order, while 34% complained of a leaking toilet.

Residents also continued to highlight the slow response times when they reported faults. They have shared that municipal workers complain that they are unfamiliar with the areas

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<sup>3</sup> City of Cape Town (COCT/City). Annexure a. 2023/24 - 2025/26 Draft Budget, 29 March 2023, pp.153.

where they need to repair faults, and struggle to find the broken taps or toilets.

As mentioned, residents have indicated that they would be happy to find a way to work with the City to repair minor faults to their water and sanitation facilities. This will address both the delays in repairing faults as well as the struggles associated with locating (often unnumbered) taps and toilets.

### 2.2.2. What Does the City of Cape Town’s Draft 2024/25 Budget Say?

We are very happy about Cape Town’s allocation of R745 million for water and sanitation operations and maintenance. The City, however, does not provide a detailed breakdown of exactly what this amount will fund.

Water and Sanitation operations and maintenance activities can range from the regular servicing of chemical and portable toilets to the repairs of communal taps and toilets. It is particularly concerning that the City does not show what has been set aside for the latter, given the ongoing reports of broken taps and toilets, including broken pipes connecting water to facilities, and broken pipes leading away waste water.

Anecdotal evidence collected for the Asivikelane campaign suggests that spending on maintenance and repairs in formal areas crowds out spending on maintenance and repairs in informal areas. Some metro officials said that there are budget constraints, while others say there are trade-offs between maintenance in informal settlements and other water and sanitation maintenance. Another official admitted that budget constraints prevent that metro from conducting proactive inspection of facilities in informal settlements and doing preventative maintenance. This highlights the need for dedicated funding for the repairs and maintenance of informal settlements taps, toilets and connector pipes.

The City of Cape Town does show us what they have been spending and intend to spend in 2024/25 on repairs and maintenance in general.

**Table 1: Budget allocations for repairs and maintenance by asset class**

|                          | 2021/22   | 2022/23   | 2023/24        |                    | 2024/25      | % change between 2023/24 full-year forecast and 2024/25 draft budget |
|--------------------------|-----------|-----------|----------------|--------------------|--------------|--|
| [R' 000]                 | Outcome   | Outcome   | Adopted budget | Full-year Forecast | Draft budget |  |
| <b>Total repairs and</b> | 4,468,279 | 5,091,380 | 5,483,217      | 5,805,652          | 5,666,091    | -2%  |

|                                    |         |         |         |         |         |    |
|------------------------------------|---------|---------|---------|---------|---------|----|
| <b>maintenance</b>                 |         |         |         |         |         |    |
|                                    |         |         |         |         |         |    |
| <b>Water supply infrastructure</b> | 483,319 | 505,293 | 650,187 | 682,065 | 703,999 | 3% |
| <b>Sanitation infrastructure</b>   | 620,607 | 770,392 | 617,577 | 704,971 | 710,489 | 1% |
|                                    |         |         |         |         |         |    |
| <b>R &amp; M as % of PPE</b>       | 8.0%    | 8.5%    | 8.1%    | 8.6%    | 7.5%    |    |

Table 1 above shows a slight decrease of 2% in the City’s total repairs and maintenance budget between the 2023/24 full year forecast and the 2024/25 draft budget. This has also resulted in the City no longer budgeting 8% or more of the value of its Plant, Property and Equipment (PPE) for repairs and maintenance. This is a National Treasury guideline, and it is disappointing that the City’s share has fallen to 7.5%. It is encouraging to note that the budgets for water supply and sanitation infrastructure were not cut – we assume that money from these budgets fund repairs and maintenance to informal settlement taps, toilets, and connector pipes.

We urge the City to ring-fence funds specifically for the repairs and maintenance of informal sector taps, toilets, and pipes to ensure that enough money is spend in these settlements to make sure all residents have access to working taps and toilets.