

ANNEXURE "Q"

LG MTEC ASSESSMENT



Western Cape
Government

CAPE WINELANDS DISTRICT MUNICIPALITY

LG MTEC INTEGRATED PLANNING AND BUDGETING ASSESSMENT: ANALYSIS OF MUNICIPAL IDP, SDF AND BUDGET

Western Cape Government

MAY 2017

TABLE OF CONTENTS

LIST OF ACRONYMS3

SECTION 1: EXECUTIVE SUMMARY5

SECTION 2: COMPLIANCE REVIEW7

SECTION 3: INTEGRATED PLANNING8

SECTION 4: ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS15

SECTION 5: ASSESSMENT OF THE BUDGET RESPONSIVENESS19

SECTION 6: CREDIBILITY AND SUSTAINABILITY25

SECTION 7: MAIN POINTS AND RISKS/RECOMMENDATIONS33

LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre
KPA	Key Performance Area

KPI	Key Performance Indicator
kWh	kilowatt hour (1000 watt hours)
LED	Local Economic Development
LUPO	Land Use Planning Ordinance
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MMP	Maintenance Management Plan
MVA	Megavolt Amperes (1 Million volt amperes)
MWh	Megawatt hour (1 Million watt hours)
NRW	Non-revenue Water
NDHS	National Department of Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WC	Water Conservation
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

SECTION 1: EXECUTIVE SUMMARY

The annual assessment of municipal budgets and Integrated Development Plans (IDPs) by provincial governments is essential. The importance of this assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring, oversight and support role to municipalities as stipulated in the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and Constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2017/18 MTREF Budget, draft 2017 – 2022 Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality on **8 May 2017** where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP, SDF and various other strategies and plans.

An overview of the detailed assessment set out below provides the Municipality with a synopsis from each of the main sections of the report.

Conformance with the MFMA, MSA and Municipal Budget and Reporting Regulations (MBRR)

The Municipality is requested to complete all of the applicable supporting tables when the final budget is tabled for approval to council. A thorough and informative assessment couldn't be done because of non-completion of these schedules, therefore impacting on the credibility of the budget.

Responsiveness of IDP, SDF and Budget

It is clear that the District's 2017/18 tabled budget has been developed amidst several fiscal constraints relating to the Municipality's limited own-revenue generating capacity. The budget, in its current form, does give effect to several mandated functions including the most critical ones such as fire-fighting services, municipal health services and local economic development.

Credibility and Sustainability of the Budget

All the assumptions must be clearly captured in the budget document to ensure credibility, reliability, completeness and reasonability of the budget as per Regulation 16 of Schedule A.

The Municipality is advised to refer to published DoRB and Provincial Gazettes for accurate disclosure of grant funding and budgeting.

SECTION 2: COMPLIANCE REVIEW

This section outlines the level of compliance with the preparation and submission of the draft IDP, Draft SDBIP and Annual Budget. The detail can be found in the Appendix that was issued to the Municipality on 7 April 2017.

The compliance letter was sent to the Municipality highlighting partial or non-compliance issues which the Municipality needed to attend to. However, it is important to note that there were material gaps or missing information in Schedule A. The Municipality is encouraged to address those gaps before the tabling of the final budget.

SECTION 3: INTEGRATED PLANNING

3.1 INTRODUCTION

The IDP is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the Municipality. Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the Municipality.

The 2017 - 2022 Draft IDP provides strategic direction for all the activities of the Municipality over the next five years and is linked to the council term of office. The 2017 - 2022 approach takes into consideration the integration of social, economic and environmental concerns through an analysis of environmental and socio-economic issues, the formulation of strategic development objectives, and the development of assessment and prioritisation criteria, the setting of indicators, targets and performance assessment.

3.1.1 Strategic Overview of the IDP (4th Generation IDP)

Chapter 3 of the Cape Winelands District Municipality (CWDM) 2017 - 2022 Draft IDP provides an overview of Municipality's socio-economic profile including levels of access to basic services in the District.

The overview includes an estimation of growth in population at approximately 7 per cent increase over the 5-year term of IDP. The increase will have implications in terms of future planning for the District. A performance evaluation for service provision per municipal service type is reflected through a comparison between the Cape Winelands District municipal area to the rest of the Province. Though the assessment of the existing level of development in terms of access to basic municipal services is well reflected, the identification of basic service levels per town would be more useful in the 2017 - 2022 Final Adopted IDP.

In terms of access to water, the CWDM increased its service levels by 18.3 per cent against the Province's 18.2 per cent. Access to sanitation as at the end of 2016 improved by 26 per cent in CWDM compared to the 24 per cent across the Province. For electricity provision the CWDM falls short by 3.5 per cent against the Province, while CWDM leads by a marginal difference of 25.2 per cent for access to refuse removal.

The 2017 - 2022 Draft IDP reflects alignment to the SDGs, NDP, PSP (WC), CWDM Strategic Objectives, CWDM Predetermined Objectives and CWDM Programmes and Projects.

The 2017 - 2022 Draft IDP has an Integrated Development Plan Implementation Map which reflects how each of the District Municipality's Strategic Objectives translate to a number Outcome Indicators and Key Performance Indicators, each linked to specific targets over the next 5 years. This also reflects the linkage between the 2017 - 2022 Draft IDP and the budget for the new 5-year term of office in broad terms.

3.2 DISASTER MANAGEMENT

The 2017 - 2022 Draft IDP indicates that the CWDM is well capacitated with regard to its Advisory Forum and well organised given regular quarterly meetings with the local municipalities in the District. According to the 2017 - 2022 Draft IDP all disaster management structures are in place and functional. The Disaster Forum meets bi-annually which is sufficient for a District.

The District Municipality projected funds for a disaster risk assessment to be conducted during the 2017/18 financial year, which builds on to the district-wide Community Based Risk Assessment (CBRA) done during the 2016/17 financial year. The 2017 - 2022 Draft IDP notes the importance of ensuring coordination of multi-disciplinary and sectoral disaster risk reduction for which an amount of R5.95 million reflects. It is however not clear exactly for which financial year this amount is budgeted for.

It should be noted that the District Municipality's full Disaster Management Plan dated 2016 was annexed to the 2017 - 2022 Draft IDP, together with a list of various contingency plans.

Recommendation

It is recommended that the District Municipality utilise the disaster risk register template for capturing developmental risk that may require mitigation in its 2017 - 2022 Final Adopted IDP.

3.3 LOCAL ECONOMIC DEVELOPMENT

The 2017 - 2022 Draft IDP reflects the current economic status, the needs and requirements for economic development including Regional Economic Development for the Cape Winelands District.

The District Municipality's Local Economic Development (LED) Strategy provides an economic overview of each sector which is supplemented with employment data that consists of the different skill levels (skilled, semi-, low-, informal) in each incumbent sector.

The LED strategy indicates that its main goal is to generate investment in the Cape Winelands District. The associated increase in investment would foster economic growth within the region. In order to facilitate investment in the region, the Cape Winelands Investments Attraction and Opportunities Strategy (CW-IAOS) was developed.

The District Municipality has designed a Local Economic Development Management System which provides a platform that enables stakeholders to keep better track of the Municipality's work regarding LED related projects and objectives.

As part of its pre-determined development objectives, the 2017 - 2022 Draft IDP notes that economic development must be achieved amongst others, through SMME support. Also, the importance of spatial transformation is prioritised in the District Municipality Integrated Municipal Engagements. The District Municipality also participates in the SMME Opportunity Roadshow, which aims to generate revenue and broaden the tax base.

The lack of employment in the CWDM is a major concern to the business environment. Each incumbent party should therefore play a role in mitigating the issues surrounding the overall business environment. The role of provincial and local government, as well as private stakeholders, in terms of economic development is described in the 2017 - 2022 Draft IDP.

3.4 AGRICULTURE

The Cape Winelands District is the heartbeat of the Agricultural sector in the Western Cape and makes a significant contribution to the economy of the region. Despite this, the 2017 - 2022 Draft IDP reflects limited information of this sector, only quoting GDP and highlighting a few employment figures. Moreover, the 2017 - 2022 Draft IDP identifies overconsumption of water, water quality, erosion and soil pollution as challenges for the Agricultural sector.

The 2017 - 2022 Draft IDP makes no reference to climate figures such as rainfall, temperature and prevailing winds and exclude aspects of Climate Change.

Section 11.1 of the 2017 - 2022 Draft IDP makes reference to the 10 highest risks for the CWDM, where it identifies weaknesses in the environment and physical controls and water quality in rivers as two of the highest risks. Although the 2017 - 2022 Draft IDP indicates that the District Municipality has mitigating measures to deal with each of the risks, it is not clear what exactly will be done.

The 2017 - 2022 Draft IDP provides a comprehensive socio-economic snapshot including relevant demographic information of the CWDM population. However, no clear focus on the socio-economic conditions of agricultural worker component of the population is mentioned.

Recommendations

It is recommended that:

- The 2017 - 2022 Final Adopted IDP should provide more detail on mitigation measures specifically in relation to drought and water challenges.
- The 2017 - 2022 Final Adopted IDP includes relevant information from the Farm Worker Census report conducted during the 2015/16 financial year in the Cape Winelands region.
- The District Municipality notes findings made in the Western Cape Climate Change Response Framework and to incorporate relevant adaptation and mitigation strategies proposed into the 2017 - 2022 Final Adopted IDP.

Against the background of the National Government's effort to establish District Agri-parks together with the Provincial Project Khulisa focusing on Agri-processing for job creation, the 2017 - 2022 Final Adopted IDP should include relevant information pertaining to these issues.

3.5 SOCIAL SERVICES (HEALTH, EDUCATION, SAFETY AND SECURITY, CULTURAL AFFAIRS AND SPORT, SOCIAL DEVELOPMENT)

3.5.1 Health

The 2017 - 2022 Draft IDP presents a comprehensive analysis of the demographic profile in terms of health and compares different health indicators of the Cape Winelands District Municipality to the Western Cape Province which provides valuable insight of the impact and load on health.

The 2017 - 2022 Draft IDP provides a detailed analysis of the health care burden of diseases, including HIV/AIDS, TB, Child and Maternal Health comparing the district and the province. Reference is also made to the burden of Sexual Offences, crime (including drug related), driving under the influence in order to illustrate the impact on health and health services.

Recommendation

It is recommended that the District Municipality properly reference the sources from which data, statistics and information was obtained in the 2017 - 2022 Final Adopted IDP.

3.5.2 Education

The 2017 - 2022 Draft IDP provides education specific statistics that relates to the 2013/14 and 2014/15 financial years. To this end, the Western Cape Department of Education will provide the Municipality with updated statistics for inclusion in the 2017 - 2022 Final Adopted IDP.

Recommendation

It is recommended that the Municipality reflects the updated statistics that will be provided by the Department in the 2017 - 2022 Final Adopted IDP.

3.5.3 Community Safety

The Department of Community Safety (DOCS) has noted that the Municipality makes use of strategies, programmes and projects with objectives and targets to ensure safety of communities in the municipal area.

Reference to the promotion of safety and the linkage to the Sustainable Development Goals, National Development Plan, Vision 2030, Provincial Strategic Plan as well as to the Game Changer on Alcohol Harms reduction is acknowledged.

While the information about partnership projects with Business Against Crime is acknowledged, the 2017 - 2022 Draft IDP provides no information on Community Police Forum training and community safety.

Recommendation

It is recommended that the 2017 - 2022 Final Adopted IDP makes reference to the Community Police Forum training programmes as well as to the Safety Plans in the 2017 - 2022 Final Adopted IDP and all subsequent Reviews and Amendments.

3.5.4 Cultural Affairs and Sport

The 2017 - 2022 Draft IDP elaborates extensively on strategies, programmes and projects aimed at supporting sport and social services priorities. To this end, budget allocations for the Easter Sports tournament, Freedom Run, Drama festival, and the regional Sports Awards is reflected in the 2017 - 2022 Draft IDP.

The 2017 - 2022 Draft IDP indicates a breakdown of projects that the District Municipality budgeted for per Strategic Objective, reflecting huge amounts of funding towards Sport, Recreation and Culture Programmes; Sport Tourism Winter Campaign as well as for Upgrading of Sport Facilities. This indicates that the District Municipality is serious about the development of sports, arts and culture and its potential to bring about better social cohesion amongst its communities.

Recommendation

It is recommended that the District Municipality engages the Department of Cultural Affairs and Sport regarding support and improved alignment of its arts and culture and sports projects.

3.5.5 Social Development

The 2017 - 2022 Draft IDP identifies social projects which the District Municipality fund to support communities, thereby addressing different social problems across the District. The District Municipality partners with other sectors, organisations and interest groups where necessary to devise strategies to address challenges, to address social problems in the wider CWD.

3.6 PUBLIC PARTICIPATION

The District Municipality implements its IDP Communication Plan to effectively execute public participation with all stakeholders and to keep the community informed about the resolutions of council. An IDP Capacity Building Project is used to capacitate all stakeholders around IDP and Budget processes in order to provide valuable input into the 2017 - 2022 Draft IDP.

According to the IDP/Budget Public Participation Road Map as indicated in the 2017 - 2022 Draft IDP, the District Municipality conducts public participation sessions. Public Participation sessions were held with sectors between October and November 2016, while at a District level consultation meetings started in October 2016 through to end April 2017.

The District Municipality acknowledges the importance of public participation processes in compiling the IDP and ensures that all relevant stakeholders provide input, be it through engagements or collecting written input from stakeholders.

3.7 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The 2017 - 2022 Draft IDP reflects that the District Municipality has embarked on a comprehensive process to have all posts on their approved organisational structure redesigned in terms of the TASK Job Evaluation System to promote delivery on the objectives of the IDP. No vacancies exist in the macro structure of the District Municipality according to the 2017 - 2022 Draft IDP.

The 2017 - 2022 Draft IDP provides no clear indication of an adopted performance management system framework. However, the District Municipality has developed a Service Delivery and Budget Implementation Plan that is used as an instrument to measure performance management. The District Municipality is currently in the process of reviewing its staff establishment in terms of Regulation 4 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers.

Recommendations

It is recommended that:

- The District Municipality expedite its organisational redesign process to ensure the implementation of the objectives of the 2017 - 2022 Final Adopted IDP.
- The District Municipality review its performance management system framework by indicating the alignment of IDP, SDBIP and Individual Performance Management to all staff to ensure accountability, monitoring and measuring of performance to achieve organisational effectiveness.

3.8 JOINT PLANNING INITIATIVES

The 2017 - 2022 Draft IDP provides extensive detail regarding the Provincial Joint Planning Initiatives (JPIs) led and supported by different sector departments. A list with each JPI per local municipality is reflected in the 2017 - 2022 Draft IDP. In certain instances, the District Municipality provides direct support to local municipalities in the implementation of JPIs.

The JPI information mentioned in the 2017 - 2022 Draft IDP affords citizens the opportunity to obtain knowledge about the joint investment footprint made by provincial government and local municipalities to improve service delivery in the district.

SECTION 4: ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

4.1 SPATIAL DEVELOPMENT ANALYSIS

4.1.1 Directorate of Planning Intelligence, Monitoring & Research

Whilst the 2017 - 2022 Cape Winelands Draft IDP clearly articulates the strategic intent and associated strategic objectives of the Cape Winelands District Municipality, the Municipality is encouraged to give consideration to recommendations made herein to pursue an inclusive, holistic, cohesive and integrated strategy to act as a framework to lead and direct growth and development, and bring about transformation for the District as a whole.

This approach will entail a revision of the situational analysis to reflect more extensively on the most critical development challenges, and key strengths and opportunities in the District, including a holistic analysis and synthesis of local municipalities and the respective situational assessments, inclusive of an assessment of the state of development planning across all local municipalities in the District. The Cape Winelands District is one of the fastest growing districts in the Western Cape Province, and the state of readiness of stakeholders to deal with urbanisation, growth and development, and service delivery in the District is paramount.

The importance of having development planning decision-making instruments in place to enable swift decision-making under the new LUPA 2014/SPLUMA 2013 dispensation for Cape Winelands is therefore critical. This holds true both for the IDP as well as for the SDF.

It is recommended that the IDP, and upon review of the SDF, should be updated with the most recent base information. This should be followed by a full analysis and synthesis of the information and alignment thereof to all relevant legislated directives, strategies, frameworks and policy imperatives at local, provincial, national and even international level. This would lead and direct growth in the district to achieve the desired and spatially just, sustainable and resilient outcomes. Following on from the analysis and synthesis, it is recommended that clear linkages be made with the strategies, projects and programmes in the IDP as well as in the SDF.

It is also recommended that adequate consideration be given to key legislative and policy frameworks, and that the IDP be updated with the most recent information in this regard. Note that reference to the Millennium Development Goals has been superseded with the new 17 Sustainable Development Goals.