

FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

(Incorporating Fish Hoek, Clovelly and Sun Valley)

Central Circle, Fish Hoek 7975

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Heritage Western Cape: Conservation Body

TO: THE CITY MANAGER, Budget.Comments@capetown.gov.za

SUBJECT: COMMENTS ON THE 2020 / 21 - 2022 / 23 DRAFT BUDGET OF
26 MARCH 2020 (ANNEXURE A)¹

DUE DATE: 2 MAY 2020 AT 16:30

1. DISCUSSION

We appreciate that City rates and tariff increases are closer to the inflation rate. However, our concern is the blatant attitude that the City thinks it can continuously increase personnel and expenditure and fund it by increasing rates and service charges on a more or less fixed number of households irrespective of the economic circumstances which were dire even before the current Covid-19 pandemic. Due to Covid-19, the economy is expected to contract by up to six basis points into negative territory. Many ratepayer organisations including overarching bodies such as the Far South Peninsula and Greater Cape Town Civic Alliances have communicated internally of a potential rates revolt from its respective members due to these hardships and arrogant increases without commensurate services by the City. KPI metrics are quoted in the budget, but nowhere in the strategies or executive summary is there a reference to increasing productivity per employee or per unit of capex. An Opportunity, Safe, Caring, Inclusive, Well-Run City with good governance are all wonderful objectives / strategies, but they need to be realised at affordable cost. The City cannot just go on raising the rates by 10% per annum, year after year in an economy that is in recession. The philosophy is similar to that of national government which has now got RSA to the stage that we will be likely to default on our debts ².

Housing Delivery: Will housing delivery to overcome the legacies of apartheid (page two) ever be met? There doesn't seem to be a plan with targets.

Employee Related Costs: The Cost Containment Policy on page two should include the "above inflation" personnel costs. On page seven, employee related costs increase by 11.99% which would be 35.2% of the total budget. Any increase above inflation itself becomes a CPI determinate in increasing inflation. Despite SALGA / SALGBC's wage agreement of CPI (5% - however, it should actually be 4.7% as stated on page 87) plus 1.25%, this 11.99%, which is above SALGA's 6.25% means an increase in staffing of 5.5% (for undefined service enhancements). If staff numbers weren't increasing, then page 15's R166m on Corporate Accommodation shouldn't be required. On page eight, the 26.81% increase in Safety and Security's staff cost budget to then become the largest Directorate cost centre, seems misplaced as they do not have powers of SAPS arrest and have restricted working hours. Likewise, the 14.97% increase in Corporate Services (Finance, HR, IS&T, I&KM, Legal Services, Council Support, Communications, OE&I, OPM, P&S, Resilience, etc.) is unacceptable as this department mainly serves in support of service delivery departments. This department has become too bloated. The doubling of spatial development / planning professionals and the doubling of technicians is noted, but no explanation has been offered. Also unexplained is the reason management salaries (packages of R 2,5 to R 3,5million) are also increasing by 13%. Reduce headcount, especially management numbers, and purchasing of office space will not be necessary.

Toilets: It is not just the informal settlements and backyard dwellers that need toilets as mentioned on page six. It is also the homeless / street people / rough sleepers that invade civic properties, CBDs, public open spaces and absent landlord premises after business hours and with impunity, in the beach dunes and under the Clovelly / Fish Hoek Silvermine River Metrorail and road bridges. Please add that Fish Hoek needs more public toilets for our street people.

1 <https://bit.ly/2UI5Pvm>

2 <https://www.politicsweb.co.za/opinion/dodging-default>

Law Enforcement: This budget proposes R4,5 billion in total for safety and security for "combating crime" on page 163 and speaks of new initiatives, such as the Law Enforcement Advancement Program (LEAP) that adds a further 1 000 Law Enforcement Officers to the city on page eight, Without SAPS authority of arrest and due to limited working hours, we have to question the wisdom of this increased allocation and its potential efficacy of Law Enforcement's ability to combat crime. Law Enforcement isn't even able to keep the homeless off the City's various premises after hours nor especially in the CBD areas.

Regarding CCTVs on page 167, they need to be smart linked to track vehicles between cameras as criminals move from one area to another, thereby not necessitating dangerous high-speed chases..

Property Rates: A 3,96% increase is proposed in the residential property rate-in-the-rand from R0,00555 c/R to R0,00577 c/R on page 10. Yet on page nine it states that property rates increased by 7.13% across the City on a rates growth of 0.5% (page 90). This needs some explanation please.

Page nine continues by saying that no rates are payable for residential properties on the first R300 000. Our contention is that everybody must pay something. The actual amount can be small. Our request is psychological as in order to appreciate City services, one must pay something towards them. This will advance parts of our society from feeling owed to being a part of building our economy and thus, wanted to preserve the City's assets instead of destroying them during civil unrest.

Suites at the Cape Town Stadium for R207.268 m on pages 11 and 16 is mentioned, but there is no return on investment (ROI) metric discussed on pages 205 to 207. One has to compare this R207m with the much lower and much more necessary Infrastructure replacement at Wastewater Treatment Works and replacement of the sewer network city-wide at R110 million.

Corporate Services Directorate plans capital expenditure of R55.8 million (2020/21), R294 million (2021/22) and R192.3 million (2022/23) on page 12. However, the justification and return on investment (ROI) are not found anywhere in this document.

Roads: The northern entrance to Fish Hoek (Main Road) undulates. As part of the R1.732 bn capex for Transport on page 15, the previous Muizenberg to Clovelly services infrastructure upgrade needs to continue to connect to the water pipes being upgraded from First to Fifth Avenues.

Wastewater Treatment: On page 78 it says the wastewater treatment is a "risk-based approach". We need tertiary wastewater treatment plants (UV, ozone, peroxide) capable of killing harmful bacteria and breaking down harmful chemicals (industrial and domestic chemicals, pesticides, insecticides, pharmaceuticals, hormones, strong acids and bases, toxins) before being released back into our aquifer, rivers and coastal waters. These chemicals are now being found in our coastal fish. We support the need for "Improving the existing wastewater effluent quality" on page 79.

Electricity: 4,83% On page 144 it states that the **1895** department aims to "Manage the City's Small Scale Embedded Generation program, which provides for a limited amount of excess generation of small scale renewable energy generators to be fed back onto the municipal grid and to receive an associated credit;" To us, it sounds like the City still needs to implement two-way meters for SSEGs who can contribute to the City grid when Eskom can't always. SSEGs should at least be able to lower their monthly tariffs to zero where they add to the City's base more than they extract as electricity users.

Water and Sanitation: There is a proposed 4.5% increase on the level 1 tariffs (including the fixed basic charge) recommended for implementation from 1 July 2020. The proposed increases for the no restriction and emergency levels are also 4.5%. The proposed increases for level 2 and level 3 are 6.5% and 6.5% and 8% respectively. Our comment is that by making backyard users and indigent tariff free up to 10.5kl monthly, social housing institutions to 6 kl and indigent meters free, this just encourages abuse and actually serves to attract more people into the City that are unable to pay, which the actual ratepayers are cross subsidising. However, we support senior citizen rebates as they would most probably have been past rates payers.

Refuse collection: Proposed increases of 3,5% and disposal 5.1% (cleaning). However, we feel that indigents should have to pay something to encourage the purchase of less non-recyclable packaging.

Good Hope Centre: On page 13 it states that the Good Hope Centre Upgrade Phase 3 will cost R200 million in 2022/23 to upgrade and redevelop the entire Good Hope Centre precinct. The centre

has reached the end of its life cycle and requires re-investment to become fully compliant with all regulations and fit for use / purpose. CCIT is already able to provide the Good Hope Centre's "use and purpose". Thus, the Good Hope Centre is redundant and should be sold.

IT Equipment for Councillors: On page 15 "IT Equipment: Councillors (R14.1 million) to procure laptops for councillors after the Local Government elections in 2021" seems excessive when compared with the current 271-member City Council Councillors each being given a top-range laptop of R20,000. When R20k is multiplied by 271, the result is only R5.42 m. Even if there 300 new councillors and their staff, that is still R47k each.

Water Quality: On pages 77, 78 and 192 it states that "As a water service provider, the City constantly strives to improve its performance with respect to water quality management." We prefer to not have geosmin in our drinking water. Cyanobacteria (blue-green algae) is usually present after algal blooms caused by an increase in temperature and nitrogen. Our late summer geosmin is most probably coming from Cyanobacteria, which can also produce toxins. Please improve the chlorination and filtration systems.

Informal trading in the context of leveraging local area successes on page 186, but informal trading is also mentioned on page 163 as being another item to be dealt with by Law Enforcement along with copper theft and land invasion. The trading bays leased to informal traders seemingly at random spots for R93 / month needs a rethink. The trading bays are unserved. There is no provision of serviced rubbish bins, no fresh water, no toilet facilities, no waste pipe for cooking, no on-site lock-up safe storage area and no plan to promote informal to formal traders. These bays are not visited by health inspectors or monitored to ensure they do not compete with similar items amongst other informal and formal traders. Law Enforcement has to ensure stolen, counterfeit or illegal goods are being sold. Please rethink this concept. This is not how a Caring City is supposed to act.

Conspicuous by their absence

Stormwater is not mentioned in the budget at all. Its systems need to be redesigned possibly creating subterranean leach fields to recharge the aquifer. Currently, any problems with sewage pump stations result in subterranean transfers of effluent (sewage spills) into the nearest stormwater system. Sewage pumps are affected by load shedding events. Even those with generators have difficulty switching back to mains power as they do not have self-resetting switches (this technology has been available for years) and then, to cap it off, the City's telemetry warning system fails repeatedly. The backup pumps then cannot cope with the backlog causing spillages into the stormwater systems. In Fish Hoek / Clovelly, the two culverts ending in the Silvermine Wetlands / Estuary are particularly affected by spillages and noticeable as they kill all of the fish. Sewage spills into the two stormwater systems ending on the beach are noticeable by all residents and tourists the City so desperately is trying to attract. Please sort out this problem and make proper provision in this budget.

All stormwater grates should have "Don't litter – The sea starts here" stencil painted. Surveillance cameras have recorded dumping of night soil and left over food being dumped into our grates.

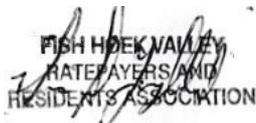
Another area not mentioned due to the timing of the lockdown, is the "additional spend of R40 million per month on personal protective equipment for staff members and cleansing". We wonder where the source of funding will be from this unfunded demand. On page 51 of the current year's adjusted budget surplus is R7,742,454. With appropriate (open limit) tenders in place, the health department could be the conduit. Of some concern is the full costs of "additional support to the health system are as yet unquantifiable, but could be significant, especially for a City government"³.

2. SUMMARY OF RECOMMENDATIONS

- Stop the annual increases in personnel;
- Communicate a plan to meet the housing deficiency created by apartheid;
- Stop the annual increases in the budget size and align the staffing with actual engineering service delivery needs (water, sewage, stormwater, roads, etc.);
- Provide public toilets for the homeless and informal traders;
- Explain the property rates increased by 7.13% on a rates growth of 0.5%, but only a 3,96% increase in the residential property rate-in-the-rand;

³ City Media Statement of 31 March 2020, "City projects R40 million extra monthly spend on protective gear, negative cash flow, so please pay your bill "

- Require all residences, regardless of value, to pay rates so that all may learn to appreciate City services instead of just feeling they are owed;
- Stop the increase in Law Enforcement headcount as they are not SAPS and operate in restricted hours only;
- Integrate CCTVs to enable following a vehicle from camera to camera;
- Show the return on investment (ROI) or don't build the Stadium's Suites;
- Show the ROI for each Corporate Services Directorate capital project;
- Upgrade to tertiary wastewater treatment facilities;
- Expedite the SSEGs ability to add to the City's grid;
- Enforce payment for water by all residents to help everyone appreciate that this is a limited resource;
- Ensure that everyone pays for rubbish removal to help limit the use of non-recyclables;
- Sell the Good Hope Centre;
- Limit the extravagant spend for new councillors' IT equipment;
- Remove all geosmin from our drinking water;
- Rethink informal trading as the current system is not working;
- Redesign stormwater systems;
- Paint all stormwater grates using the stencil "Don't litter – The sea starts here"; and
- Explain the source of the "additional spend of R40 million per month on personal protective equipment for staff members and cleansing"

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