



REPORT TO ALL SUBCOUNCILS

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1. ITEM NUMBER: 16 SUB 38/11/19

2. SUBJECT

PUBLIC PARTICIPATION PROCESS FOR EARLY CHILDHOOD  
DEVELOPMENT (ECD) DEVELOPMENT COST CHARGES EXEMPTION  
CRITERIA

ONDERWERP

OPENBAREDEELNAMEPROSES VIR VROEËKINDONTWIKKELING (VKO):  
VRYSTELLINGSKRITERIA VIR ONTWIKKELINGSHEFFINGS

ISIHLOKO

INKQUBO YENTATHO-NXAXHEBA YOLUNTU EJOLISWE KUMMISELO  
WOKUKHULULELWA KWAMAZIKO OPHUHLISO LWABANTWANA  
ABASELULA (ECD) KWIINTLAWULO ZOPHUHLISO

L2042  
3. PURPOSE

To notify Subcouncils of the distribution of the draft Early Childhood  
Development, Development Costs Charges Exemption Criteria, and call for  
input, between 4 and 30 November 2019

4. FOR DECISION BY

The Subcouncils – in terms of PART 24 Clause 5(1) of the System of  
Delegations:

*"To comment on by-laws and policies of Council within the timeframes  
advertised and submit comments and objections to the Executive Mayor  
together with the Mayoral Committee for submission to Council."*

The Children's Act and its regulations pertinent to registration of partial care centres (ECD centres) in South Africa, pose many challenges for centres throughout impoverished communities and informal settlements. One of the biggest problems with the registration process is the cost to register. Many of these centres trying to start up and operate in very low income areas cannot afford these fees, and therefore fail to register which in turn leads to them not meeting legislative requirements.

It is these unregistered centres that will benefit from the reviewed Development Charges policy and the proposed ECD Development Cost Charges Exemption criteria. The public participation process outlined in Annexure A seeks to solicit comment from communities on the proposed criteria. Besides advertising on the print and online platform, a session with City-wide ECD forums will be held to further engage the sector on the proposed ECD Development Cost Charges Exemption criteria.

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## 6. RECOMMENDATIONS

Not delegated: for decision by Subcouncils

It is recommended that:

- a) The Sub-council note the public participation process to be followed
- b) That the Subcouncil submit its comments on the draft Early Childhood Development Criteria before 30 November 2019

## AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur subraad.

Dit word aanbeveel dat:

- a) Die subraad kennis neem van die openbaredeelneproses wat gevolg moet word.
- b) Dat die subraad voor 30 November 2019 sy kommentaar oor die konsepweergawe van die kriteria vir vroeëkindontwikkeling indien

## IZINDULULO

Zigunyazisiwe: isiqqibo sesaMabhungana:

Kundululwé ukuba:

- a) Ibhungana maliqwalasele inkqubo yentatho-nxaxheba yoluntu ethe yalandelwa
- b) IBhungana malingenise izimvo zalo malunga nommiselo oluyilo

L2042

## 7. DISCUSSION/CONTENTS

### 7.1. Constitutional and Policy Implications

Planning legislation enables the City to impose a requirement for applicants and developers to pay a once-off development charge (also known as bulk infrastructure contribution levies or development contributions) where new or additional land use and development rights are granted. The payment of such Development Cost Charges are required to cover the cost of municipal engineering services required by and the additional impact on the City's bulk infrastructure networks as a result of and associated with such approved development or land use. This financing mechanism ensures the cost associated with infrastructure provision and development is borne by the beneficiaries or owners of such a development and that the City's normal ratepayers are not burdened with this.

Guided by the City's Policy on Development Charges for Engineering Services (as adopted by Council on 29 May 2014), imposing such requirement as conditions of approval in new developments is standard practice throughout the City. This financing mechanism is important to ensure the financial sustainability of the City and that it is able to continue providing basic services to its citizens and consumers, thereby creating an enabling environment for economic growth and attractive investment destination as part of the Opportunity City objective. Notwithstanding and over and above financial sustainability, the City of course has other competing strategic objectives which it must balance, for instance ensuring access by communities to appropriate ECD services.

The Development Charges Policy sets out in detail which development types attract this charge and to what extent. It also identifies a number of more minor application and development types which doesn't attract Development Costs Charges due to its insignificant additional impact on bulk infrastructure networks. Amongst others, this includes small scale ECD centres accommodating up to 34 children per establishment.

Where ECDs are larger than this threshold, development charges are indeed imposed when approving these new ECD centres. Whilst it is generally discouraged as it would undermine the policy objectives and the City's ability to provide service infrastructure in a financially sustainable manner, the policy also sets out the circumstances under which exemptions from such charges could be considered in a fair and responsible manner.

#### Sustainability implications

Does the activity in this report have any sustainability implications for the City?

No ☒

Yes ☐

**7.2. Legal Implications**

Not applicable

**7.3. Staff Implications**

Does your report impact on staff resources or result in any additional staffing resources being required?

No ☒Yes ☐**7.4. Other Services Consulted**Community Services and Health Portfolio Committee  
Public Participation Unit**ANNEXURES**

Annexure A - Public Participation process

Annexure B - Early Childhood Development – Development Charges Cost  
Exemption Criteria**FOR FURTHER DETAILS, CONTACT:**

<b>NAME</b>	Nazlie du Toit
<b>CONTACT NUMBERS</b>	0214174088
<b>E-MAIL ADDRESS</b>	Nazlie.duToit@capetown.gov.za
<b>DIRECTORATE</b>	Community Services and Health
<b>FILE REF NO</b>	[Insert file ref no which should be provided by your Registry Office]

  
**DIRECTOR**  
**ALFONSO SAULS**

Comment:

NAME

DATE

5/11/2019



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**STAD KAAPSTAD**

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### Early Childhood Development Criteria

**[Reference Codes]** (The reference code will be allocated by Executive Support on submission of the policy)

**Document Control:**

<b>Director/Manager Responsible</b>	Community Services and Health
<b>Version Number</b>	
<b>Status</b>	e.g. Approved
<b>Next Review Date</b>	
<b>Previous Review Date</b>	
<b>Contact Details</b>	Manager: Centralized Operations, Programs and PMO Social Development and Early Childhood Development Community Services and Health Directorate <b>Tel:</b> 021 417 4088 <a href="mailto:Nazlie.duToit@capetown.gov.za">Nazlie.duToit@capetown.gov.za</a>

## 1 Background

Studies have shown that investment in early childhood development is one of the most effective, long term strategies for poverty reduction. Investment in Early Childhood Development (ECD) is critical to ensure better performance in formal schooling which has a positive knock-on effect on entrepreneurship, employment and the overall economy

Poor households have a disproportionately large burden of care for young children. Most children under 6 live in households where no-one is employed or engaged in income-generating activities. (GHS- 2002-2014, analysis by Children's Institute).

*"Shortfalls in early childhood development are difficult to correct as time goes by. These children are always playing catch up and the education gap between them and their peers widens over time,"* Sonja Giese, executive director of Ilifa Labantwana – an NGO working to promote ECD, and co-author of The SA Early Childhood Review.

The most recent list of known ECD facilities provided by Western Cape Provincial Department of Social Development (2017) reflect 2456 ECD Centres City-wide. However, it is estimated that some 1400 additional unregistered ECD Centres operate within the boundaries of the City. It is the latter, unregistered centres that will benefit from the reviewed Development Charges policy and the proposed criteria.

Social, political, economic and environmental inequalities contribute to the many challenges that the ECD sector faces in South Africa. Establishing and operating an ECD facility, particularly in under resourced communities, is further challenged by poorly trained staff, funding support, infrastructure requirements, capacity of crèche staff, community dynamics, and government regulations.

Regulations surrounding ECD centres in South Africa pose many challenges for centres throughout impoverished communities and informal settlements. One of the biggest problems with the registration process is the cost to register. Many of these centres trying to start up and operate in very low income areas cannot afford these fees, and therefore fail to register, which in turn leads to them not meeting legislative requirements. ECDs are further unable to meet other regulations in certain informal settlements, such as available (safe and enclosed) outdoor play areas for the children, which stipulates an allocation of two square metres per child. Many of these settlements are so dense with structures that this is just not an option. Again, that centre would fail to meet the regulations and therefore fail to register as an early childhood development centre.

## 2 Strategic Alignment

This set of criteria supports the City of Cape Town Development Charges Policy

## 3 Criteria

- 3.1 All Early Childhood Development Centres may apply for an exemption of Development Charges subject to meeting certain criteria as per paragraph

- 3.1.1 Properties must be used exclusively as an ECD Centre and provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes. As per the Protocol Agreement between the City and Western Cape Provincial Department of Social Development, the ECD Monitoring and Evaluation Unit of Provincial DSD will provide the necessary information required to ensure applicants remain compliant.
- 3.1.2 All applications must comply with relevant health and safety regulations.
- 3.1.3 The erf of the ECD centre must be properly zoned.
- 3.1.4 The applicant must produce a current tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962).
- 3.1.5 Applications for exemption must be in writing in the prescribed form and must reach the Municipality before 1 March of each year.
- 3.2 All applications of ECDs up to 34 children do not pay any Development Charges, this pertains to smaller home based applications in all areas and also aligns with the ECD policy and space requirements available on most of these sites. Where DCs are applicable it is a once off payment and will form part of land use application requirements.
- 3.3 Directorate Spatial Planning and Environment: Development Management Department in consultation with Social Development & ECD, to write a report to Council for approval of all applications.
- 3.4 The municipality preserves the right to refuse an application if the details supplied in the application form are incomplete, incorrect or false. Copies of any document must be accompanied by the original document in order to ensure authenticity.
- 3.5 The use of any land or buildings, or any part thereof, shall not be for the private benefit of any individual, whether as a shareholder in a company or otherwise. Applications for subsidies from Provincial DSD must be accompanied by financial statements ensuring that the services rendered are not for profit.
- 3.6 If during any financial year, any such land or building is used for any purpose other than the purpose for which it was so granted an exemption, the payment of DCs will become liable.
- 3.7 The property shall not be state owned.
- 3.8 Once the application is granted, the Applicant is required to submit annually, an Affidavit confirming the use of the property preceding the start of the municipal financial year for which relief is sought.
- 3.9 All ECDs operative may be considered for exemption.
  - a. All ECDs with less than 35 children will be exempted from paying DC charges.

- b. ECDs that have more than 35 children and can prove that the joint parental income of parents is less than R15 000-00 per month will be exempted from paying DC charges.

#### 4 **Monitoring, Evaluation and Review**

- a. Criteria will be evaluated on an annual basis and amended as is required
- b. Criteria will be amended as is required to comply with directives from the Department of Social Development





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# Pre-Public Participation Plan

<b>NAME OF PROCESS</b>	Early Childhood Development Criteria
<b>LINE DEPARTMENT</b>	Social Development and Early Childhood Development
<b>RESPONSIBLE OFFICIAL</b>	Nazlie du Toit
<b>PPU PRACTITIONER</b>	Margaret Isaacs

## Brief background

Regulations surrounding ECD centres pose many challenges for centres that operate in impoverished communities and informal Settlements. Many of these centres operate at a very low income and cannot afford registration cost. It is estimated that 1400 unregistered ECD Centres operate within the boundaries of the City, these centres will benefit from the reviewed Development Charges policy and the proposed criteria.

## Project objective

- To solicit public comments on the revised Development Charges policy and proposed criteria
- To ensure that all relevant internal and external stakeholders have been consulted and that proper public participation procedure has been followed

## Public Participation Process

Period	25 October 2019 – 30 November 2019
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Mark with an "X"

Localised Process	<input type="checkbox"/>	City Wide Process	<input checked="" type="checkbox"/>
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**Sub council:** *If a Localised Process*, please indicate which Sub councils are affected. Mark with an "X"

0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2
1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5

## Communication Matrix

Push Tools	Description
Newspapers (Indicate which newspapers)	All Community Newspapers, Voice and Son
Media Release	Media Release - Radio's and other platforms identified by Communications
Communication to Ward committee members and organizations listed on Subcouncil database	Notification forwarded to ward committee members and Community Organisations/Non-profit organisations listed on the Subcouncils database
Communication to ECD Sectors	Notification forwarded to ECD Forums listed on SDECD database
Distribution of information to unregistered ECD's in informal areas	Distribution of summary and advert to unregistered ECD's in informal areas
Pull Communication & Access Points	Description
City's Webpage	The process to be published on the City's website and downloadable information on <a href="http://www.capetown.gov.za">www.capetown.gov.za</a>

Local Library	Notification and information to be visibly displayed at the local library
Sub Council Offices	Notification and information to be visibly displayed at Subcouncil offices
Telephone (Insert telephone number)	021 200 1183 / 021 400 1184
E-mail: (Insert)	Public.Participation@capetown.gov.za
Postal Address (Indicate where submissions can be posted to)	Nazlie du Toit  Manager: Centralized Operations, Programs and PMO Social Development and Early Childhood Development Community Services and Health Directorate Cape Town Civic Centre Hertzog Boulevard Cape Town

## Action Plan

Deadlines	Task/Function	Responsibility
25 October 2019	<b>A pre-public participation plan discussion with the Community Services and Health PC Chairperson</b>	SDECD/PPU
28 October	<b>Submit report for notification to relevant Subcouncils</b> (Subcouncil meetings commence 18 November 2019)	PPU
29 October	<b>Submit Draft Advert to Communication (Karen Thompson) for:</b> <input type="checkbox"/> Editing and Translations <input type="checkbox"/> Publication in the relevant newspapers  <b>Publication Date: Community Newspapers: 04 November 2019</b>	Public Participation Unit
29 October	<b>Submit Online Advert to E-Communication for:</b> <input type="checkbox"/> Publication on the website <input type="checkbox"/> Setting up on online comment form  <b>Publication Date: 04 November 2019</b>	Public Participation Unit
04 - 06 November	<b>Media Release</b>	Communication
04 – 06 November	<b>Notification Distribution</b> Forward to Subcouncils for distribution to ward committee members and organisations listed on the database SDECD to forward advert and summary to ECD Forums	PPU SDECD
04 November 2018	<b>Public Participation Process goes live.</b> (this include stakeholder notification)	PPU
04 November	PPU (EPWP) will drop off copy of advert and info to unregistered ECD's	PPU
16 November	City wide Sectoral engagement with ECD Sector in Council Chamber	PPU/SDECD
1 <sup>st</sup> week in December	Submit report of public comments to SDECD	PPU

