

CITY OF CAPE TOWN

5 YEAR PLAN FOR CAPE TOWN

Integrated Development Plan (IDP) 2007/8 – 2011/12

EXECUTIVE SUMMARY



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU



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MESSAGE FROM THE MAYOR

Our Integrated Development Plan (IDP) is a plan for how the City of Cape Town will spend its money until 2012, on what, and where. It is a plan to help us set our budget priorities. The IDP is agreed upon between local government and residents of the city. It is a plan for the entire city and not just for specific areas.

It is part of a bigger process that we follow each year, which includes us drawing up a draft budget, a final budget and the setting of rates and service charges. There are difficult choices that we need to make, for example, we have to match the amount of rates and tariffs we charge with the level of services needed in a City that is growing rapidly, and whose infrastructure is badly in need of maintenance and upgrades.

Our IDP is also guided by the Constitution, which gives specific powers and responsibilities to local government. We are responsible for providing roads, electricity distribution, water and sewerage systems, wastewater treatment, public health, traffic safety, urban planning, by-law enforcement, and sites and services for housing. This division of responsibilities between different spheres of government is important to understand.

Local government cannot address problems in schools, hospitals, or in the South African Police Services, to give just three examples. These are under the control of the Provincial Government.

After doing careful studies of the main challenges in Cape Town, and after consulting widely with the public, we decided that our main focus area for our IDP should be infrastructure led economic growth. We want to use our services and our investments in infrastructure in a way that will make Cape Town more attractive to investors and skilled workers, and more globally competitive. Investors create jobs, and help to drive development.

They create more opportunities for everyone, especially the poor and unemployed. If we don't invest now in better services in infrastructure, investment and new developments will be constrained, and new opportunities, especially jobs, will not materialise. For this reason, our IDP also focuses on making our local government a more efficient organisation, with well managed human resources and enough staff capacity to deliver services in greater quantity and of better quality than ever before.



INTRODUCTION BY THE CITY MANAGER

The City has reviewed the Integrated Development Plan (IDP), canvassing our residents, commerce, industry and many other stakeholders. The Message from the Mayor outlines key adjustments made to the IDP as part of the review process in a rapidly changing environment in order to deliver on the City's strategic objectives. These adjustments show our responsiveness both to the views and needs of our residents and stakeholders, and our awareness of the changing environment in which Council and the Administration functions.

Every year we need to review our course and make the necessary adjustments to arrive at the City's desired end destination. The City Administration has been working hard to stabilise its structures and make them efficient, effective and accountable. Our realignment is almost complete after a huge corporate effort.

In order to make sure that we continue on the right path toward our main objective of infrastructure led economic growth, we must review our IDP each year and make adjustments after consulting with residents.

Our IDP must be able to take into account shifts in the global and local economy over the past year and any practical challenges that arise.

Firstly, we have to address the fact that the international economy and the South African economy are slowing, which will affect growth, investment and job creation in the city.

Secondly, we have to find ways of maintaining service levels in the face of an energy crisis caused by Eskom's failure to meet national demand, and the regular power cuts this causes.

Thirdly, the shortage of technical skills across South Africa is also becoming an increasing challenge for economic growth and for government service delivery.

Fourthly, rapid urbanisation in Cape Town means that for every family now receiving a house, 350 are still waiting. A number of incidents over the past year, including violent protests and invasions of houses, have also shown that this situation can create social upheaval.

And finally, on the positive side, investments around 2010 from National and Provincial Government are helping Cape Town to upgrade infrastructure, particularly public transport.

In response to these developments our reviewed IDP for 2008 introduces the following new proposals:

- An added area of focus in the IDP – Energy Efficiency for a Sustainable Future. This is intended to address Cape Town's energy needs with the help of a new political oversight committee and administrative team. It is intended to drive the conservation of energy in the short term, to minimise power cuts, and in the longer term to reduce the amount of pollution that Cape Town generates in order to protect the environment.

- The formation of a new Development Facilitation Unit, a team in the City that can support investors and help to make investment in Cape Town easier.
- The development of a fibre optic network in the metropolitan area to cut the City's own information, communication and telecommunication costs, and to provide spare broadband capacity to the private sector in order to bring down the cost of telecommunications in Cape Town.
- The development of the first phase of a Bus Rapid Transit programme with dedicated bus lanes to improve public transport, as part of our plan to introduce a rapid bus transit system that will make commuting in Cape Town easier.
- Building stronger relationships with tertiary educational institutions (universities, technical colleges and so on) in order to share knowledge and to encourage these institutions to train more people with the kind of skills that Cape Town needs.
- Pursuing our application for housing accreditation. This will allow us to deliver housing without having to get approval from the Provincial Government on new projects, which will remove a layer of red tape and enable the City to deliver housing more efficiently and effectively.
- Improving local service delivery by setting up systems that help the public hold councillors and City officials to account for the level of services, with local teams reporting to Sub Councils on service programmes and responses to complaints from residents

I believe these initiatives will help us meet our key objective of infrastructure led economic growth. You have the opportunity to comment on the revised IDP, including the above proposals, and we very much want to hear your views.

HELEN ZILLE



EXECUTIVE MAYOR

We have been placing displaced staff, finalising job descriptions, establishing parity in pay scales, recruiting scarce technical skills where needed. This has done much to stabilise the Administration and create a platform for effective and responsive service delivery. An improved, faster procurement process has also added to that capability. This makes it possible to ensure that the Capital Budget is fully spent on the City's infrastructure, so that the City's roads, stormwater, electricity, water, sewerage and solid waste systems, as well as our community, sport and recreational facilities are kept in the best possible operating order.

Getting the City's Administration into a strongly functional state thus allows the effective and efficient provision of municipal services to our residents, commerce and industry. Extending basic services to our Informal Settlements is a key element of our business plans. We are also investing in infrastructure, and aligning the City's investment programme

with those of National and Provincial Governments and the State Owned Enterprises. This enables the private sector to invest confidently in our City, and generate the economic growth and job creation we desire. The 2010 FIFA World Cup has been a catalyst for the accelerated investment programme into public infrastructure that is well under way, strengthening our basis for future economic growth.

I believe we are well poised to improve service delivery to our community and we are setting the platform for long term, sustainable, economic growth.

ACHMAT EBRAHIM



CITY MANAGER



THE IDP: PURPOSE AND OVERVIEW



Purpose

In accordance with the Municipal Systems Act, section 35, the City adopted the Integrated Development Plan (IDP) 2007-2012 as its principal strategic instrument to guide and inform its planning, management and development. This binds the City in the exercise of its executive authority, except where it conflicts with national or provincial legislation, in which case such legislation prevails. It also informs the City's contribution to work initiated through intergovernmental processes involving Provincial and National Government. The Integrated Development Plan is a five-year developmental plan for the city, setting strategic and budget priorities which have far-reaching effects on the life, opportunities and health of the 3,3 million people in the city. The present IDP was developed in 2007, and during each year is subjected to a review process in which citizens and stakeholders put their views and needs to the city administration. The IDP is thus agreed upon between local government and residents of the City. But needs are many and funds are finite. Difficult choices need to be made. For example, the IDP has to match and adjust the amount of rates and tariffs charged against the level of services needed. Urgent immediate needs must also be balanced against long-term development requirements, such as for infrastructure to support population and economic growth over the coming decades. Eskom's example has sharply demonstrated that lack of realistic long-term and responsive planning can lead to the brink of disaster.

A key strategic principle is to improve the lives of all by promoting growth that results in shared economic development, which includes and benefits the poor. Central in setting priorities are the eight Strategic Focus Areas illustrated here, with their goal of a prosperous city, with effective and equitable service delivery and a well-governed and efficiently run administration. Urban efficiency and institutional effectiveness are the pillars on which the system of planning rests, and the city has to work to upgrade and strengthen its own administration even as it carries out its functions. The annual IDP review process enables the City to respond fast to changing circumstances – as for example the electricity crisis and the threatened international and national economic slowdown. The city is negotiating to be protected from Eskom's projected load shedding if, with the help of residents, it is able to cut power use by 10%. A new Strategic Focus area of the IDP responds to this by planning for Energy Efficiency and a Sustainable Future.

The City's strategic framework

GOAL:

- a) A prosperous City.
- b) Effective and equitable service delivery.
- c) A well governed and efficiently run administration

STRATEGIC FOCUS AREAS:

1. Shared economic growth and development
2. Sustainable Urban Infrastructure and Services
3. Energy Efficiency for a Sustainable Future
4. Public Transport Systems
5. Integrated Human Settlements
6. Safety and Security
7. Health, Social and Human Capital Development
8. Good Governance and Regulatory reform

URBAN EFFICIENCY

INSTITUTIONAL EFFECTIVENESS

High level overview of the IDP Review structure – the strategic journey

Strategic Focus Areas are core priorities of the IDP. The present review process began with seven, but response to the electricity crisis was clearly called for, and the Strategic Focus Area of Energy Efficiency for a Sustainable Future was added. The annual IDP review process involves public input, followed by strategic development. Out of these the City's corporate executive develops its objectives and business plans, which generate the city's budget and allocation of resources. Elaborated at Directorate level, these set targets in terms of which the implementation of the City's projects and programmes are designed and carried out. At each level, objectives are set which are continuously monitored against the measurable indicators set in the business plans. Such clear planning and designation of responsibility for performance enables each level's output and effectiveness in attaining objectives to be monitored. Below we aim to give a clear idea of the strategic journey involved in the IDP review, starting with an overview of the state of the city, its importance and threats to attaining its objective of sustainable development. The processes of community consultation and risk assessment are discussed, with the changing circumstances that required adjustments in the Strategic Focus Areas. Essential elements of these are set out, followed by an outline of the management system for their implementation.





**STRATEGIC JOURNEY
OF THE REVIEW:
BACKGROUND, INPUT, INTER-
VENTIONS AND NEW DIRECTION**



State of the City

In recent years, Cape Town has seen significant economic growth, with 4 percent annual increase in Gross Geographic Product over the past decade, and highs of 6 percent in 2004 and 2005 and 5 percent in 2006. This has coupled with improvements in the provision of basic services (water, waste, electricity) and rising tourist numbers to make the city an attractive place to live and invest in.

And not only for the rich: the municipal findings component of the Community Survey 2007 by Statistics SA found that Western Cape municipalities outperformed the majority of their counterparts in the rest of the country in provision of basic services.

Cape Town is increasingly a tourist, construction, conference and cultural hub. But with this newfound economic and service delivery buoyancy, the city has also experienced rising development challenges. Spatially, the extent of the city has doubled in the past 20 years. As in the rest of South Africa, massive urbanization has increased population and poverty. Indeed, during the past decade, poverty increased twofold and the housing backlog has more than doubled. Drug-related crime has tripled and HIV prevalence has increased tenfold.

Economy: Cape Town generates approximately 78 percent of the GGP of the Western Cape, and some 12% of South Africa's GDP. Cape Town has a relatively diverse economy, though manufacturing is becoming relatively weaker. Some 93 percent of its businesses are small, but contribute 50 percent of total output and 40 percent of total formal employment.

In line with international trends, the city's economy is increasingly shifting towards the services sector, with the largest areas of growth identified in finance, business services, trade, catering, accommodation, tourism and transport and communication.

A healthy and growing economy that benefits all the people of Cape Town is a prerequisite for attaining and achieving the objectives of a more sustainable city. Unemployment (narrow definition) has eased from 21 percent in 2005 to 15 percent in 2006, although there has also been a marked increase in discouraged workers and a continuing mismatch between available skills and those that are needed by the economy.

There is a pressing need to create productive employment opportunities. For the city to achieve growth, it must become globally competitive. City government can improve the business environment by gathering and sharing information with local businesses, reducing the cost of doing business and enhancing safety and security, especially in areas in which development is needed.

Infrastructure and Services: Urban growth in the past 20 years in Cape Town has been ad hoc, forcing reactive and uncoordinated public investment in infrastructure. The result has been ineffective and unsustainable urban development. Urban sprawl, due to the location of informal settlements along the city's periphery, has placed immense strain on the City's finances by requiring new bulk and link infrastructure extensions.

Investment in public infrastructure such as public transport and bulk services systems has lagged behind advances made in the extension of basic services and housing. The replacement, rehabilitation and preventative maintenance of existing infrastructure has suffered as a result of the focus on the (often reactive) extension of infrastructure. The need is urgent to raise investment levels in the city's ageing municipal services infrastructure for remedial work, upgrading and replacement.

Healthcare and social facilities, particularly for the aged and the youth, are also insufficient to meet citizens' needs. Funding problems emanating from unresolved intergovernmental arrangements compounds this.

Canvassing community and stakeholders' views, priorities of housing, crime, health, jobs and basic services

The City of Cape Town implemented a public engagement process during September 2007 by holding workshops in all 23 of its Sub-councils. Material from seven National Imbizos, at which members of the public provided inputs to the City's strategies, was also received, as were online and written inputs. The information obtained through these channels showed that residents see housing, safety and security, health, job creation and provision of basic services as the most important priorities in creating a sustainable city. A difficulty here is that many of these are the



responsibility of National and Provincial spheres of government (see Table 1: The Constitution sets the tasks) and the City cannot directly intervene, although it does seek to influence those areas where the performance of other spheres of government impact on the City's strategic objectives and to assist in these matters wherever possible.

Table 1: The Constitution sets the tasks

THE CONSTITUTION CLEARLY DEFINES THE RESPONSIBILITIES OF EACH SPHERE OF GOVERNMENT, NAMELY NATIONAL, PROVINCIAL AND LOCAL.		
National	Provincial	Local Authority
<ul style="list-style-type: none"> - Bulk Water - Disaster Management - Police Services - Justice - Defence 	<ul style="list-style-type: none"> - Education (schools) - Health Services (hospitals) - Housing - Libraries - Ambulance Services - Liquor licences - Provincial Cultural matters, museums - Economic Development 	<ul style="list-style-type: none"> - Wastewater Treatment, including sewerage - Housing infrastructure - Local Roads and Sidewalks - Municipal Law Enforcement (traffic, by-laws, control of public nuisance, licensing of dogs, etc) - Sport and Recreation - Parks and Cemeteries - Primary Health (clinics) - Environmental Health (air pollution, noise pollution, etc) - Municipal Planning - Local Economic Development (local tourism, etc) - Emergency Services (firefighting services)
<p>Local government is not directly responsible for housing, libraries, schools or hospitals. Local government cannot directly address problems in schools, hospitals, or in the South African Police Services, although it tries to influence those where they impact on the City's core objectives.</p>		

The framework and methodology of public participation is being reviewed to make them more inclusive and participative. Meanwhile, communities have actively participated in the drafting of many strategies and plans for Cape Town through the Sub-council mechanism for public participation. These strategies and plans include those for disaster management, housing and the Green Point Stadium. By-law reviews, Sub-council agendas as well as inputs to the IDP and budget have also been solicited.

The City has also commissioned a 'Community Satisfaction' survey to assess levels of satisfaction with various municipal services, and to identify necessary service improvements. The intention is to conduct the survey every year, to monitor satisfaction levels and allocate resources most effectively.



Important changes in the past year

In the past year we have seen two major threats to development: the downturn in the global economy, and the implications of the electricity crisis.

The economic slowdown will impact on South Africa, and National Treasury has already revised growth projections downwards. The question is how severe and lasting the effect will be. Long-term prospects remain good, but the City needs to accommodate challenges in the short term.

The substantial national infrastructure investment programme is fortunately already under way, with national budget expenditure on aspects related to the 2010 World Cup and transport already flowing into the city, and some R30 billion to be invested by the private sector.

From Cape Town's perspective, its infrastructure investment situation appears healthy, and the City is in alignment here with national government, state-owned enterprises and the private sector.

The electricity crisis also has implications for economic growth and employment, and has also demanded a rapid policy response, initially of focusing on energy conservation, but broadened under the Strategic Focus Area of Energy Efficiency for a Sustainable Future, discussed below.

Risk assessment and interventions: new strategic focus areas

The City has an established risk management framework, which functions to identify potential threats and assess their likelihood and their impact if they materialize. Selecting and carrying out responses, undertaking control and communicating consistently on risk at all levels is an ongoing process.

The Strategic Focus Area of Energy Efficiency for a Sustainable Future is the most visible of the interventions arising from the risk assessment and response process.



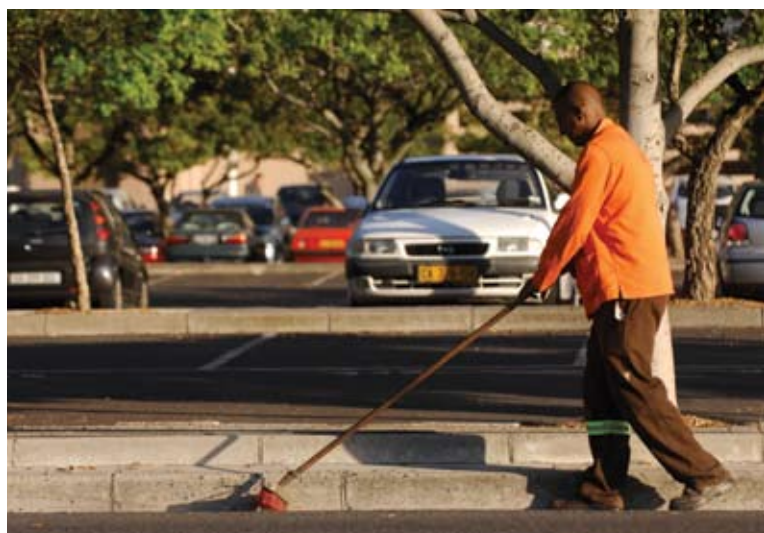
The development, adoption and implementation of a comprehensive response to the City's Energy challenges has four elements:

- Development of a comprehensive Energy Plan for the City which will establish the objectives, programmes, projects and targets
- Development of a comprehensive Climate Change Plan to address the risk to the City's infrastructure, facilities, amenities and impact on the economy
- Development of a communication strategy for the conservation of energy and awareness of climate change
- Reduction in energy consumption in the Cape Metropolitan Area below levels projected for unconstrained energy consumption. The City believes that if it can save 10% on present energy consumption, it will be able to insulate the City from Eskom's load shedding.

Another threat to development and to the optimum functioning of the city administration is the shortage of technical skills across the economy, which became increasingly evident as a major impediment to growth. The IDP's pillars of urban efficiency and institutional effectiveness also demand skilled staffers.

The pent-up demand for housing, with 400 000 households on the waiting list, is a potent source of grievance. It is a highly emotive issue which can degenerate into a racially polarising and socially destabilising factor. To a lesser extent, the community concern about service delivery challenges the city to get down to implementational levels to ensure that this is happening.

Responses to each of these risks have been incorporated into the IDP.





MAJOR PROGRAMMES OF THE STRATEGIC FOCUS AREAS – A WORK PROGRAMME FOR CITY.

The City's current five-year plan focuses on infrastructure investment, to enable sustainable economic growth and development within Cape Town. But while infrastructure-led economic growth is the major development theme over the period, it is equally important that location branding and marketing remain an important objective: investors and visitors need to be kept interested.

The following key initiatives will assist in establishing an effective administration in a dynamic, growing Cape Town.

Strategic Focus Area 1: Shared Economic Growth and Development

Economic development:

Economic development will be driven by accelerated investment in infrastructure, initially through addressing capacity backlogs and maintenance. This 5 Year Plan supports the development (and organisation) of local economies and SMMEs, ensuring that any initiatives are responsive to market needs.

2010 FIFA Soccer World Cup™:

The World Cup is a unique opportunity for Cape Town, and will leave a positive legacy. Already 2010 have proved a catalyst for public transport investment, with an estimated R 10 billion to be spent on the stadium, airport, road and rail facilities rolling stock, and the promotion of 18-hour-a-day public transport services by 2010. 50% of a detailed 2010 Transport Plan will be complete in 2008. 40% of the Green Point Stadium is scheduled to be complete in 2008, with electricity reconfiguration, the Green Point golf course development and reconfiguration of the Green Point Common under way.

Developmental focus:

Development is the City's core constitutional mandate. Tourism will remain Cape Town's competitive drawcard, while key economic sectors (such as Information Communication and Technology, Boatbuilding, Ship Repair and Business Process Outsourcing) will be stimulated through specific projects and programmes.



In addition, the City will implement a fibre-optic network in the metropolitan area to reduce internal telecommunication costs, and will make spare capacity available to the private sector; Cape Town will also be developed as an international research and development hub.

The City's relevant corporate indicator, to create an enabling environment for the economy to grow and become globally competitive is unpacked at the level of Directorates in development of programmes to:

- Drive development facilitation to proactively assist investors and those wanting to set up/expand businesses in Cape Town. A Development Facilitation Unit will be established to assist developers and make investment in the city easier.
- Develop new and strengthen existing partnerships
- Grow and strengthen the City's tourism capability
- Develop and grow local economic development and particularly SMME opportunities
- Prioritise skills development based on the needs of the local economy. For example, a partnership with the Cape Higher Education Consortium (CHEC) will help Cape Town to establish itself as a research hub
- Improve the processing of building plans and land use applications to well within the statutory time frames. By removing unnecessary red tape, in particular by improving the speed at which building and other development plans are approved, the City will make itself more attractive to investors. Business process improvement initiatives, which will reduce the time in takes to transact with the City, are already in place.
- Develop the City's creativity and knowledge and innovation base industry
- Develop the city's creative industries with the aim of making Cape Town a globally competitive knowledge and information hub

Partnerships:

The City already has effective partnerships with organised business (such as the Business Chambers and the Cape Town Partnership), and will continue to develop partnerships with communities, business, other spheres of government, NGOs, CBOs and government agencies to facilitate accelerated growth and development The city will engage with the tertiary educational



institutions and make bursary and study grants available to encourage the development of technically skilled people.

Alignment with other spheres of government:

To further stimulate sustainable growth and development, the City aligned itself with the Accelerated and Shared Growth (ASGI-SA) plan of national government, and will work with Province to increase the economic growth rate. The National Framework for Local Economic Development will be a guiding document in compiling the City's Development Strategy.

Strategic Focus Area 2: Sustainable Urban Infrastructure and Services

Universal access to basic services:

Targets of between 90 and 100% are set for supply of electricity, water, basic sanitation and solid waste removal, among the highest in the country.

Public Infrastructure Plan:

While in recent years the city has invested heavily in basic services and housing, it has invested too little in public infrastructure, much of which is in urgent need of replacement, rehabilitation and maintenance. Investment in transport and other infrastructure, including information communications technology, is essential for growth, job creation and continued access to basic services. The City is thus developing a Public Infrastructure Plan, which will include the Water Services Development Plan, the asset Management Project and the roads and Infrastructure construction Programme, with a budget of R314 million for 2008/09.

Focus on core competencies:

This is part of the City's focus on, and direct funding toward, its constitutional obligations. The problem of "unfunded mandates", such as the provision of housing and libraries, will be actively pursued with the relevant other spheres of government.

Environmental Resource Management:

Cape Town's extraordinary natural environment is one of its major assets. Conservation, environmental legislation compliance

and education are among the programmes actively working to conserve biodiversity and improve the quality of living environments through greening, education and access.

Directorate level objectives for conservation of natural resources include:

- Conserving biodiversity and improving quality living environments through greening, education and access
- Developing demand management programmes for water, electricity, waste and transport and reduce attendant pollutants.
- Reducing the impact of flooding on community livelihoods and regional economies
- Safeguard human health, protect natural aquatic environments, and improve and maintain recreational water quality
- Manage and maintain the City's beaches.

Strategic Focus Area 3: Energy Efficiency for a Sustainable Future

Energy:

The aim in creating this new area of strategic focus in the IDP is to address the city's energy needs with a new political oversight committee and administrative team to drive the conservation of energy and reduce the city's carbon footprint. Further, the wear and tear on electrical infrastructure caused by loadshedding highlights the need for maintenance of aging hardware and infrastructure here.

South Africa does not generate enough electricity to meet its current energy requirements – nationally, 3 000 megawatts needs to be saved each day for the next four years.

Accordingly the City is working on development, adoption and implementation of a comprehensive response to the City's Energy challenges, including:

- A comprehensive Energy Plan for the City
- A comprehensive Climate Change Plan to address the risk to the City's infrastructure, facilities, amenities and impact on the economy



- A communication strategy promoting for conservation of energy and awareness of climate change
- Reduction in energy consumption in the Cape Metropolitan Area. If the City can save 10% on present energy consumption, it will be in a position to insulate the City from Eskom's load shedding.

There is no doubt that this uncertain electricity supply is a threat to economic growth, which is why the City is instituting a five-year Energy Savings Programme, together with the City's Climate Change Strategy and the Cape Town Central City Energy Efficiency initiative. This programme will implement projects to save 10% of residents' and businesses' current energy use; projects include energy demand management and offer opportunities for renewable (non-fossil-based) forms of energy.

Strategic Focus Area 4: Public Transport Systems

Public transport:

Good public transport is an effective way to achieve economic inclusion. The City's aims are to establish a single point of authority for transport, improve public transport services and continue to secure new investment in Transport infrastructure. With regard to traffic planning, the objectives are to increase cumulative kilometres of critical routes with dedicated public transport lanes, reduce average peak period travel time and promote the use of non motorised transport (NMT). The planned additional bus priority lanes will be introduced as the first phase of a Bus Rapid Transit programme.

Road networks:

Road and storm-water infrastructure will be upgraded to reduce backlogs and then maintained to ensure that they do not fall into disrepair once more.

Rail, air and sea transport:

Important public sector investments in the City include the upgrade of rail rolling stock, various railway lines and stations, a major upgrade of Cape Town Station, a R5-billion investment in the Port as well as a large upgrade of the Cape Town International Airport.



Strategic Focus Area 5: Integrated Human Settlements

Housing and Informal settlements:

A central objective is to improve and develop integrated human settlements, which will:

- Transform dormitory suburbs into areas which supports a greater mix of land uses, offer a range of amenities and are socially mixed facilities
- Put in place policy and spatial planning frameworks that will facilitate the development of integrated human settlements
- Development of new housing opportunities
- Increase rental stock through social housing partnerships
- Redress land ownership inequities by providing Housing based on Restitution claim settlements
- Facilitate gap housing programmes through partnerships with Banks and private sector developers, and
- Develop and maintain zoned public open spaces, cemeteries, resorts and beaches

Almost 400 000 families currently await housing in Cape Town. The City's priorities are therefore implementing the Informal Settlements Upgrade Master Plan, which will provide basic services; delivery of social, incremental and rental housing; and transforming hostels; As informal settlements are upgraded, community investment programmes will be facilitated to ensure their sustainability.

Generally speaking, the City's spatial development strategy will be containment, densification and infill. It will seek to limit Cape Town's spatial expansion (foot print) and make more effective use of existing infrastructure capacity. This will require the upgrade of existing infrastructure in the areas where densification is considered. It will also require increased funding for the maintenance of infrastructure used more intensively in a more densely developed City. It is therefore envisaged that new developments are located on vacant and underutilised residential, industrial and commercial land. The city will actively pursue its application to National Government for a direct housing mandate so that the City can deliver housing more efficiently and effectively.



Strategic Focus Area 6: Safety and Security

A safe city, with reduced impacts of the misuse of drugs and alcohol, is a priority. The City is developing an operational plan so that, together with other law enforcement agencies, it can coordinate enforcement and build a safer city. Improved safety and security is an important foundation for accelerated and shared growth, as crime threatens the wellbeing of residents and the City's ability to attract and retain investment.

The incidence of murders (62 per 100 000 people) is still extremely high. The use and misuse of drugs and alcohol has a significant negative impact on health, family welfare, crime and community safety, educational attainment, local economic development and social inclusion.

Key interventions:

The City has prepared a Draft Alcohol and Drug Strategy (2007–2010), which outlines the unique role of local government in responding to these impacts.

The City aims to improve its performance in traffic policing, by-law enforcement and general law enforcement. Safety risks at the 2010 FIFA World Cup™ event is a strategic challenge facing this City that must be successfully managed to ensure a world class event.

Programme objectives:

1. Community and youth development programmes will be directed at personal, traffic and pedestrian safety.

Youth-centred programmes will focus on:

- Reducing youth involvement in crime through participation in sport
- Establishing a Youth Crime Prevention Forum for the City
- Educating children to take ownership of their own safety
- Traffic and pedestrian safety programmes at schools
- Support for the Provincial Safe Schools programme
- Learner safety to and from schools. The City will encourage residents' participation in Community Police Forums.

2. The improvement of urban design to reduce crime and emergencies.

The City will adopt Crime Prevention through Environmental Design (CPTED) strategies, which entail the application of CPTED principles to new structures and the retro-modelling of existing ones. The City will also consider adjusting its building codes to provide for CPTED principles.

3. The ongoing expansion of the CCTV network covering key economic and transport locations as well as crime hot spot areas.

The City will establish an ad hoc Multi-disciplinary Advisory and Technical Team (MAT) under the Metro Police to develop a new integrated CCTV master plan; this will see the gradual covering of key economic and transport locations as well as hotspots for crime and disorder.

4. Improve law enforcement (traffic policing, licensing services and general law enforcement) through more visible actions.

Key deliverables include:

- Focus on petty offences, which include minor crimes and by-law offences
- A "no nonsense" approach toward all traffic offences
- Focus on alcohol-related offences, as the high levels of alcohol abuse contribute directly to violent crime.
- Address the culture of non-compliance on Cape Town roads
- Implementation of the City's Alcohol and Drug Operational Strategy, which includes programmes aimed at crime prevention, access to alcohol and drug treatment services and law enforcement, as well as enforcement action on 'driving while under the influence of alcohol'.

Additional driving license test centres will be established in Philippi, Khayelitsha, Ottery and Mitchell's Plain.

The City will work to the SAPS' strategic direction (combating drug trafficking, vehicle theft, improving safety in high crime areas, combating taxi and gang violence and crime against



women and children) through focused deployment of its Special Operations Unit and targeted patrols.

5. Development of disaster risk assessment and development of pro-active disaster prevention and response plans.

Disaster Risk Reduction Strategies will be integrated in all departments and entities of the City. These departments will include disaster risk initiatives and response plans in their operational plans.

6. Fast, efficient and equitable emergency response to safeguard life, property, the environment and livelihoods.

The City's emergency services, especially its fire-fighters, play a critical role in protecting lives and the natural environment, and their capacity needs to be strengthened.

Strategic Focus Area 7: Health, Social and Human Capital Development

Service delivery:

The city will work to improve local service delivery with local teams reporting to Sub Councils on service programmes and responses to complaints from residents.

Social development:

The issues of early childcare, substance abuse and homeless people will form the basis of social development projects, along with facilitating access to universal basic services and developing opportunities for unemployed people to participate in the economy and society.

Strategic Focus Area 8: Good Governance and Regulatory reform

Getting the basics right:

The City's priorities are to optimise its staff structure, strategies and policies and promote skills development. This will enable it to enhance service delivery through alternative service delivery mechanisms, improve the culture of service and workplace ethics. It also aims to improve the regulatory environment

Once its internal capacity constraints and need for technical skills have been resolved, the city administration will function more effectively and efficiently. Already the City has worked to focus and stabilise its organisation, and will continue to develop and sustain a better public administration, and improve the regulatory environment for investment and service delivery.

The City will develop its data, information and knowledge assets to monitor development and trends, and to allocate resources. In line with the Spatial Data Infrastructure Act, the City will improve the management of spatial information (such as property and mapping information) and develop web-based tools to make this information more easily accessible.





MANAGEMENT: LINKING RESOURCES TO STRATEGIC OBJECTIVES

The Resource Allocation Matrix used to prioritise expenditure

With its strategic essentials in place, the City then needs a system of prioritizing programmes for expenditure, and for this the Resource Allocation Matrix is used.

The allocation of resources to the different services and functions provided by the City will be classified into nine prioritisation categories. The objective is to focus the City's resources in such a manner that economic growth and development is achieved for the benefit of all the city's citizens.

The Resource Allocation Matrix (RAM)

1. Strong impact on economic growth	0 C1	+ B1	++ A1
2. Support economic growth	- C2	0 B2	+ A2
3. Neutral to economic growth	- C3	- B3	0 A3
	C. Discretionary (Non-Constitutional)	B. Support Services	A. Basics regarding Constitutional Obligations

In terms of this matrix model, resource allocation will be predominantly directed towards constitutionally mandated functions that have a strong impact on economic growth (see Block A1) and shifted away from discretionary functions that do not contribute to shared economic growth and development.

Budget implications – rates and tariff increases

The City's Medium Term Revenue and Expenditure (financial) Framework (MTREF), is reviewed annually to determine the income envelope and affordability level for the ensuing three years, using relevant data modelled over a 15 year period.

The resource allocations contained in the 3-year City budget submitted with the IDP Review are based on the eight Strategic Focus Areas in the draft IDP as at mid-February 2008.



When the Executive Mayoral Committee (on 6 March 2008) responded the national energy crisis by identifying and adding the eighth Strategic Focus Area, Energy Efficiency for a Sustainable City, the financial / budgetary impact in the short term was deemed to be insignificant.

Further assessment of the potential financial implications resulting from this Strategic Focus Area (SFA) is currently underway and where necessary will be accommodated in future budgeting reviews.

Current projections (March 2008) are based on:

- Anticipated CPIX of 6.5% for the outer years of the initial, 3-year period;
- Expected growth in the City's economic and income base;
- Projected staff costs;
- Realistic income collection rate targets;
- Repairs and maintenance expenditure growth of CPIX plus 3%;
- An increased fuel provision of 5% over CPIX adjustment;
- Affordable and sustainable rates and tariffs; and
- Updated capital expenditure programmes.

Capital budget

Current (March 2008) modelled levels of Externally Financial Fund EFF-funded capital expenditure are at R1 569m (2008/09), R1 786m (2009/10) and R1 861m (2010/11) respectively in the three years to which the budget applies.

After further assessment during the concurrent processes to adopt future year's tariffs and charges, it was found that the City cannot continue to delay the upgrade and expansion of infrastructure; without an increase in capital expenditure, the standard of key services – water, waste water treatment, electricity and roads – cannot be sustained. Electricity charges will increase 15 %, waste removal by 7.5%, water by 9.2% and sanitation by 6%. The water tariff will be "stepped", so if residents use less water they will pay less.



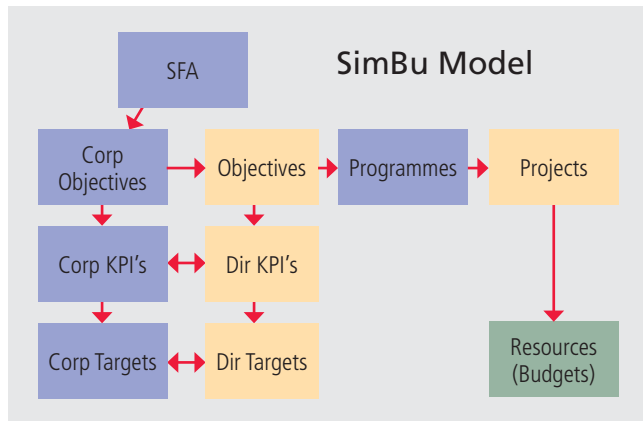


IMPLEMENTING, MONITORING AND THE CORPORATE SCORECARD



Business plans

The Strategic Focus Areas are not mere declarations of intent, but a tool for engaging the city's administration in making them real on the ground. They are used to develop concrete and measurable objectives at the City's Corporate Executive level. These are in turn elaborated and used by the Directorates at the next level. Both at Corporate and Directorate level, progress in attaining objectives is measured by Key Priority Indicators – measurable outputs of the programmes and projects which fall under the Directorates. From the project level upwards, budgets and business plans are developed which are combined to form the City's allocation of its resources, within the guidelines of policy and priorities.



The City Corporate Scorecard and Key Performance Indicators (KPI's)

A number of Key Priority Objectives have been identified for each of the eight Strategic Focus Areas to ensure that the City achieves the implementation of its strategic intent. These form the foundation from which strategies and the allocation of City resources downwards into the organisation can be cascaded.

The City is now in the second year of its five-year IDP cycle. Its effectiveness over the next four years can be measured through its ability to meet the targets set, as shown by the selected indicators below.

These targets and indicators include:

Shared economic growth and development

- Creation of 10 600 to 15 400 direct and indirect jobs per year over the next four years
- A target of R1, 5 billion direct investment for the next year
- The Green Point Stadium will be completed by December 2009

Basic Services

- Basic water service to all
- 100% sanitation to all by 2012, 97,5% by 2009
- 90,83% of households with basic electricity by June 2009
- 99% of solid waste removed

Conservation of natural resources

- unconstrained water demand reduced by 27,5% by 2009
- 78% of recreational waters will be up to applicable standards by 2009 and 85% by 2012
- 70% cleanliness target by 2009 growing to 80% by 2012

Management of City infrastructure

- Develop and implement an integrated planned infrastructure maintenance programme for electricity, sewerage, water, roads and stormwater, and solid waste disposal by 2012

Energy efficiency for a sustainable future

- A new target to reduce and maintain a reduction of 10% in energy consumption per annum (below the projected unconstrained energy consumption)

Public transport

- Reduce the average commuter travel time for public transport from 45min to 35min by 2012
- Demarcate an additional 35km of dedicated bus lanes by 2012

Integrated human settlements

- Develop 9900 new housing opportunities for 2009
- 90% of community facilities meeting set standards by 2009

Safety and Security

- 100% adherence to a City Law Enforcement and Disaster Plans for the City Of Cape Town by 2009

Health, social and community development

- 300 street people taken off the street by 2009
- A reduction in the infant mortality rate from 20, 6 to 19, 5 by 2010 (number of infant deaths per 1 000 live births). A target of 19 by 2012
- A slowing of the increase growth rate in TB to 1040 people per 100 000 of Cape Town population by 2009
- The operationalisation of four substance abuse centre in 2009

Financial management

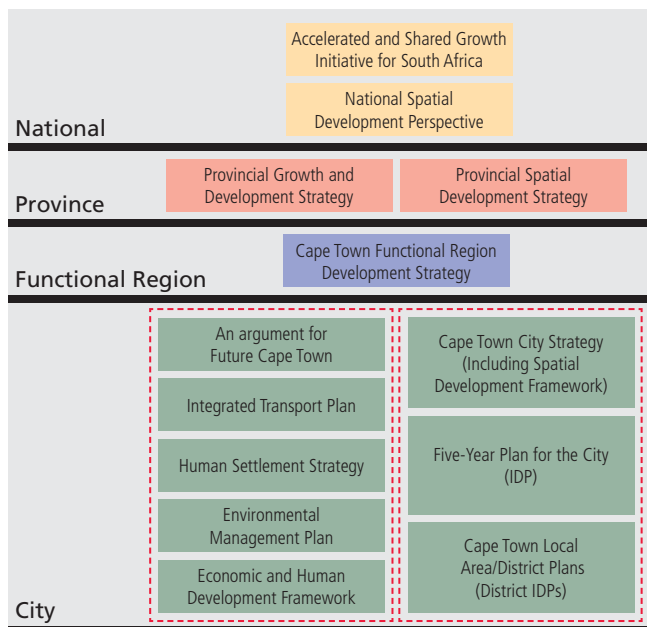
- Ensure 95% of capital budget spent for 2009
- Ensure that the credit rating for the city remains positive





IDP ALIGNMENT WITH GOVERNMENT, SOES AND PRIVATE SECTOR

Cape Town's development plan needs to align with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS), Provincial Spatial Development Framework (PSDF) and the Intergovernmental Development Agenda for Cape Town. All of these feed into and influence the City's IDP. The diagram shown below provides an illustration of how the different strategy and policy instruments are aligned.



For the past few years, the city's economy has been driven by the construction, tourism, retail and property sectors. Both Province's and the City's growth strategies Province extend beyond these sectors. The City is continuously investigating actions that are required of other spheres of government to ensure the growth of its target sectors, such as spending on education, crime prevention, energy policies, protection of the environment, transport policies and suchlike. Each of these sectoral strategies will be developed to support and complement the IDP and National, Provincial and Regional policies and strategies.

City-Province Intergovernmental Cooperation

The interaction between the City and the Province has reached a number of short-term in-principle agreements. Collaboration between the two spheres of government is important, as these two spheres operate in the same geographic space.

These engagements will from now onward be structured in three categories:

1. Economic Development, Agriculture, Transport and Public Works, Environmental Affairs and Development Planning
2. Community Safety; Social Development; Cultural Affairs and Sport; and Housing
3. Education and Health.





APPENDIX: STRUCTURE OF COUNCIL AND ADMINISTRATION

Council Structures

The relationships between the different political structures of Council are as follows:

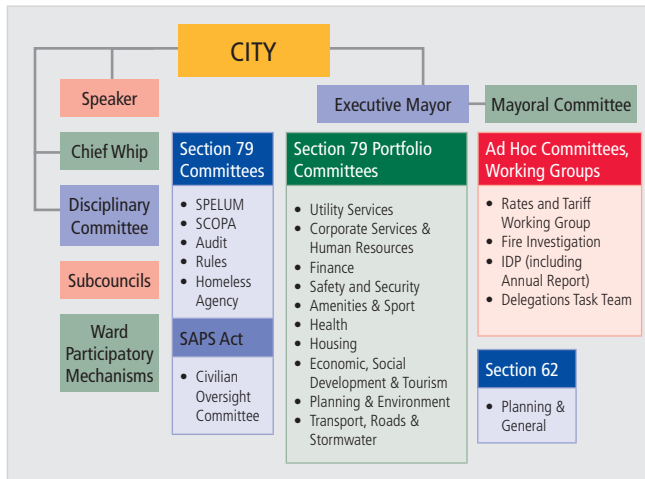


Figure 1: Council Structure

The municipality of Cape Town has 23 Sub-councils. Delegations to Sub-councils range from the assessment of performance of service delivery within jurisdictional areas, IDP, Budget & Business Planning, Street Naming, Business Licensing, Land Use, Planning & Environmental matters and Public Participation, to name but a few.

Ward forums have been established in all of the 105 wards; most of these forums have already held inaugural meetings.

Executive Management

The Executive Management Team (EMT), see below, leads the City's drive to achieve the strategic objectives outlined in the 5 Year Plan each year.

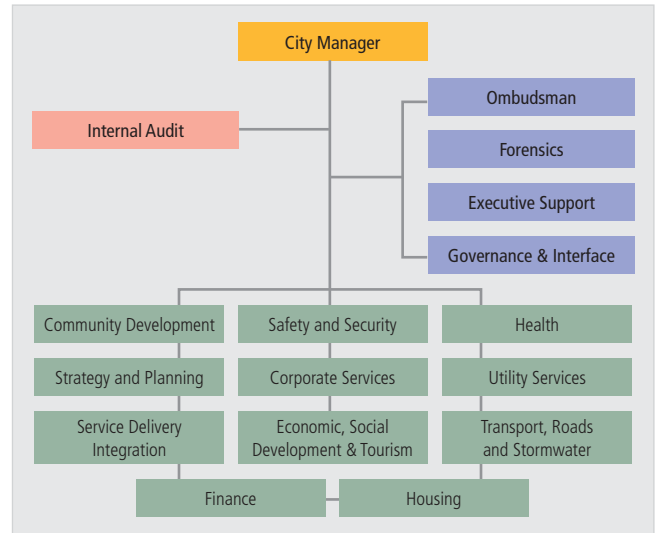


Figure 2: Administration Structure

Staff numbers

The following table reflects the staff numbers for the City of Cape Town per category, as on 8 January 2008 2007.

Table 4: Total Staff Numbers per Category

CATEGORY	NUMBER
Clerks	4 403
Craft and related trades workers	1 236
Elementary occupations	6 799
Legislators, senior managers and managers	921
Plant & machine operators and assemblers	1 747
Professionals	727
Service and sales workers	4 138
Skilled agricultural and fishery workers	13
Technicians and associate professionals	2 824
Total	22 808

List of Statutory Plans Annexed to the Document

The following statutory plans are attached as Annexures to the final compliance document:

STATUTORY PLANS	
Annual Report	Annexure A
IDP Process Plan	Annexure B
State of the City Report	Annexure C
Schedule of Public Engagement Interactions (Public involvement Summary)	Annexure C1 - C10
Spatial Development Framework for the City (Future Cape Town discussion document)	Annexure D
Demographic Overview of Spatial Planning Districts	Annexure E1 - E2
Land Reform Plan	Annexure F
SFA 1	
Economic Development Plan <ul style="list-style-type: none"> • Development priorities and objectives for the elected term 26 (c) • Local economic development aims 26 (c) • Internal transformation needs 26 (c) • Development strategies which are aligned with national or provincial sectoral plans 26 (d) • Local economic development strategy • Business Investment strategy of Council (Reg 2(1)(b)) 	Annexure G
SFA 2	
Electronic Savings Plan	Annexure Y
Integrated Waste Management (IWM) Plan	Annexure I
Water Services Development Plan <ul style="list-style-type: none"> • Water Demand Management Plan 	Annexure J
Sustainability Report 2006/07	Annexure K
SFA 4	
Public Transport Plan	Annexure L
Integrated Transport Plan	Annexure M
SFA 6	
Disaster Management Plan 26 (g)	Annexure R
SFA 7	
Health Plans <ul style="list-style-type: none"> • Air Quality Management Plan • HIV/AIDS/TB Plan for the City • District Health Plan 	Annexure S S1 S2 S3
SFA 8	
Organisational Development and Transformation Plan	Annexure T
Human Resources Strategy <ul style="list-style-type: none"> • Institutional development, transformation and re-alignment plan for the City of Cape Town 	Annexure U
Corporate Scorecard and definitions	Annexure P
Urban Renewal Plan	Annexure X

- (i) RDS Process discussion document, 17 April 2007
(ii) Ikapa Elihlumayo Executive Summary 2006

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