



Annual Report

2004/2005



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU

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Mayor's Team 03 March 2005

Seated: (left to right)

Executive Mayor Nomaindia Mfeketo; Deputy Mayor Gawa Samuels

Front row: (left to right)

Councillor Saleem Mowzer; Alderman Maatje Malan; Councillor Nomsa Mlanjeni; Councillor David Erleigh;
Councillor Carol Beerwinkel

Back row: (left to right)

Alderman Clifford Sitonga; Councillor Danile Landingwe; Councillor Peter Gabriel



Mayor's Foreword

In presenting this Annual Report the City of Cape Town is proud to set out our performance highlights and financial management for the 2004/2005 financial year. The City's strategic priorities for service delivery are reflected in the Executive Summary on page 9.

The Annual Report is a transparent account of the City's achievements in the year under review, but does not shy away from pointing out shortfalls in spending or delivery where they exist.

The report is published in terms of the requirements of the Municipal Finance Management Act No. 56 of 2003 which requires municipalities to report on all aspects of performance, providing a true, honest and accurate account of the goals set by Council and our success or otherwise in achieving these goals.

The timeous publication of the report in terms of legislation is also intended as a useful document for our stakeholders - the people of Cape Town - and our partners in civil society and the private sector that we work hand-in-hand with in a wide range of programmes and projects.

This Annual Report aims to enhance governance and promote accountability. It forms part of a cycle of ongoing planning, monitoring and evaluation that begins with the formulation and annual review of the Integrated Development Plan. This in turn helps the City to make its budget determinations and set targets for delivery.

In this Annual Report we look back over a period that has been concluded, and measure our performance in a range of areas.

This important cycle is given added meaning through the performance management element that is becoming an important facet of municipal life.

In conclusion, I urge citizens and stakeholders to study and comment on the Annual Report. This will assist us as we strive for continuous improvement, in a cycle that thrives on input and participation from the communities that we serve.

Nomaindia Mfeketo
Executive Mayor of Cape Town



City Manager's Team

Front row: (left to right)

Glenn Ho: Director (Audit); Achmat Ebrahim: Executive Director (Community Services);
Dr. Wallace Mgoqi: City Manager; Dave Daniels: Executive Director (Governance & Integration);
Mbulelo Baba: Public Complaints Commissioner

Back row: (left to right)

Dr. Stewart Fisher: Executive Director (Corporate Systems & Services); Mike Marsden:
Executive Director (Development & Infrastructure); Aneel Radhakrishna: Acting Executive Director (Finance)



City Manager's Statement

The City of Cape Town's Annual Report for the 2004/2005 performance year gives one an in-depth picture of the breadth of work that was undertaken in the year under review. It also sets out the performance aims and targets for the year ahead, which we will be measured against.

An assessment of arrears in respect of rates, services and RSC levies is contained in the Executive Summary on page 9. An assessment of the City's performance against measurable performance objectives for revenue collection is contained in Chapter 4.

The City's administration and the people that are part of it must take credit for the many ways in which we have touched the lives of the people of Cape Town. On a daily basis we undertake vital service delivery, and each year we make more progress in the areas of social and economic development. This is reflected in the reports of each directorate and the performance highlights that form part of this report.

The performance year was also characterised by a process of organisational transformation that impacted on every directorate and department. In this regard we are proud that the amalgamation of the seven municipalities that came together to form the Cape Town metropolitan municipality is reaching finality.

It has been a challenging process, bringing together thousands of staff into a single organisation and amalgamating systems and processes that were quite different.

The completion of this process will facilitate better performance reporting in the years ahead and puts us on a strong footing to take up the considerable developmental challenges that face Cape Town.

'We table this report in the spirit of Batho Pele, or putting people first and the motto of our City, which pledges to our residents and visitors that 'this City works for you'. On a daily basis thousands of staff at the City of Cape Town put this motto into action, and this annual report is testimony to our commitment to doing even better in the year ahead.'

Dr Wallace Mgoqi
City Manager

Overview of the Municipality

The City of Cape Town is one of South Africa's five metropolitan municipalities, and home to an estimated 3,2 million people. Situated on the southern peninsula of the Western Cape province, the municipality spans 2479 km².

This population estimate, determined by the 2001 Census belies the ongoing in-migration which characterises Cape Town and which like other South African cities, and indeed cities in the developing world, means that Cape Town's population is growing fairly rapidly.

This reality overlays much of the work of the City of Cape Town, impacting on the provision of basic services, the housing backlog and the spatial development of the City as a whole.

An analysis of the economy of the City and its demography shows that Cape Town is a City, like its counterparts in other parts of the country, that is characterised by two economies. A portion of the population, including most of the white population is located within Cape Town's first economy. The first economy part of the City benefits from formal employment as well as access to social and economic amenities and infrastructure. In contrast the second economy portion of the City, made up of poor communities of African and coloured Capetonians, struggle to find formal employment. While the first economy segment of Cape Town is benefiting from high economic growth, this is not necessarily impacting positively on all of the City's marginalised communities.

The General Household Survey conducted by Stats SA in 2002, indicated that more than 48% of the City's households earn less than R3 500 per month. Of these 17% earn less than R1 100

per month and 22% earn less than R2 500 per month.

Corresponding with high levels of poverty is a very high unemployment rate. As a percentage of the population, unemployment levels have been steadily rising over the past decade. In 1997 unemployment was 13,3% and by 2004 it stood at 23%. At the same time Cape Town's unemployment rate is lower than the other nine large South African cities, except for Tshwane.

When it comes to housing an estimated 265 000 households, or 14% of households, are housed in informal dwellings either in informal settlements or backyard shacks.

Health indicators also show a City whose vulnerable households are reeling from the impact of HIV/Aids and tuberculosis (TB). An analysis of TB deaths shows a steady increase from 1997 to 2002 thereafter remaining constant. HIV/Aids prevalence also continues to climb in most health districts, particularly in the poorest parts of the City like Nyanga and Khayelitsha. In these areas prevalence rates are comparable with those nationally, while across the City as a whole the prevalence rates are well below the national average.

Crime is a social problem in Cape Town that threatens economic growth and community development. While crime in many categories has been growing since 1997, the most recent crime statistics are showing important downward movement. Most significantly is the reduction in murder. On average 2 075 murders took place each year over the period 1994 to 2004 in contrast to 2004 in which 1 863 murders took place, representing a considerable, and most welcome decrease.

Governance

The Cape Town Council has delegated its executive function to the Executive Mayor and Mayoral Committee.

The City has a Mayoral Committee of 10 members appointed by the Executive Mayor. The Executive Mayor and Mayoral Committee function as the executive leadership and the Executive Mayor is the Executive Head of the municipality accountable for political and strategic direction and overall performance.

The Council has delegated or designated powers to the Executive Mayor for decision-making purposes with designated decisions taken in consultation with the Mayoral Committee. The Mayor exercises functions and powers assigned to her by legislation. The Mayoral Committee members are appointed by the Executive Mayor to specific

portfolios with powers delegated to the Mayoral Committee members who also chair Section 80 Committees.

The Council plays a legislative or law-making role which includes approval of by-laws, policy, IDP, tariffs for rates and service charges and the budget. The Council also plays an oversight role over the Executive.

The Council also has Section 79 Committees which report directly to it. These deal with Land Use Planning and Planning Appeals, the Rules and Disciplinary Committees.

With regard to Committee expenses, an amount of R8 660 000 was spent including the salaries of the staff, supporting the legislative and executive structures and the general expenses to operate this function.

Attendance of Councillors at Council, Mayoral Committee, Portfolio & Section 79 committee meetings for period 1 July 2004 to 30 June 2005

Meeting	Number of meetings		% Attendance
	Scheduled	Held	
Council	11	9	79%
Mayoral Committee	21	21	88%
Corporate Services	5	5	64%
Economic Development	6	6	84%
Finance	9	9	79%
Health	5	5	82%
Housing	9	9	74%
Human Resources	4	4	74%
Planning	6	6	77%
Safety	7	7	68%
Services & Infrastructure	9	9	88%
Transport	5	5	67%
Disciplinary Committee	12	10	86%
Planning Appeals Committee	19	17	85%
Rules Committee	4	4	70%
Spatial Planning, Environment and Land Use Management	27	26	76%

Chapter 1 Introduction and Overview

CITY OF CAPE TOWN - ISIXEKO SASEKAPA - STAD KAAPSTAD

Attendance of Councillors at Subcouncil Meetings for period 1 July 2004 to 30 June 2005

Subcouncil	Meetings with or without minutes		% Attendance for meetings with minutes
	With minutes	Without minutes	
1	9	9	97%
2	3	6	78%
3	1	8	82%
4			No.minutes available
5	1	8	100% (According to one minute)
6	8	1	95%
7	8	1	71%
8	6	3	92%
9	9	9	88%
10	1	8	90% (According to one minute)
11	1	8	100% (According to one minute)
12	4	5	98%
13	5	4	92%
14	7	2	96%
15	4	5	97%
16	3	6	70%
17	6	3	94%
18	3	7	86%
19	3	6	81%
20	0	9	No.minutes

Attendance at Audit Committee Meetings

Meeting	Number of meetings		% Attendance
	Scheduled	Held	
Audit Committee	5	5	92%

Executive Summary

The strategic priorities for the City of Cape Town are set out in the Integrated Development Plan (IDP), which is reviewed on an annual basis and substantially revised every five years as prescribed by legislation.

The City of Cape Town's vision is to establish Cape Town as:

- A sustainable City that offers a future to our children and their children
- A dignified City that is tolerant, non-racist and non-sexist
- An accessible City that extends the benefits of urban society to all and builds the capacity of its people
- A credible City that is well governed and trusted by its people
- A competent City with skills, capabilities and a competitive edge
- A safe and caring City that cares for its citizens, and values the safety and security of all who live, work and play in it
- A prosperous City known for its ability to compete globally in the 21st century and its commitments to tackling the challenges facing South Africa, the Southern African Development Community and the African continent
- A City known for its leadership in Africa and the developing world. The IDP contains a set of long-term goals for Cape Town in the year 2020:
 - 100% improvement in key human development indicators
 - Less than 5% of the population in informal settlements
 - Universal access to basic services
 - Levels of violent crime reduced by 90%
 - Water use and waste production down 30%
 - Access to safe green space within walking distance for all
 - Renewable energy share equal to 10% of energy consumed
 - Average real per capita doubled while reducing inequality
 - Unemployment less than 8%
 - Less than 5% of the population illiterate

In support of this vision the IDP focuses on five strategic priorities concerned with socio-economic development and improved service delivery. Each has a number of flagship projects.

The priorities are:

- Integrated human settlement
- Economic growth and job creation
- Access and mobility
- Building strong communities
- Equitable and effective service delivery

In support of the vision set out in the IDP the organisation underwent large scale restructuring to transform the City of Cape Town into an organisation that is geared to meet these objectives.

The financial health and sustainability of the organisation is an important part of this and the financial results are testimony to important achievements in this regard. At the same time the City has identified mounting arrears as a source of concern, with the collection rate now stabilised at 94,64%, which represents a slight decrease on 95,25% in the previous financial year. In the 2004/2005 year arrears stood at R3 940 506 000 for rates and services while RSC levy arrears were R64 842 000.