

COMMENT ON TWKM RESPONSE TO WARD 2 FORUM REPORT ON BUDGET AND IDP

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Ward 2 Forum

SERVING THE COMMUNITY TOGETHER

Ward 2 Forum Team
18 July 2017

COMMENT ON TWKM RESPONSE TO WARD 2 FORUM REPORT ON IDP AND BUDGET

Ward 2 Forum put considerable effort into assessing the new IDP at the start of its 5 year cycle, and the budget for 2017-18, the latter being issued together with the medium term Revenue and Expenditure Framework for 2018-19 and 2019-20. These documents together comprise over 500 pages of text and tables. Our comments covered the 25 subjects that we thought most important, that we could in a small way try to contribute too constructively.

1. TWKM'S RESPONSE TO W2F REPORT

TWKM welcomes the thorough analysis done by Ward 2 Forum. There are many important suggestions which should be further explored. Inputs like this will have to be considered and analysed on an on-going basis. TWKM claim to have identified the game-changers and visionary components that will form the backbone of the organizational and strategic changes – but admit that they have yet to develop the “how”.

TWKM's focus will be based on reacting to the following:

- To create improved partnerships with key stakeholders so that they become part of the solution and not part of the problem, as currently often happens;
- The financial sustainability of TWKM will remain under threat, unless the consumer and rates base can be expanded;
- The migration phenomenon is the most critical challenge for the next 5 years;
- Services are receiving attention, despite the challenges of ageing infrastructure, population growth, economic development, reduced grants and loan capacity of TWKM;
- A superior financial management approach is required – the economic development of this area needs to be fast tracked;
- There is a growing gap between public expectations and the institutional capacity of TWKM in terms of housing and infrastructure;
- Staff morale is low – there is concern that some may even have given up;
- Stability of the previous Council was maintained for 10 years, but is now under threat;
- Although TWKM is aware of most of the issues raised by W2F, and even shares many of the suggestions made, it will need at least a four year plan to address them all;
- TWKM intends to establish formal stakeholder forums that can be engaged with on a more strategic and pro active basis.

This is a strikingly honest and direct summary of the reality of TWKM, which has to be applauded. Nevertheless, beyond the decision to complete the restructuring of TWKM, there are no specific plans whatsoever. To state that the only real solution is to expand the Rates and services base is laudable but suggests a naivety of municipal management that is disturbing.

The W2F Report raised a large number of issues, many of which were not answered at all, but we are assured will be referred to the relevant sections, for further analysis and consideration, in due course.

2. WARD 2 FORUM'S COMMENTS ON THE TWKM RESPONSE

i. Lack of consultation with, and response to comments of, the community:

No general response;

No justification for TWKM's repeated request for only one community view for them to consider;

ii. Procedure for community input to the new IDP:

TWKM agree that the community input must inform the IDP, not vice versa, but it failed to happen;

- iii. **Lack of accurate population data, therefore unrealistic understanding of service requirements:**
TWKM say they must work with the Census, adjusted by Provincial figures;
- iv. **New Accounting system:**
TWKM says it will record and classify all expenditure, revenue, assets, liabilities etc – we will see;
- v. **Housing backlog and all its causes, specifically migration from the Eastern Cape:**
Now added to the IDP, the 20 year housing pipeline shows 680 houses and 2817 serviced sites are in progress, all located in Grabouw. The underlying causes of migration to this area are still not addressed, nor any mitigation measures against TWKM's resulting increased financial stress;
- vi. **Housing funding: the establishing of an innovative process for house construction using labour from the occupants and local natural materials would allow a massive improvement in municipal housing finances so that the backlog could be significantly reduced:**
Maybe this is one of the proposals put forward that will require 4 years to contemplate, despite the ever-increasing community dissatisfaction and demand for urgent action;
- vii. **Water, including a review of all water monitoring results and management options and policy to mitigate against water shortages:**
We are told that the Water Services Development Plan (WSDP) contains the relevant information and will be made available to the public;
- viii. **Water (Lei) Irrigation:**
TWKM have made provision for repairs and maintenance of the system. A full investigation of its tariff/cost structure is due in 2017-18. Hopefully this will include a plan to manage the system with reduced flows during water shortage periods, unlike in summer of 2017 when it was 'switched off';
- ix. **Energy efficient policies:**
Despite TWKM's much vaunted strategy of becoming a low carbon green region, with a focus on renewable energy, there is no mention in the IDP or the Budget of the existing municipal and social benefits from the Wind Farm at Caledon, or the significant delayed benefits from the other wind Farms in the area now on hold.
- x. **Sewage system in Greyton is grossly over capacity and regularly flooded, polluting the Sonderend River:**
Whilst TWKM say that the obvious solution should be a secure pipeline to the Genadendal plant, the route by agreement with the Farm 39 community, this has not happened because TWKM claim to be unable to prevent the Transformation Committee's refusal to cooperate. Despite assurance that TWKM have a monitoring plan, the risks to the farmers from continuing overflowing from the Greyton sewage oxidation ponds seem to us to be unacceptable;
- xi. **Tariffs that impact on tourism businesses:**
No response;
- xii. **Property Rates increase:**
TWKM responded that the increase was necessary to cover all their services, adding that if they had imposed the increase in full in 2017-18, property rates would have been increased by about 34%;
- xiii. **Waste costs, especially disposal site closures (two in Ward 2) and new waste transfer stations:**
No response;
- xiv. **Waste recycling – lack of any plan, or customer education program, or monitoring of waste volumes:**
TWKM now admit that they are reviewing a pilot project in Villiersdorp;
- xv. **Consumer debtors forecast of R 395 million forecast 'debtors' for 2019-20:**
No response;

- xvi. Equitable Share – we asked for information, to be able to understand the government allocation:**
TWKM's response was to say they continue to advocate for more fair and equitable allocations;
- xvii. Repairs and Maintenance – information requested on budget details:**
Apparently all information is now included in the various Master Plans;
- xviii. Apprenticeships, based on Cape Town's budgeted jobs scheme:**
No response;
- xix. Local Economic Development (LED), or rather lack of it:**
TWKM repeat that their priority has always been to maintain an environment to keep existing businesses going, whilst facilitating new investment through certain strategies. Section after section in the IDP defines various plans and strategies etc yet maybe the municipality's lack of LED success relates to their lack of real business experience and background. Agriculture provides examples of new business investment, specifically fruit trees in the Sonderend River valley.
- xx. Tourism:**
Currently under independent review;
- xxi. Law enforcement, querying budget costs of R 154 million against fines of R 96 million:**
No response, even to tell us the % of fines actually collectable.
- xxii. Capital Expenditure was queried – unfair allocation of capital budget to Ward 2:**
No response;
- xxiii. Subsidy for migrant seasonal workers to be paid by TWKM:**
This is new policy for 2017-18, figures to be available after implementation.

3. CONCLUSIONS

It is the objective of the Ward 2 Forum to provide a platform for open and full discussion of all matters that relate to community interest. To achieve this we encourage open communication with community interest groups, organisations and individuals, as well as the various tiers of government.

Whether or not the causes of TWKM's financial sustainability relate to Provincial, and maybe even National, Government policy is open to discussion. The latest Provincial Government's annual Assessment of TWKM is full of 'advisory comment', especially concerning how the data is reported, but fails to insist on any specific actions or changes. For example, TWKM's breakdown of the 609 officials reveals just 3 persons covering LED, 2 for the IDP which is the main planning, budgeting, management and decision making instrument for the municipality, whereas there are 381 staff providing the main 4 services plus roads and traffic, requiring 124 staff for finance and administration.

These figures indicate a lack of balance of resources. TWKM also admits to having no oversight of costs, so no understanding of their control.



On behalf of Ward 2 Forum
18 July 2017