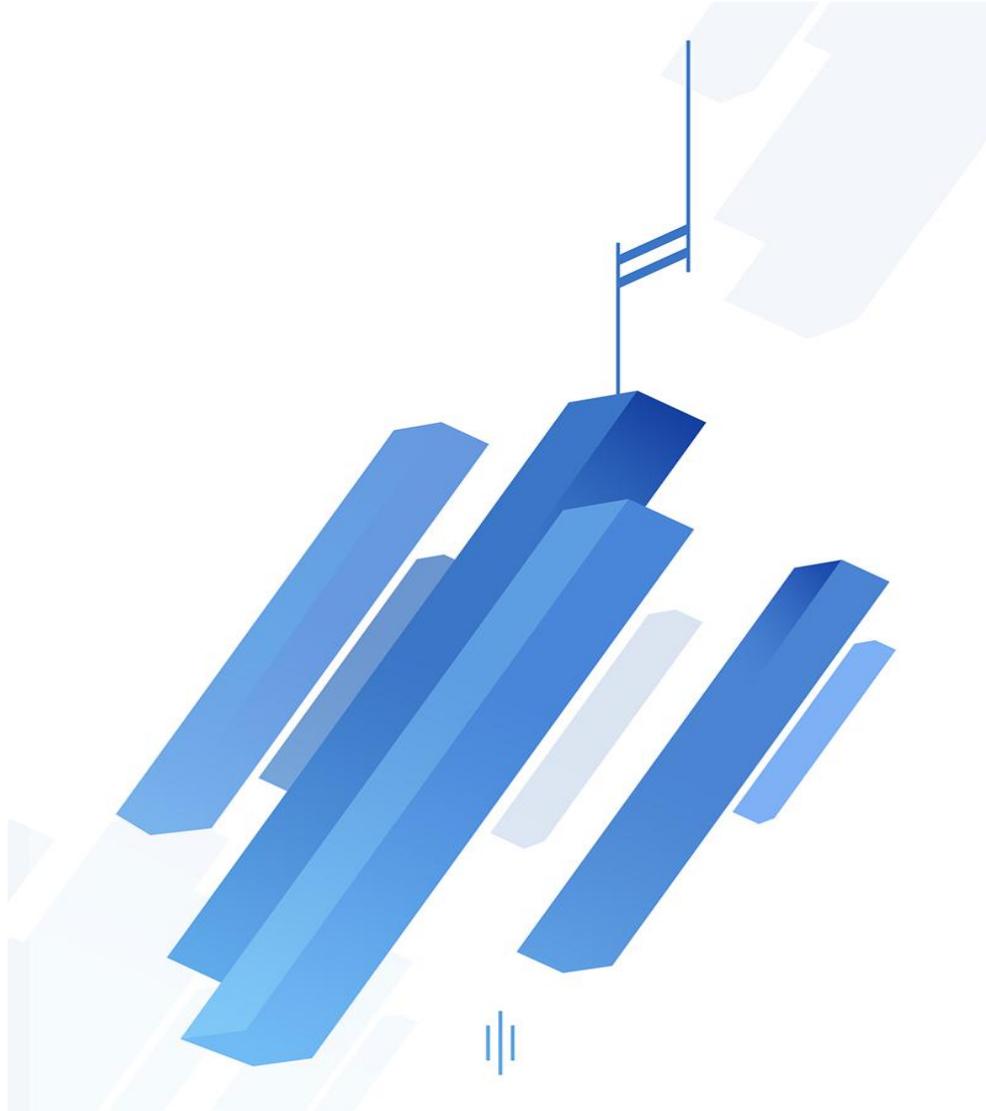


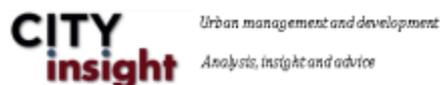
CASE STUDY METROPOLITAN GOVERNANCE

EThekweni (Durban), SOUTH AFRICA



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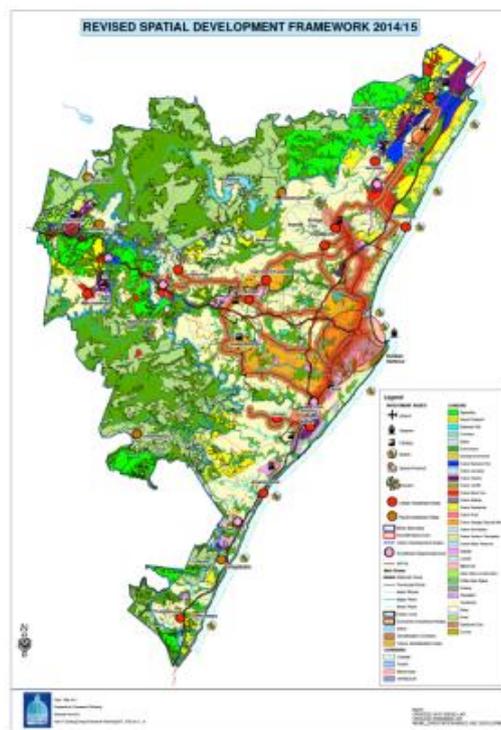
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Case Study on Metropolitan Governance

eThekweni (Durban), South Africa

Dr. Michael Sutcliffe and Ms. Sue Bannister



This metropolitan governance case study is part of a **joint effort of GIZ and UN-Habitat** to develop a framework for their future cooperation with metropolitan regions and related partners. Three selected case studies – Metropolitan Bandung (Indonesia), Guadalajara Metropolitan Area (Mexico), and eThekweni (Durban, South Africa) - are complementing the global study **“Unpacking Metropolitan Governance for Sustainable Development”** (GIZ/ UN-Habitat, 2015). They were prepared by local consultants in collaboration with local institutions under the coordination of the Global Fund for Cities Development (FMDV).

The three cases, **although unique, are representative of the diverse situation of metropolitan governance in the global South** and exemplify some of the core concepts of metropolitan governance developed in the international study. A comparative analysis as well as summary of each case study can be found in a separate publication.

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List of abbreviations

GDP	Gross Domestic Product
HDI	Human Development Index
HH	Household
IDP	Integrated Development Plan
KZN	KwaZulu Natal
LAP	Local Area Plans
LUMS	Land-Use Management System
SDF	Spatial Development Framework
SME	Small and medium sized enterprises

1 BACKGROUND AND INTRODUCTION

The past twenty years in South Africa have witnessed a remarkable transition away from apartheid to democracy. The apartheid system, designed to subjugate black South Africans and ensure that resources were devoted primarily to the wellbeing of a small fraction of the populace, has had to be transformed so that those resources serve all the people of South Africa and that more democratic systems of governance are put in place.

South Africa is now a constitutional democracy with three spheres of government: national, provincial and local government. All spheres of government are elected, with elections taking place every five years. The Constitution sets out the framework for the three spheres of government, as well as the specific powers and functions allocated to each sphere, making South Africa one of the few countries in the world where local government powers are enshrined in the Constitution itself. Chapter 7 of the Constitution is devoted to the status, establishment, powers and functions of municipalities with Section 156(1) clearly defining the executive authority of municipalities, making them a distinct and relatively independent sphere of governance¹.

In 1994 apartheid institutions were mostly still in place and functional. Whilst national elections established an elected Parliament, the duly elected government had to work to keep all institutions functioning, under the constraints of a massive apartheid debt, whilst driving the creation of a new Constitution and new legislation for a democratic South Africa.

Negotiations in the Local Government Negotiating Forum in 1992 and 1993, and the 1993 Interim Constitution, began a process for the restructuring and transformation of local government away from the apartheid local government institutions that were still in place. For the first time, local government formed a full chapter in the Interim Constitution. However, this Constitution, like all previous Constitutions (1909, 1961 and 1983) regarded local government as a tier of government subject to Provincial Government. This changed dramatically with the promulgation of the 1996 Constitution recognizing local government as a distinct sphere of government which is, in relation to the other two spheres of government, interdependent and interrelated.

The period between 1992 and 1998 was marked by local negotiations, the enactment of the Local Government Transition Act, 1993, local elections in 1995 and 1996 and general restructuring processes at local level. The plethora of local government bodies such as White Local Authorities, Black Local Authorities, Coloured Management Committees and Indian Local Affairs Committees were reduced from more than 1,200 to 843.

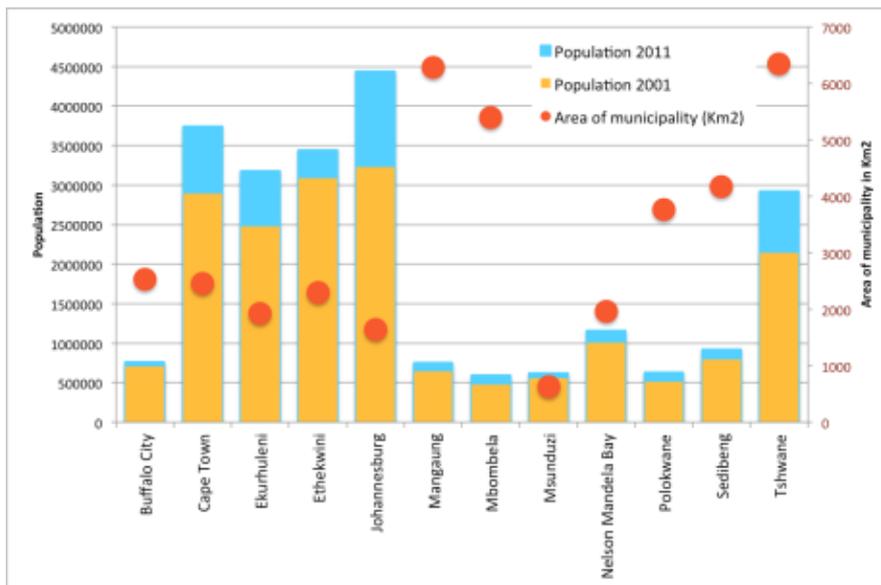
The new Constitution required that a new democratic dispensation for local government would be built with three Categories of local government. Category A municipalities were single tier authorities (single-tier political and administrative jurisdictions) and legislation required that only metropolitan areas would be Category A municipalities. The remainder of the country was divided into category C areas (District municipalities), each of which contained a number of category B (Local) municipalities. Powers and functions were then split between the districts and locals.

Presently there are eight metropolitan municipalities in South Africa and the following figure indicates the population size of the eight metros plus a few other highly urbanized areas, as well as the area of each:

¹South Africa's Constitution (Section 152) outlines the following objects for local government:

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and**
- (e) to encourage the involvement of communities and community organizations in the matters of local government.

FIGURE 1 - MUNICIPAL POPULATION SIZE 2001 AND 2011 AND AREA OF MUNICIPALITY



Source: Compiled by the authors from the following information: (i) Population figures: 2001 and 2011 Census, Statistics South Africa, (ii) Area: Local Government Handbook, (<http://www.localgovernment.co.za>) sourced February 2015.

Durban (or eThekweni municipality as it became) was demarcated as a category A (Metropolitan) municipality including an area of some 2297 square kilometers (approximately 40 kms north, south and west). A number of existing apartheid local governments, as well as former black dormitory townships and traditional areas, were included into this new metropolitan area which aimed to include in its boundaries everyone who functionally related (that is, they worked, lived and shopped in the area). eThekweni Municipality is located on the east coast of South Africa in the province of KwaZulu Natal (KZN) as indicated in the figure below:

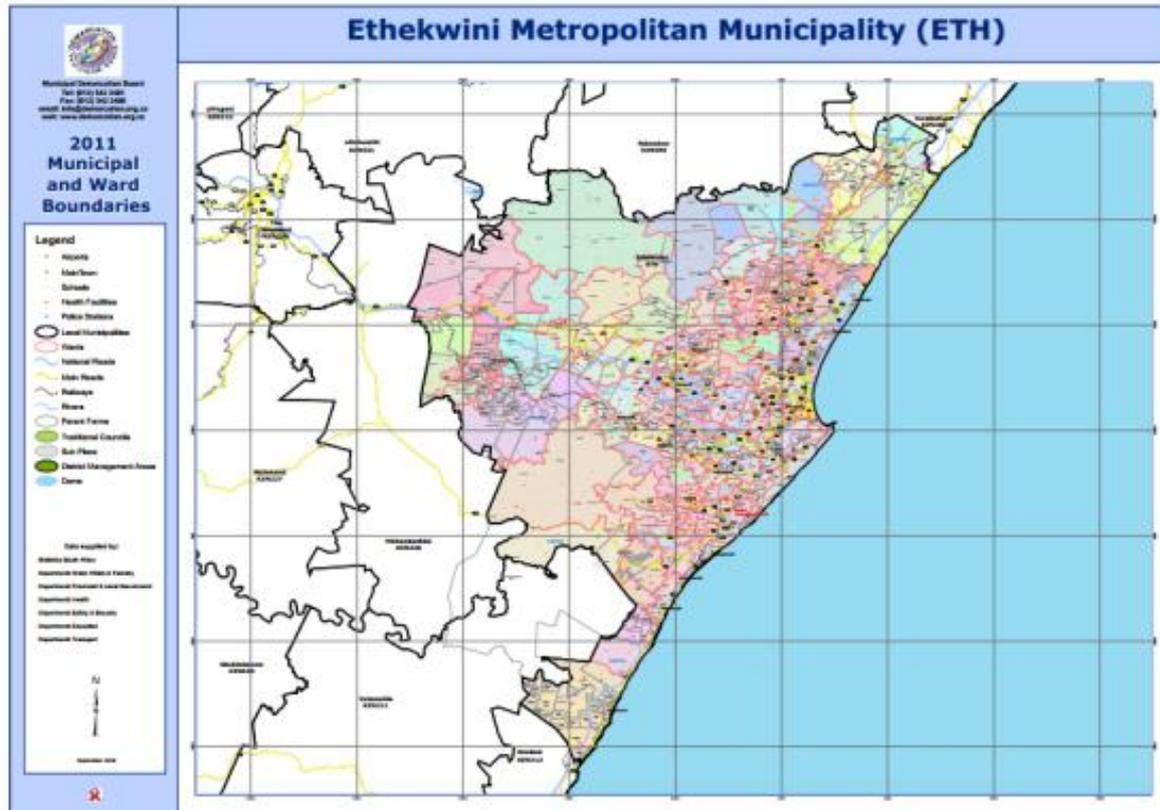
FIGURE 2 - METRO AND DISTRICT MUNICIPALITIES OF THE PROVINCE OF KWAZULU NATAL



Source: Kwazulu-Natal PGDS, August 2011, in eThekweni Spatial Development Framework (SDF) Report 2013/14 (2013)

The municipality is divided into 103 wards and, because wards are roughly equal in terms of the number of voters, most wards are concentrated near the City Centre (see map below).

FIGURE 3 - ETHEKWINI METROPOLITAN MUNICIPALITY



Source: Municipal Demarcation Board, eThekweni Municipality 2011 Municipal Boundary.²

Approximately 45% of the eThekweni municipality is rural, 30% is peri-urban and the remaining 25% is urban. Whilst the whole area is divided into wards, which elect ward councilors, about 90% of the rural areas also have traditional leadership on land that falls under communal ownership. The coastline and beaches are significant tourist anchors for accommodation, commercial and entertainment development. Durban’s central beachfront is arguably the most important tourism and recreation resource in the municipality.³

The first municipal democratic elections were held in December 2000 and the first five-year term of office of the Council aimed to amalgamate existing administrative jurisdictions and create single policies in line with the new constitution and municipal dispensation. This process of amalgamation required a whole set of different actions, including the merging of different by-laws, municipal policies, labour relations and grading systems, management, and consultative processes. In South Africa, the overlay of race impacted on everything – the formerly white municipal jurisdictions which were used to a system of well-established local governance with formerly black jurisdictions not having any such institutions in place.

² Available at: <http://www.demarcation.org.za/index.php/downloads/boundary-data/kwazulu-natal-4/eth-1/outer-boundaries-published-june-2011-141/10837-map82-eth>

³ eThekweni Spatial Development Framework, 2013/14

The legislative environment aims to build good developmental governance and so a major focus was also put on providing basic infrastructure to areas that previously had none.

The second elected Council (serving from 2006-2011) focused on getting integrated policies in place to drive the city going forward. In the period 2002-2010 over 150,000 houses for the poor were built and given to them for free, a Free Basic Services strategy was implemented (free 6-9KL of water per month for all households, free 65 KWH electricity per month for indigent households, etc.) and a number of key developmental initiatives were embarked upon. This included being one of the host cities for the 2010 FIFA World Cup. The post-2011 period has continued focusing on reducing the backlogs in service provision for those most in need.

South Africa's policy of free basic services includes the provision of potable water, electricity and solid waste collection for free to the poor. As part of that policy, every household receives the first 200 liters of water per day free. Some of the larger metropolitan municipalities like eThekweni (Durban) provide 300 liters of potable water per day free. Most municipalities provide free water to all or almost all their residents. In 2012, the program reached 86% of all households. Where free electricity is provided, deprived households receive between 50-100 kWh per month for free. Many larger municipalities also do not charge property rates to people living in informal settlements.

This paper describes metropolitan governance in eThekweni. The aim is to describe a situation relatively unique where metropolitan areas are single political, economic, social and financial entities, and where all must operate in terms of a broad-based Constitution and legislation requiring significant community participation. In addition to reflecting on the existing situation, a number of interviews were also conducted with a range of prominent and experienced leaders who were selected given their international profiles, direct involvement with city governance in eThekweni and ability to critically reflect on the metropolitan area⁴.

The paper has five additional chapters, following this introductory and background chapter. The second chapter focuses on an outline of the metropolitan area to provide basic data and statistics and an overview of information such as general demographics, economic, social and health development, and institutional matters.

The third chapter provides an assessment of the municipality, specifically looking at its spatial structure and issues of service delivery, financial management and key city priorities.

Chapter 4 looks at intergovernmental finance and relations, focused on multi-level governance and international relations. This includes the role of both provincial and national government in metropolitan areas in South Africa.

The fifth chapter assesses delivery in eThekweni, looking at its spatial structures, budgeting processes and service delivery including housing, water and sanitation, electricity, solid waste removal and roads. It also focuses on ways to improve municipal capacity, for example by working with universities etc. Finally, the chapter provides an overview of engagements with communities and public participation processes.

The final chapter concludes the case study, focusing on satisfaction levels with municipal services, challenges within the municipality and an assessment of the degree of coordination needs. The conclusion also provides an assessment of recommended or relevant government arrangements, and opportunities that exist within the municipality.

⁴The interviewees were: Bobby Peek, 2014: Director of Durban based environmental justice NGO, Groundwork; Andrew Layman, 2014: CEO of the Durban Chamber of Commerce and Industry; Sogen Moodley, 2014: Coordinator of eThekweni's Municipal Institute of Learning; Professor Glen Robbins, 2014: Professor of Economics, University of KwaZulu-Natal; Carlos Esteves, 2014: Deputy Head: eThekweni Transport Authority, eThekweni Municipality and Soobs Moonsammy, 2014: Head: Planning and Development, eThekweni Municipality.

2 LOCAL GOVERNANCE IN eTHEKWINI: THE COUNCIL SYSTEM

South Africa is divided into nine provinces, within which are 278 local governments (Municipalities). As indicated in the previous section, the Constitution led to the following pieces of legislation defining more clearly the roles and responsibilities of local governance:

- The White Paper on Local Government, March 1998.
- The Local Government: Municipal Demarcation Act, 1998.
- The Local Government: Municipal Structures Act, 1998.
- The Local Government: Municipal Electoral Act, 2000.
- The Local Government: Municipal Systems Act, 2000.
- The Local Government: Municipal Property Rating Act, 2005.
- The Local Government: Municipal Finance Management Act, 2005.

The Constitution also provided three categories of local government⁵:

- Single tier **Category A municipalities** – metropolitan municipalities. A **metropolitan** municipality has exclusive municipal executive and legislative authority in its area⁶.
- Two-tier local government in **Category B and C municipalities** where a Category C (**District**) municipality shares jurisdiction with a number of Category B (**Local**) municipalities.

The municipal boundaries (external and internal, such as ward boundaries) are determined by an Independent Municipal Demarcation Board and national government has no ability to change decisions arrived by that Board.

Other spheres of government cannot intervene in local government affairs without following a process involving the national legislature, to ensure that such interventions do not affect the constitutionally-entrenched rights of municipalities.

Given that eThekwini has been defined as a Category A municipality, it is assigned the highest level of functions to perform. These powers are defined in the constitution with some also being assigned through legislation. In District (Category C) municipalities, the powers and functions are shared between district and local (Category B) municipalities.

Municipalities in South Africa were given a range of functions and powers, symptomatic of the constitutional intentions to take government as close to the people as possible. In brief, these powers can be divided into two groups as follows:

“Core/essential” services supporting residents

- Provision of water and sanitation
- Reticulation of Electricity/Energy
- Refuse removal
- Firefighting
- Storm water management in built-up areas

⁵ <http://www.salga.org.za/pages/Municipalities/About-Municipalities>

⁶ In terms of the Municipal Structures Act, Metropolitan municipalities are established in areas which are -

- a. A conurbation featuring-
 - i. Areas of high population density;
 - ii. An intense movement of people, goods, and services;
 - iii. Extensive development; and
 - iv. Multiple business district and industrial areas;
- b. A center of economic activity with a complex and diverse economy;
- c. A single area for which integrated development planning is desirable; and
- d. Having strong interdependent social and economic linkages between its constituent units.

- Cemeteries
- Cleansing
- Local amenities and sport facilities
- Municipal parks and recreation
- Street lighting
- Municipal roads
- Traffic and parking

“Developmental” services supporting the economy

- Municipal planning
- Building regulations
- Trading regulations
- Licensing and control of undertakings that sell food and liquor to the public
- Environmental health
- Markets and municipal abattoirs
- Local tourism
- Municipal public transport/ Mobility
- Air pollution
- Billboards

Metropolitan municipalities are single tier institutions of municipal governance with a Mayor elected by the council as political head and a Municipal Manager appointed by Council on a five year contract as the head of the administration and accounting officer. In eThekweni the Council consists of 205 councilors of which 50% come from wards (each ward being roughly the same number of voters) and 50% from party lists (called PR councilors), which are roughly equal in voter size. Elections are held every five years and in metropolitan areas, voters vote for a ward councilor and for a party on a party list. By law, the municipality must ensure that after councilors are elected, further open elections are held within each ward to elect a ten person ward committee which is chaired by the ward councilor. These ward committees can have powers devolved to them and are involved in increasing the public accountability processes.

Unfortunately, the ward committee system is quite new and because the local governance system is highly politicized, it has not led to much decentralization of functions in which local decision-making is prioritized. This is in spite of the law allowing for powers of the Council (excluding plenary powers such as passing budgets) to be devolved to ward committees. In practice this has not yet happened.

The ward committees are primarily vehicles for consultation and for forwarding concerns and priorities to the central council.

Whilst the mix of ward and part list councilors aims to strike a balance between local and city-wide issues, in practice it does not quite work out that way. The reality in eThekweni is that the majority party has its support base amongst the poor who are generally furthest from economic opportunities. Providing new housing opportunities, for example, close to economic opportunities means those living furthest away (placed there through apartheid policies) would be neglected and so there is always a tension between addressing people’s needs where they are and building a more efficient and effective city. One system used to try and mediate such tensions is to “deploy” the PR councilors into wards which they lost so that they can try and influence things there. Ward councilors in turn are largely only interested in delivery in their ward and do not really buy in to city-wide strategies. For example, under the apartheid system white areas generally included all the major economic areas of the city with the poor and black forced into more peripheral areas. These former minority areas have remained largely under the support of the opposition with the peripheral areas under the support of the majority party. Such peripheral areas are generally uneconomic, meaning that housing for

working class people should be closer to where people work. But ward councillors in majority party areas often see the development of housing in places closer to work opportunities as a way in which their own support bases may be undermined, and so they prefer to get housing in their wards. This reinforces the inefficiencies of the city. It therefore requires strong political and administrative leadership to guide strategies which will address the inefficiencies. Given the conflicting views within the wards and often between wards and the councilors, eThekweni is still quite centralized in its governance, and the ward committees are often either sterile (when there are singular parties present) or very hostile at times⁷.

Overall, the governance system is driven by party-political agendas. This does lead to “paralysis because decisions have to be made by a political caucus, which cannot always reach consensus”⁸. In addition, the private sector often feels that the “relationship between the private and public sectors is dependent on how successfully individuals relate to one another in their engagement”⁹.

In eThekweni there are 205 councilors with 103 elected at a ward level and 102 coming from party lists. These councilors attend monthly council meetings, committee meetings and at the beginning of each term elect the Mayor and the key office bearers (Speaker, Chief Whip, Deputy Mayor, etc.), including appointing the Municipal Manager and Chief Finance Officer (both of whom serve on five year contracts), and other senior managers reporting to them.

Agendas for council (chaired by the Speaker) largely consist of the following:

- Questions and debates: these are questions and debates any councilor may ask (the Rules limit how many may be dealt with in a meeting) and the answers are then given at the public council meeting, and in the case of debates, a debate is held. These are probably the best opportunity for opposition parties to raise political points.
- The Municipal Manager brings reports to the Executive Committee (EXCO) chaired by the Mayor and the EXCO has delegated powers to deal with some of the matters.
- Issues such as budgets have to be approved by full council and EXCO reports are then tabled for approval and councilors again are allowed an opportunity to interrogate the conclusions/recommendations/etc.
- Reports from council committees are also tabled (such as the municipal public accounts committee and these are also debated.

Municipal managers have some executive authority as delegated by municipal councils and for the rest of the functions they must report to the political executive committee chaired by the Mayor¹⁰. In turn, depending on which powers have been assigned by the municipal Council to the Mayoral Committee, they must further report to the full council for the authorization of matters. In eThekweni, the administration consists of over 25,000 employees and an annual budget of approximately R32 billion (USD3.5 billion) per annum.

Whilst legislation defines clearly the roles and responsibilities of municipal managers (who are in effect the CEOs) and Mayors (the equivalent of chairs of boards) there is invariably tension given that Mayors as political heads must be seen to deliver whilst Managers as accounting officers must ensure the law is strictly applied.

In terms of planning powers, municipalities have full powers to plan for municipal matters and “higher” spheres of government can only intervene in such planning if it goes against the national interest. Municipal planning mainly deals with land uses (zoning and the like), transport planning, infrastructure planning and local economic/tourism and other developmental planning. The

⁷Interview with Bobby Peek, 2014

⁸Interview with Andrew Layman, 2014

⁹Interview with Andrew Layman, 2014

¹⁰Called either a Mayoral executive or Executive Committee.

Constitution lays down a process for resolving intergovernmental disputes, which disputes should ideally be resolved through discussion and negotiation before turning to the courts. Planning is a quasi-judicial matter and some aspects are delegated to officials, whilst other aspects go before a committee of councilors. Matters can go for judicial review if parties are aggrieved with outcomes.

The Constitution and local government legislation afford communities a range of rights of engagement, participation, consultation, access to information and involvement in all aspects of decision-making. Participatory and representative democracy is not just spoken about but has to be practiced by all spheres of government. By law, all policies and all budgets must go through a legislated consultative process, with ward and sectoral meetings having to be held before council can finalize budgets and policies. Documents must be made available to members of the public and there is a nationally regulated public access to information Act in place to ensure that that happens.

As will be seen later, whilst community participation is a legislated requirement, it remains difficult for now, in this representative political system, to move beyond the participation being limited to the provision of information and opportunities to engage with the municipality.

Finally, it should be noted that in addition to the many political committees coordinating policy and monitoring functions and powers of the city, the city also has a set of structures to ensure effective coordination and integration of plans. These include:

- Strategic management team meetings (weekly)
- Cluster meetings of senior managers (weekly)
- Broader management fora (monthly)
- Capital projects delivery meetings (weekly)

In addition, there are inter-departmental meetings around different aspects of service delivery, such as ensuring that roads do not get built without synchronizing with electricity and water systems. There are also city-wide committees, such as one championing strategies to address AIDS.

Overall, the Mayor has argued that some of the main institutional challenges in eThekweni are:

1. Creating an even more responsive municipality:
 - i. To deal with trends of urbanization and in-migration; to address long-term planning and master plans for infrastructure and assets management against the backdrop of the need for planned and systematic replacement of aging infrastructure;
 - ii. To drive spatial integration and coordination around public transport infrastructure, smart city connectivity and innovations, water and sanitation, roads networks and drainage systems, electricity, waste management, human settlements, community-social facilities and sustainable environment;
 - iii. To focus on the implementation on mega-economic development projects faster and with high impact results in areas of unemployment, poverty and income inequality; and
 - iv. To ensure integrated and well-coordinated public participation and democratization of local area planning and budgeting processes
2. The need to fill critical vacancies (particularly in the professional sectors) when contracts come to an end, there are resignations or natural attrition;
3. Address issues of economic disparities and the need for black economic empowerment, ensuring meaningful participation by disadvantaged African communities, military veterans, women, youth people living with disabilities; and
4. Accelerating even more service delivery to address backlogs particularly in human settlements and community facilities.

3 AN OVERVIEW OF THE eTHEKWINI METROPOLITAN AREA'S ECONOMY AND SOCIETY

3.1 POPULATION

In 2001 the population of eThekweni was 3.09 million and this has grown at an average annual percentage of 1.13% per annum to reach 3.44 million in 2011¹¹. This population is expected to grow to about 3.7 million by 2020. The majority of the population are of African origin (71%), followed by Indians (19%), Whites (8%) and Coloureds (2%)¹². About 66% of this population is below the age of 35 years, while the economically active age group (from 15 to 59 years) includes 67% of the population. The population dependency ratio is 48 / 100. In terms of gender the municipal population comprises 49% males and 51% females, with females having a longer life expectancy than males¹³.

eThekweni's population growth is affected by high migration levels. The largest sources of migrants come from the rest of the province, followed by migrants from outside South Africa. Many of these migrants 'are taking up residence in informal settlements and in the case of migrants from outside South Africa 15% reside in informal settlements, and as many as 35% of the migrants from the Eastern Cape live in informal settlements'¹⁴. Approximately 20% of the population resides in informal settlements. Given the need to address backlogs in service provision, the city has a significant housing programme (over 150,000 delivered and given to poor people for free in a ten year period), with Free Basic Services being provided (such as water points where there is no water in a yard, 9KL of water free per month for each household, a free basic electricity programme, etc.)

The city's largest population concentrations occur in the central and northern areas of the municipality. The central area is the urban core and houses approximately 1.18 million people (34.54%). The northern region has approximately 1.15 million people (33.61%). The southern areas of the municipality accommodate approximately 758,000 people (22.03%) while the outer west, and more rural / peri-urban area of the municipality, accommodates the smallest number with a total population of approximately 338 000 people (9.82%)¹⁵.

According to Census 2011, there were 956,713 households in the municipality.

¹¹Statistics South Africa, 2011

¹²eThekweni Spatial Development Framework, 2013/14

¹³eThekweni IDP, 2014/15 Review

¹⁴eThekweni IDP, 2014/15 Review

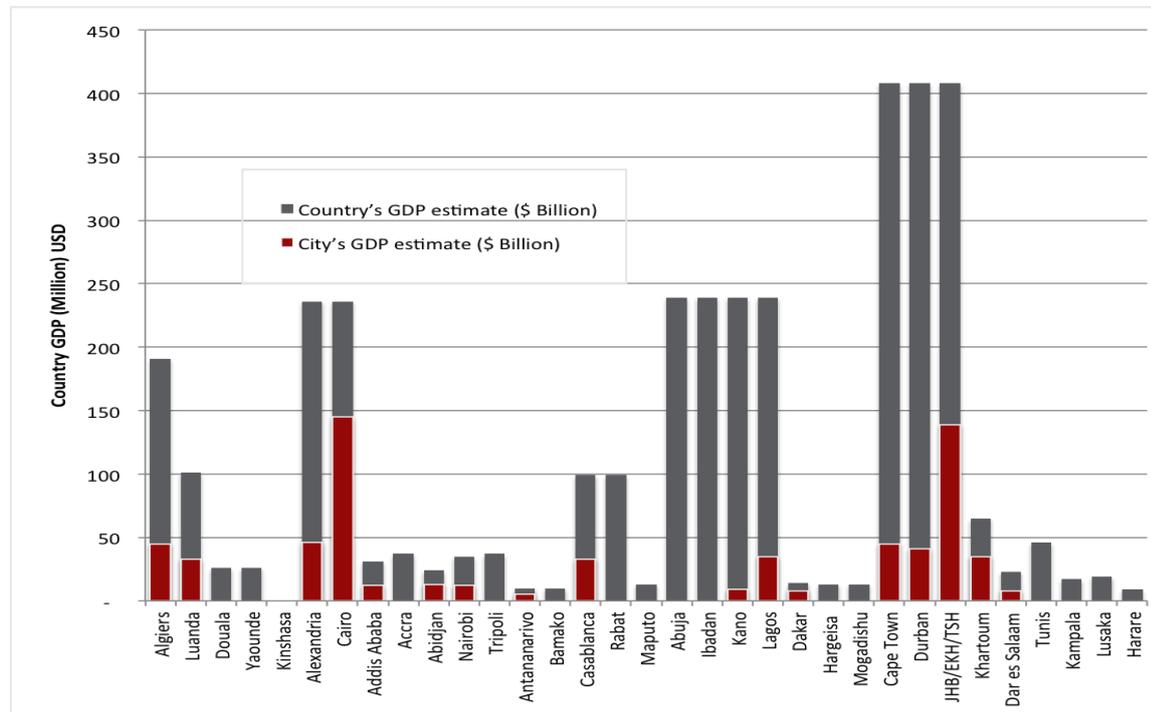
¹⁵eThekweni IDP, 2014/15 Review

3.2 ECONOMY

eThekweni’s GDP (in constant 2005 prices) was approximately USD20 billion in 2012, forecasted to grow by 3.1% to USD21 billion in 2013. It comprises 65.5% of KwaZulu-Natal’s GDP and 10.7% nationally.

In Africa-wide terms, the major South African cities contribute significantly to the overall country-wide GDP as may be seen in the following figure:

FIGURE 4 - COUNTRY AND CITIES GDP IN AFRICA



Source: Constructed from data in the PWC Global City Rankings 2008 – 2025 (2008)

While growth rate in eThekweni over the last decade of 5.6% are better than the national average of 4.6%, it remains slow. Just over one million people live in poverty (at least 30%); with 92.4% of those African, 6.3% Asian, 1.2% Coloured and 0.1% White. When looking at population living in poverty by race group, 42% of the African population is living in poverty, while 15% of the Coloured population, 10% of Asian population and 0.3% of the White population live in poverty.

In 2011, the poverty gap in eThekweni amounted to R1.9 billion -of which R1.8 billion was required by the African population group. In South Africa, eThekweni has the lowest Human Development Index of all the metropolitan municipalities at 0.68, while Cape Town has the highest HDI of 0.76¹⁶. The reason for this is historical – Cape Town was an area where African South Africans were significantly restricted in terms of migration and settlement and whites were significantly advantaged. In eThekweni, on the other hand, poor and rural Africans moved into the city in large numbers even before the advent of democracy.

In 2011, 38% of eThekweni population was economically active, decreasing by 2% from the economically active population in 2006. There was ‘significant improvement with respect to the

¹⁶eThekweni Integrated Development Plan, 2014/15

municipality's unemployment rate, decreasing from 31.4% in 2006 to 20.4% in 2011¹⁷.

In the last five years, all population groups have experienced a decrease in their unemployment levels. Females constituted 47% of the eThekweni's unemployed in 2011, while males made up the majority of those unemployed with 53%. eThekweni comprised 54% of KZN's total unemployment rate in 2011.

In 2012, the tertiary sector accounted for 73% of employment, while the secondary sector made up 26% and the primary sector made up 1%. Trade accounted for 23.5% of employment, while manufacturing accounted for 18.6% and community services for 20.7% in 2012. The latter increased in the past five years, while the trade and manufacturing sectors decreased in their percentage composition over the same time frame.

Formal employment comprised of 76% total employment, whilst informal employment made up 24% of total employment. The informal sector employed 270325 people in 2012, up by 0.4% from 2011. eThekweni is one of the few cities in the world which has a clear policy programme allowing for the location of informal businesses within the city precincts. Sites are allocated on street pavements and skills empowerment programmes are run by the municipality. Tender procurement also aims to allow small businesses to benefit.

Real disposable income grew by 2.1% between 2011 and 2012. In 2010, the Gini coefficient of 0.62, a measure of income inequality, was lower when compared to KwaZulu Natal (0.65) and South Africa as a whole (0.64). The Gini Coefficient has also decreased from 0.64 in 2004 to 0.62 in 2010¹⁸.

Given that eThekweni is highly dependent on its tertiary sector, its economy is less diversified in terms of its economic activity spread than KwaZulu Natal and South Africa¹⁹.

The key issues relating to the economy are therefore as follows²⁰:

- Increase in unemployment;
- 41.8% of population subject to conditions associated with poverty;
- Little or no diversity in the economy.
- Declining resource base and the impacts of climate change

However, there are a number of major development projects planned which will have a positive effect on the economy, including the creation of a substantial number of temporary and permanent jobs, in the next 10-15 years. These include: expansions at the Durban Port, the mixed-use development at Cornubia (expected to create approximately 60 000 jobs), the Dig-out Port at the old airport site, the major shopping center development at Shongweni and industrial development in Cato Ridge in the Outer West, new developments at Dube Trade Port.

¹⁷eThekweni Integrated Development Plan, 2014/15

¹⁸eThekweni Spatial Development Framework, 2013/14

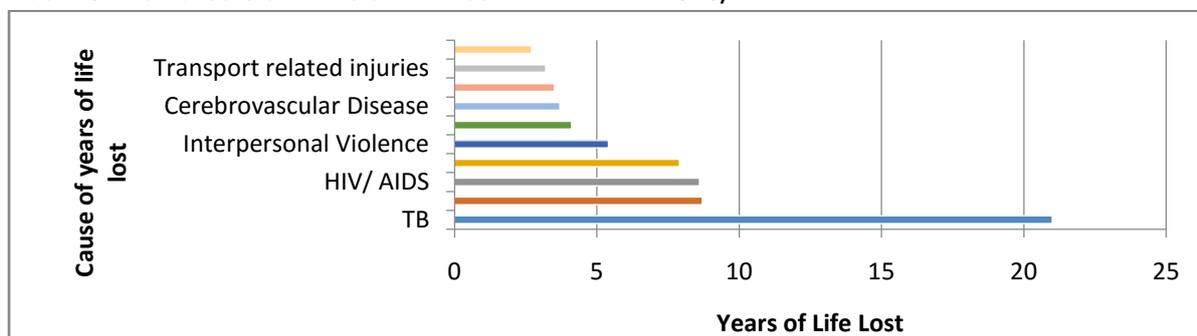
¹⁹eThekweni Spatial Development Framework, 2013/14

²⁰eThekweni Spatial Development Framework, 2013/14

3.3 SOCIAL AND HEALTH DEVELOPMENT

There are a number of social development challenges in the municipality. These include issues such as teenage pregnancy and alcohol abuse. The graph below indicates the ten leading causes of life lost in eThekweni in 2010/11.

FIGURE 5 - TOP CAUSES OF YEARS OF LIFE LOST IN eTHEKWINI 2010/11



Source: District Health Barometer 2010/11 in eThekweni's 2014/15 IDP

HIV/AIDS prevalence in KZN is slightly higher than the national average (25% compared to 17%-18%). In 2012 the South African TB incidence rate was at 687.3 per 100,000 people with eThekweni metro at almost double the South African average at 1,126 per 100,000 people²¹. Again, this reflects the apartheid history with the city having the highest proportion of poor people and migrant workers than any of the major cities.

TABLE 1- PROJECTED HIV PREVALENCE (%) AT AGES 15-65 IN eTHEKWINI

Population group	2005	2010	2015	2020	2025
Asian	4.9	6.4	6.9	7.2	7.4
Black	35.6	32.8	29.4	28.3	28.1
Coloured	10.7	12.3	12.5	12.7	13.0
White	3.5	4.5	4.9	5.1	5.3

Source: eThekweni IDP, 2014/15 Review

²¹eThekweni IDP, 2014/15 Review

4 INTERGOVERNMENTAL FINANCE, RELATIONS AND MULTI-LEVEL GOVERNANCE

4.1 FINANCIAL MATTERS

National Government collects the main sources of income (corporate and other taxes) and distributes those monies to national, provincial and local governments according to an Equitable Share System. The Equitable Share Formula is a complex formula including an institutional grant for underdeveloped areas and then a range of variables to try and address the complexity of local, particularly metropolitan, governance. For example, metros receive a portion of the petrol tax and get large specific grants for the provision of public transport etc.

National government also funds provinces which generally have very poor fiscal capacity, raising only 4% of their own revenue – with 96% of their funding coming from National Government. Own revenue sources at a provincial level are primarily motor car licence fees and gambling taxes.

Local governments, on the other hand, have significant fiscal capacity with municipalities being able to collect property rates, service charges and tariffs for services such as electricity, water, sanitation and solid waste collection. Metros and urban municipalities collect over 90% of their own revenue with rural municipalities collecting only around 20% of their own revenue. Local government receives almost a 9% share of the national budget. This has increased from 7.5% in 2009.

Overall, local government receives R84.7 billion (8.9 %) from national government and own revenue is around R197 billion per annum. Metropolitan areas also receive a share of the fuel levy which is collected nationally, which, whilst smaller than the equitable share, assists cities significantly. Approximately one third of municipal spending is on public goods (no revenue opportunities), with two-thirds spending on user charge services (water/electricity).

The Constitution outlines the key issues for how South Africa's finances are divided. Section 214 of the Constitution requires an annual Division of Revenue Act. The size of the grant provided to municipal government depends on functions being exercised by a municipality and their own fiscal capacity.

One national law applies to all provinces and municipalities: provinces or municipalities therefore do not have to have separate legislation on fiscal responsibility.

National Treasury allows for a wide range of conditional and unconditional grants to municipalities. The unconditional grants include the equitable share allocation and also block grants for the provision of free basics services etc. But there are a wide variety of conditional grants, many focussed at the problems experienced by metropolitan areas, such as the city support grant (allowing cities to reduce the costs of apartheid planning through, for example, increasing densities), the public transport infrastructure grant, etc. Grants also exist for infrastructure (water, electricity, etc.), local economic development, housing and many other matters which are delivered at a local level. Targeted programmes also exist, such as an inner-city regeneration programme where developers are given a tax break if they invest in a geographic area defined by the city and gazetted by National Treasury.

Municipalities set their budgets annually and have to follow a process of consultation and public engagement. All tariffs must be published for comment before being finalised by municipal councils and tariffs are also subject to nationally-set ceilings. Every five years properties must be revalued at market rates and then cities are able to set their own rate to collect such property taxes/rates.

Cities may borrow from local markets but must go through significant public and stakeholder (such as National Treasury) engagement before it can borrow. International borrowing is far more strictly controlled and requires National Treasury involvement and approval. Cities are limited to tariffs and property taxes.

4.2 INTERGOVERNMENT RELATIONS

National government has a coordination system which rests in a number of structures at each sphere of government. These are intended to direct coordinated action for the government's programme of action, and thus to oversee the effective management of the powers and functions of each sphere.

The role of these structures is outlined in the Intergovernmental relations framework Act, 2005 and there is also an Intergovernmental fiscal relations Act, with each of these having distinct structures.

A City Budget Forum operates at a national level and provides an opportunity for metropolitan municipalities to engage with National Treasury around budget matters. The metropolitan municipalities are individually represented here given the size of their budgets whilst SALGA (the body representing organized local government) is also represented to ensure that the interests of all municipalities are also catered for. At a national level, organized local government elects representatives who participate in the affairs of parliament, at a provincial level a coordinating committee chaired by the Provincial Premier includes the Mayors of metropolitan and district (Category C) governments. Within the metropolitan area, given that it is a single tier, there is no need for any intergovernmental coordination and council committees are fully empowered to deal with municipal matters.

Unfortunately, intergovernmental relations are generally quite bureaucratized and tend to just be in the form of information sharing meetings. Intergovernmental developmental initiatives, on the other hand, are far more successful. In some sectorial areas (like Health, Transport etc.), where other spheres of government play a role, intergovernmental committees operate.

The legal framework allows municipalities to contract other municipalities to undertake services on their behalf. Generally, given that metropolitan areas are more capacitated, this has not happened in places like eThekweni. This is far more common in more rural jurisdictions.

Many forms of service delivery (in addition to the municipality undertaking the service delivery wholly by itself) are available to be used: Public Private, Public-Public, Public-Community, Private sector, etc. eThekweni has had a few Private-Public sector initiatives, such as: (i) a waterfront redevelopment, (ii) the development of a shopping/residential area and (iii) the provision of grey water in an industrial area. These have been reasonably successful, although there is a general view that private sector involvement should be limited to such developments, as they do not have the experience to properly manage public goods. Also, the private sector's involvement is generally only at the level of construction and the provision of some professional services for functions, which are owned and operated by cities themselves. Whilst in the late 1990s, international consultants tried to influence the privatization of some public services, this has simply never taken off given the fundamental contradiction between producing services for profit versus services in the public interest. At the same time, more recently, the private sector has increasingly looked at ways that they could become independent power producers of energy, with the hope that they could sell surplus energy into the nationally owned grid. Strict financial and supply chain management regulations are in place.

The framework for Intergovernmental relations is clearly defined by the Constitution and other national legislation, with the Constitution stating:

Principles of co-operative government and intergovernmental relations

(1) All spheres of government and all organs of state within each sphere must-

- (a) preserve the peace, national unity and the indivisibility of the Republic;*
- (b) secure the well-being of the people of the Republic; provide effective, transparent, accountable and coherent government for the Republic as a whole;*
- (d) be loyal to the Constitution, the Republic and its people;*

- (e) respect the constitutional status, institutions, powers and functions of government in the other spheres;*
- (f) not assume any power or function except those conferred on them in terms of the Constitution;*
- (g) exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and*
- (h) co-operate with one another in mutual trust and good faith by-*
 - (i) fostering friendly relations;*
 - (ii) assisting and supporting one another;*
 - (iii) informing one another of, and consulting one another on matters of common interest;*
 - (iv) co-ordinating their actions and legislation with one another;*
 - (v) adhering to agreed procedures; and*
 - (vi) avoiding legal proceedings against one another.*

In addition:

Section 154: Municipalities in co-operative government

(1) The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

National government is responsible for managing cooperative governance and setting the developmental and fiscal agenda for the state as a whole. Intergovernmental relations are the systemic mechanism expected to manage the relations between multiple polities and structures to achieve the goals of the developmental state. The experience to date though has been quite mixed although national government in particular is striving to improve the system to make it more developmentally oriented.

The 1998 White Paper on Local Government created the concept of developmental local government, which must meet the social, economic and material needs of citizens. However the greater emphasis on coordination and not integration between levels of government has been a cause for concern. The most obvious example revolves around the municipal Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs) which should be the primary vehicles for planning all development at a local level. However, provincial and national spheres of government often make their own decisions about their projects and programmes, without referring to the municipality's IDP and SDF.

National and provincial governments must comply with the policies and procedures at a local level, including paying property rates and taxes, tariff charges (for electricity and water) etc. They are also subjected to the same penalties, such as electricity cutoffs when they fail to pay for services rendered by the municipality. However, there are many instances of unfunded mandates (where cities have to provide services which are then not paid for by the state) or where other spheres of government do not pay (or do not pay timeously).

A missing capability however is effective collaboration between spheres, as there are no systemic, or governance processes to ensure effective sanctions when one governmental party fails to collaborate, such as sectors failing to work with municipalities on planning. This is in spite of coordination structures being established by law at national, provincial and local levels. In addition, these intergovernmental processes can be very laborious particularly when trying to resolve disputes. The Constitution requires that conciliation and mediation must be followed first before any legal action is taken to resolve disputes, and this may take years.

4.3 ROLE OF THE NATIONAL GOVERNMENT WITH REGARD TO METROPOLITAN AREAS IN THE COUNTRY

National government plays a major role in setting broad laws and policies within which metropolitan government must work. Whilst they can only intervene in local governance under strictly defined circumstances, including that they must table such requests in the national legislature for public scrutiny, over 130 pieces of national legislation define the operations, plans and programmes of municipalities. Given the importance of metropolitan areas to the economy, and the fact that four metropolitan areas have larger budgets than half of the provinces, national government does tend to treat metropolitan areas differently. For example, national government departments generally deal directly with metropolitan governments, in part because of their importance and also because metros usually have far more capacity than provincial departments.

National government has an Urban Development Framework and a National Development Plan, both of which impact on metropolitan governance.

Some examples of the ways in which almost all national departments impact on eThekweni include:

- **National Treasury:** The legislative reform process spear-headed by National Treasury has sought to empower metropolitan cities to achieve prescribed outcomes without the inefficiency of project level funding allocations and inefficient funding flows via provincial departments.
- **Transport:** SA National Roads Agency (SANRAL) for the maintenance and aesthetic cleansing of national and provincial roads including un-surfaced rural roads and funding of expansion requirements relating to their infrastructure
- **National & Provincial Human Settlements** for the housing function
- **Water** Licences /Reserve determination from Department of water affairs and sanitation

Some of the challenges in such intergovernmental processes include:

- Need to unify roads authorities: Within eThekweni there is an added complication of duplicated roles & responsibilities which, in the case of roads, has the practical reality of similar roads within communities falling under different authorities.
- Need to accredit the municipality to deliver housing so that it can receive more funds.
- Need to come up with a funding model that is responsive to the practical rollout realities of the Integrated rapid public transport network. Public transport is key to restructuring cities and if this is drawn out because of ineffective funding arrangements, it has the potential to delay this restructuring.
- Health and libraries
- In addition there are unfunded mandates relating to provincial health and libraries. These must be discussed and a way forward determined.
- Over-regulation
- Water matters: with regards to water and sanitation, assurance of supply is impacted upon by the need for an early decision on the construction of the Smithfield Dam (uMkhomazi River Water Scheme). Secondly, the speedy resolution of water use licences and coastal discharge permits are needed urgently. The Department of water and sanitation must be engaged to deal with these. The recycling of treated effluent, though it is viable option, still requires community support for implementation.
- Home Affairs: there is a need to coordinate more effectively the services of Home Affairs and SASSA within the municipality to ensure that all citizens have access to identity documents and all other governmental registrations services. This will enhance citizen participation in service delivery initiatives, elections, ward committees and other community participation initiatives. It is hoped that a memorandum of understanding (MOU) will be signed with Home Affairs to expedite and coordinate ID and birth registrations within the municipality.
- Social ills: There is a need to work more closely with all security agencies to eradicate the

production, sale and distribution of drugs within local communities. There is a need to work with the provincial government and KZN liquor board to reduce the number of liquor outlets particularly those around schools to reduce the abuse of alcohol.

- Violence against women and children –there is a need to work more closely with civil society partners, safety and security agencies and department of Justice to reduce the scourge of violence against women and children.
- There is a need to develop an MOU with provincial and national department of social development to develop an integrated social development strategy to tackle social ills. A more effective partnership with civil society in tackling social ills must be put in place within the next six months. A comprehensive database of all civil society organizations is available within the municipality.
- Public transport: The GODURBAN Integrated rapid public transport network (IRPTN) needs to be fast tracked. Public participation, in particular the role of the tax industry and public interest groups must be enhanced. All public events to announce and celebrate milestones must include all interested and affected parties.

4.4 ROLE OF PROVINCIAL GOVERNMENT WITH REGARD TO A METROPOLITAN AREA IN THE REGION

Provincial government plays only a minor role in eThekweni, and is primarily a post-box role in the case of housing and transport funds from national government. National Treasury monitors funding expenditure etc. in eThekweni.

The provincial government role is usually in coordinating and engaging around social issues which are not municipal functions.

5 ASSESSING DELIVERY

Towards the end of the transitional phase of democratic local government, in 2001, the eThekweni Municipality published its Long Term Development Framework, the city's first long term city development strategy.

The strategy outlines the purpose of the city as being to *“facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilize their full potential and access opportunities, which enable them to contribute towards a vibrant and sustainable economy with full employment, and thus create a better quality of life for all.”* Central to this is Quality of Life, which includes issues such as food security, health, transportation, self-advancement, freedom to act and civic pride. These are mostly national competencies, but at a local level the city recognized that three things could be focused on to begin to address these challenges:

- meeting basic needs
- strengthening the economy, and
- building skills and technology

The policy was revised in 2010 and Durban's 2010 plan creates a 10, 20 and 50 year vision for the city as Africa's most caring and liveable city.

The strategy focuses on six themes (although recognizing that each is interlinked)

1. Creating a safe city
2. Promoting an accessible city
3. Creating a prosperous city where all enjoy sustainable livelihoods.
4. Celebrating our cultural diversity, arts and heritage
5. Ensuring a more environmentally sustainable City
6. Fostering a caring and empowering City

The 2010 plan, like the 2001 plan, is seen as having broad intent, with the details of how the goals will be reached, left to the city's Integrated Development Plans. Similarly, it provides only broad targets, aiming to inspire different sectors to take ownership of their action areas.

The plan outlines long term trends facing the city to which the strategy aims to respond – climate change, water shortage, peak oil and poverty and inequality.

For each of the six themes, the plan has short term (10 year) targets, medium term targets (20 years) and long term targets (50 years). And within each theme, strategies are outlined, each further broken down into actions for individuals, civil society, businesses, local government and provincial/national government.

The Imagine Durban initiative worked well but its value diminished over time²². This was a widely consultative programme defining the long-term vision and its success was in part because the city employed outside facilitators to drive the process without much interference from city leadership. In the sections which follow, achievements and challenges to date are described.

IMAGINE DURBAN

“The main purpose of the Imagine Durban project is to develop a visionary plan that can inspire citizens, nongovernmental organizations, business and government to work together to make Durban the best city in the world.”

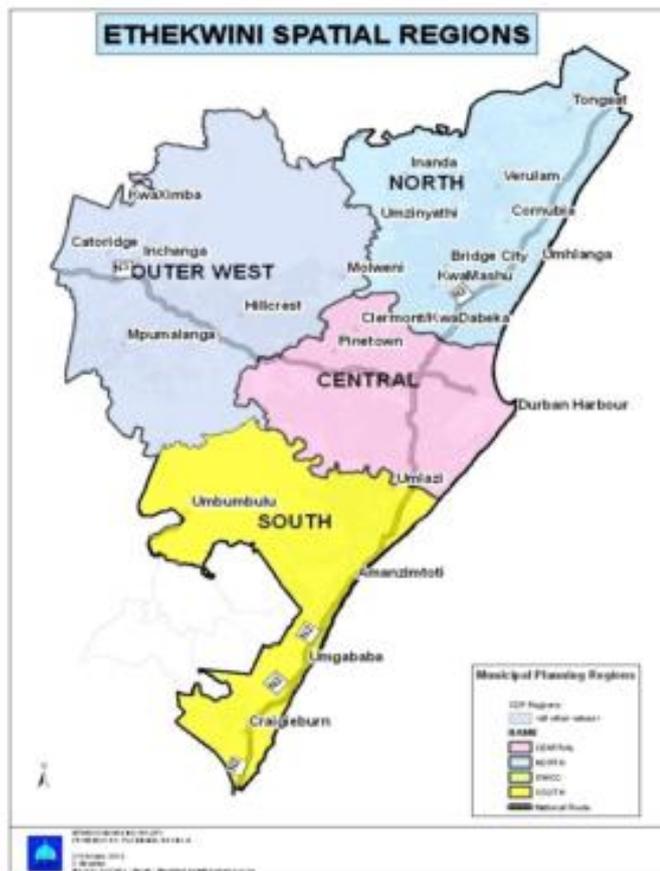
The Imagine Durban project asked a cross section of citizens within the city a series of questions about what they liked and didn't like about the city, what they wanted to change, their dreams for the city and how they thought they could make those dreams come true. These answers became the basis for the six key theme areas of the strategy.

²²Interview with Soobs Moonsammy, 2014

5.1 SPATIAL STRUCTURE

eThekwini has four functional areas: the Central Municipal Planning Region (CMPR), South Municipal Planning Region (SMPR), West Municipal Planning Region (WMPR) and North Municipal Planning Region (NMPR). The functional boundaries of these regions are defined by the Umgeni River, the Umlazi River and the Kloof Ridge, and are catchment based.

FIGURE 6 - ETHEKWINI SPATIAL REGIONS



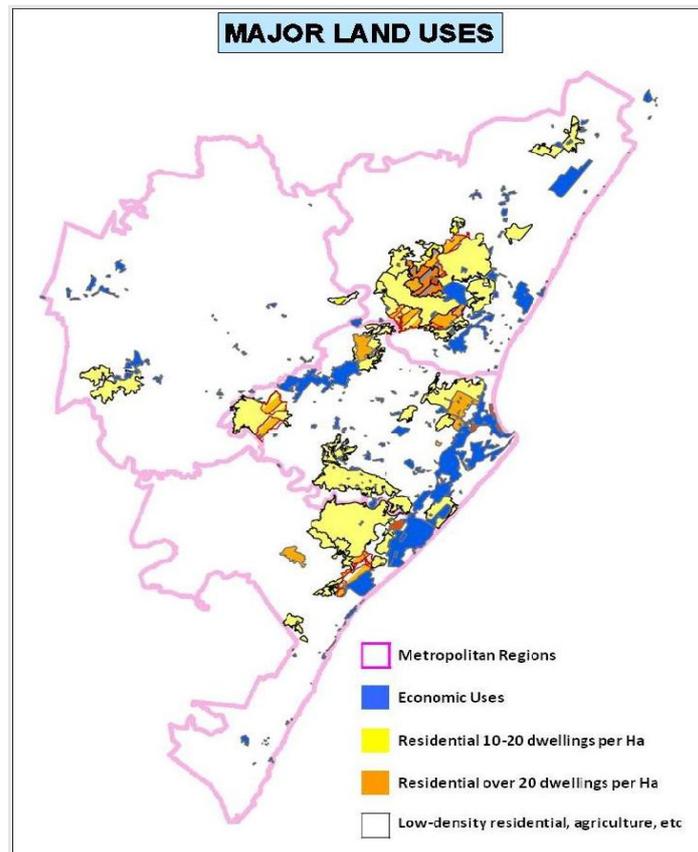
Source: eThekwini Spatial Development Framework (SDF) Report 2013/14 (2013)

eThekwini is dominated mainly by residential and economic land uses, with other less prevalent land uses including agriculture, traditional settlements and industrial uses. Economic land uses are unevenly distributed across the municipal area, and are separated from residential uses²³.

Economic activity is heavily skewed towards the Durban City Centre, the Durban South Basin, the Port of Durban and the Pinetown and New Germany areas. There is uneven distribution of economic opportunities with most employment and consumption opportunities concentrated in the central core areas. The municipality initiated a set of strategies to address this: from black township regeneration schemes to upgrading bulk and reticulation basic network services, as well as providing business support services for particularly SMEs and the informal sector. It is probably too early to measure the success of these in balancing economic opportunity across the city.

²³eThekwini Spatial Development Framework, 2013/14

FIGURE 7 - ETHEKWINI MAJOR LAND USES



Source: eThekweni Spatial Development Framework (SDF) Report 2013/14 (2013)

The municipality's Spatial Development Framework highlights the following:

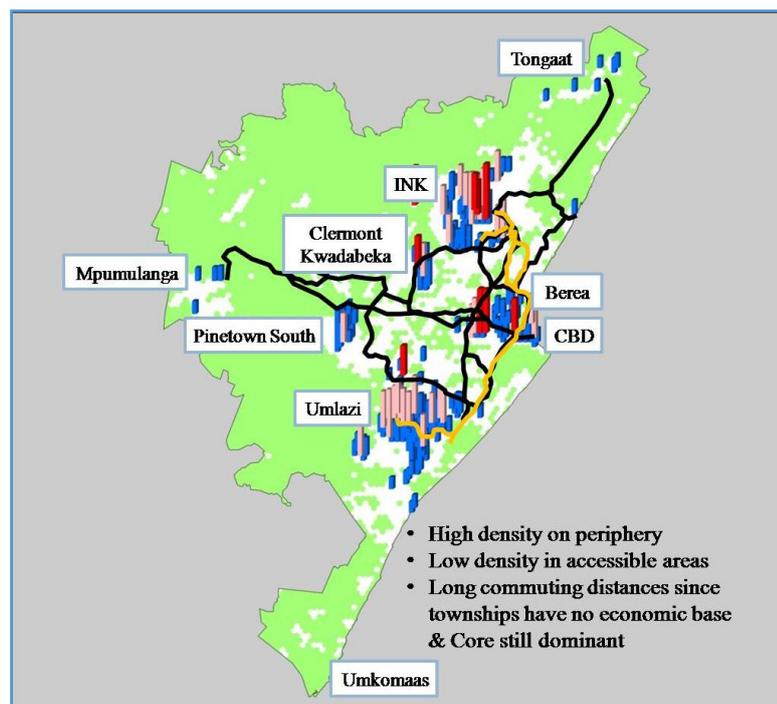
"The concentration of uses in the Central and North regions and the significant economic and residential uses in the Central Metropolitan Region has resulted in the urban form with a clear separation of residential uses from economic uses. This implies that there are few employment opportunities where people live, and that economically active residents must commute."

The municipality's population densities are also a challenge, with large areas of ultra-low density settlements (less than three dwellings per/ha make up 55% or more of the municipal extent²⁴). Higher densities are found in townships and informal settlements on the periphery but these densities are not supported by the provision of amenities. These poor resource areas have high unemployment rates, low household incomes, poor levels of education and low levels of access to areas of opportunity. This implies that there are few employment opportunities where people live, and that economically active residents must commute between work and home²⁵.

²⁴eThekweni Spatial Development Framework, 2013/14

²⁵eThekweni Spatial Development Framework, 2013/14

FIGURE 8—RESIDENTIAL DENSITIES IN ETHEKWINI



Source: eThekweni Spatial Development Framework (SDF) Report 2013/14 (2013)

As indicated previously, there are large peri-urban and rural areas in the municipality. The rural areas occupy approximately 1500 km² located in the northwest and southwest areas of the municipality. This includes the peri-urban areas alongside the N2 and N3 corridors. In addition, 50% of the outer west region also has traditional authorities²⁶. These traditional authorities are represented on the council in an ex officio basis and within the respective democratically elected ward committees are able to engage the municipality.

The eThekweni Municipality is structured by a T-shaped movement networked formed by the intersection of the N2 running in a North-south direction and the N3 running towards the North-western direction. The T shape has developed to be known as N2 and N3 Corridors.

The map above shows that eThekweni has a multi-nodal/ sprawl structure, with key nodes being in the centre, north and southern areas. There is also a smaller node area in the west.

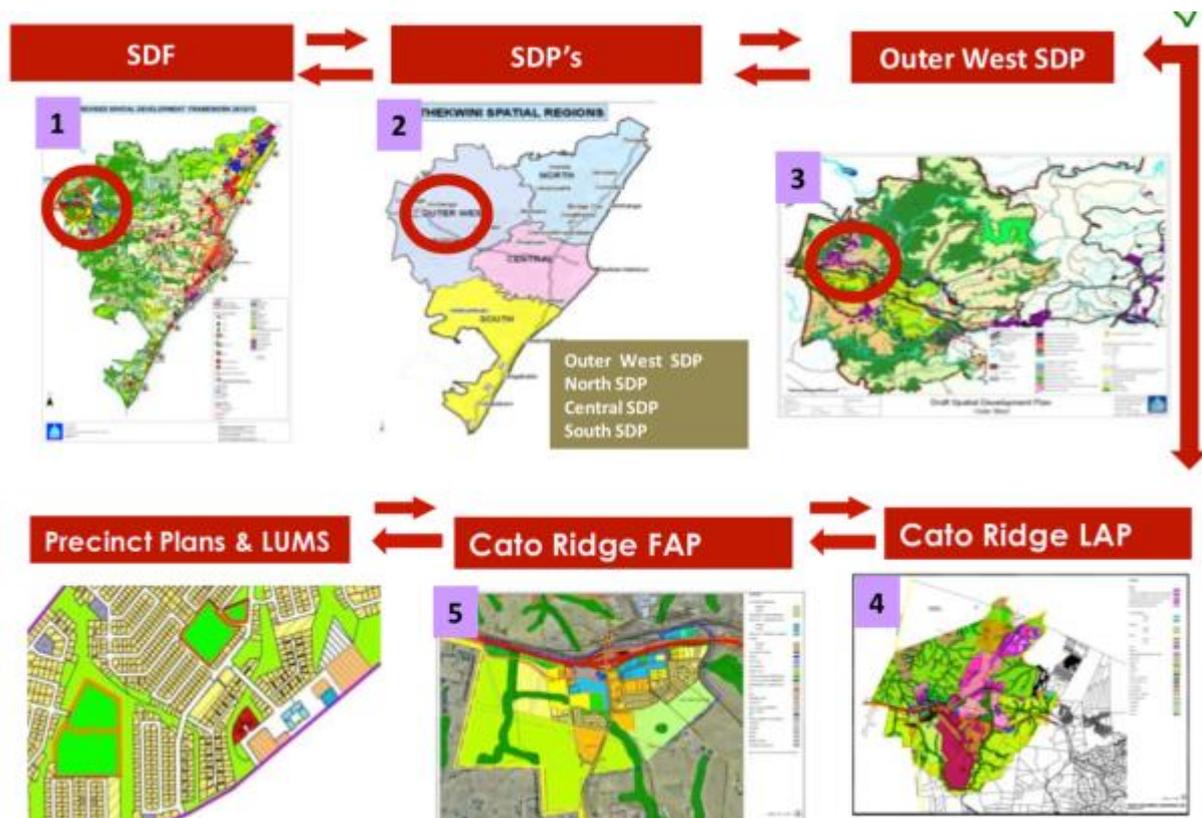
The N2 forms part of the Provincial and National corridor running north to Richards’s Bay and Mozambique. To the south it runs across the CBD main metropolitan and regional transport hubs including the Port of Durban, Isipingo, Amanzimtoti and continues down to Port Shepstone and the Eastern Cape province. The N3 plays a critical role in providing access to main metropolitan and regional transport hubs including the Port of Durban, Durban and Pinetown CBD’s. It also links Durban with Pietermaritzburg and further north, to Gauteng²⁷.

eThekweni has put in place a Package of Plans system, which builds on the statutory planning processes required by law of all municipalities. In brief, it consists of four levels: the Spatial Development Framework, the Spatial Development Plan (SDP), the Local Area Plans (LAPs) and the Land-Use Management System (LUMS)/Precinct Plans as is seen in the following figures:

²⁶ eThekweni Spatial Development Framework, 2013/14

²⁷ eThekweni Spatial Development Framework, 2013/14

FIGURE 9—HIERARCHY OF SPATIAL PLANS: ETHEKWINI



Source: eThekweni Spatial Development Framework (SDF) Report 2013/14 (2013)

The intention of national policy on local government was to try and ensure that local IDPs were actually composite plans, integrating all plans of other spheres of government, the private sector, entities and other stakeholder groups into these local plans. This has not really taken place and instead each sphere of government has developed their own plans without much involvement, engagement or even knowledge of the local plans. Very few instances have occurred where different spheres of government tried to undertake joint longer term strategic planning for their space economy.

The recently promulgated Spatial Planning and Land Use Management Act (SPLUMA) has now clarified planning responsibilities for different spheres of government with municipalities having become more empowered as a result of this legislation. A wide variety of programmes have been initiated by national government to improve local government’s capacity to undertake these planning responsibilities, from assistance in developing bylaws to capacitating municipal planning officials. A system of aligned national-, provincial- and municipal spatial development frameworks aims at reducing fragmentation.

5.2 BUDGETING PROCESS IN eTHEKWINI

The budgeting process is regulated by law and audited each year. In eThekweni it involves a range of community consultation with ward and general meetings and workshops being held. There is a move towards a Standard Charter of Accounts which will also improve the level of transparency in budgets and accounting. All audit and annual reports must also go through a public process before they may be adopted.

Capital budgets are generally adopted in principle by councils six months before the new financial year and operational budgets must be adopted at least two months before the start of a financial year. Three year multi-year budgets are approved so as to ensure for better planning, understanding and consultation.

In general, in terms of the operating and capital spending of eThekweni below, the city has been doing well. On a weekly basis there is monitoring of capital budget spending and vigorous acceleration of supply chain planning and demand management processes.

TABLE 2 – OPERATING BUDGET

	2009/2010 R'000	2010/2011 R'000	2011/2012 R'000	2012/2013 R'000	2013/2014 R'000
Operating Expenditure	19,094,838	19,290,065	22,479,539	24,602,951	28,070,705
Percentage spent	102.3%	91.9%	94%	96.6%	99%

Source: Figures provided by eThekweni Municipality, 2014

TABLE 3 – CAPITAL BUDGET

	2009/2010 R'000	2010/2011 R'000	2011/2012 R'000	2012/2013 R'000	2013/2014 R'000
Capital Expenditure	6,740,960	4,891,850	4,088,665	4,288,610	5,838,580
Percentage spent	116.5%	95.44	89.1	81.14%	107.48%

Source: Figures provided by eThekweni Municipality, 2014

The city has a comprehensive poverty package of measures for indigent communities, adopted by Council. These include:

- Rates are not levied on properties under R185,000. Pensioners and social grant recipients are not charged rates on properties up to R460,000.
- The first 9kl/month of water is free for properties valued under R250,000.
- The first 65 kWh/month of electricity is free to residents using less than 150 kW.
- The first 9kl/month of effluent is free for properties valued under R250,000.
- Refuse removal is free for property valued less than R250,000.

The total cost of free services is approximately R3.07 billion and is partially subsidized by the equitable share (R1.8 billion).

eThekweni has a total debt of R5.2 billion before provision of doubtful debts of R2.4 billion. Government debt is dropping due to co-operation with the provincial Premier and MEC for Finance. The collection rate is about 105% on average which is the highest of all metros. The reason it is over 100% is that outstanding debts are also being collected as a result of the implementation of strong credit control policies. Credit rating of AA- is also an achievement.

Major financial challenges identified are as follows:

- Unfunded Mandates–R1,014.3m
- Social Package costs approximately R3 billion but only receive R1.8 billion in equitable share
- Full roll out of the Integrated Rapid Public Transport Network would cost the rate payer R5 billion per annum
- Financial constraints impacting on service delivery
- Housing delivery is affected by the need for R2 billion to bridge finance developments.
- Existing capital is not sufficient to address informal settlements and roll out of housing.
- Water loss in distribution– Theft, poor infrastructure in some areas, provision of stand pipes etc. not metered and metering for all areas.

As indicated above, metropolitan councils are more sustainable, viable and fiscally independent than non-metropolitan budgets. National legislation prescribes how Public-Private, Public-Public and other service delivery processes may occur. Unions must be consulted and be directly involved in any programmes that may utilize service delivery processes which are not utilizing staff.

5.3 HOUSING

Trends related to Housing delivery targets show that delivery backlogs are significant.

TABLE 4 - HOUSING DELIVERY TARGETS

Details	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Housing Target	13,000	8,500	5,000	7,200	7,200
Housing Delivery	9,387	4,752	3,389	4,181	6,823
Backlogs	364,493	355,993	408,271	401,194	401,194

Source: Figures provided by eThekweni Municipality, 2014

The following should be noted:

- On average the city has built 5,700 new housing units per annum over the past five years.
- To make improvements to quality of life in informal settlements and transit camps better, short term emergency/interim services are to be provided in the form of ablution blocks, refuse removal, storm water ditching, fire breaks, etc.
- Unfortunately, because some people have to stay in transit camps for reasonably long periods, they then become the source of most protests.
- The city should consider alternative materials and technology and alternative service delivery methods focusing on turn-key operations.
- Capacity building for accelerated delivery is also a priority and resolution of Housing Accreditation at national level must be considered.

Innovative new housing forms and urban design solutions are being implemented with the objectives of promoting densification, social cohesion, and a more sustainable urban form. In terms of the eThekweni Built Environment Performance Plan and the Housing Sector Plan, the cost of addressing the backlog (currently estimated to be approximately 391,713) in housing is in the order of R75 billion (at a total cost of R290,000 per house). At current delivery and funding levels, this backlog will not be met by the year 2050.

Human settlement challenges include:

- Lack of dedicated funding to achieve densification targets
- Urbanization/migration
- Land invasion

- Phasing out of old and inappropriately located transit facilities

Opportunities and initiatives:

- Use of innovative building and material technology for fast tracking housing delivery
- Cornubia housing project

Support required from provincial/national government:

- Fast tracking of accreditation processes
- Funding for densification, energy efficient units, and costs associated with developing on challenging terrain
- National government to review Prevention of illegal eviction and occupation of land occupation and Eviction of land Act.

Actions to be taken over the next 6 months:

- Lobby for utilization of USDG funds for densification
- Lobby for increased capacity to prevent and manage land invasion.
- Develop a comprehensive plan to address the huge backlog of informal settlements
- Address houses without services
- Relocate families placed in transit camps for far too long
- Address inner city housing needs

5.4 WATER AND SANITATION

TABLE 5 - SERVICE DELIVERY STATUS: ACHIEVEMENTS IN TO ACCESS TO WATER

Year	Water to no. of HHs via W&S project	No of connection via housing projects and individual application	HHs given water via CAB +Standpipes project roll out	Total no of HHs provided with access to water
2010/11				23,582
2011/12	884	2,500	2,625	6,009
2012/13	399	1,974	1,575	3,948
2013/14	1,564	2,539	975	5,078

Source: Figures provided by eThekweni Municipality, 2014

TABLE 6 – SERVICE DELIVERY STATUS: ACHIEVEMENTS IN ACCESS TO SANITATION

Year	Basic service provided to no. of hhs	No of HHs given VIPs and UD toilets	No of HHs given sanitation facility via CAB rollout	Total no of HHs provided with access to sanitation
2010/11				11,244
2011/12	15,000	694	82	21,844
2012/13	9,049	1,754	220	27,303
2013/14	5,000	1,252	524	45,552

Source: Figures provided by eThekweni Municipality, 2014

TABLE 7 – CURRENT BACKLOG FOR WATER AND SANITATION

Item	Current backlog with water	Delivery rate per annum	Comments
Water	68,957	4,000	This includes upgrading blue areas within rural areas and formalizing illegal connections
Sanitation	182,271	16,200	

Source: Figures provided by eThekweni Municipality, 2014

Some major challenges in water and sanitation include:

- Water losses through network leaks and theft
- Population in-migration to rural and informal areas
- Illegal connections, vandalism, non-payment
- Safety of field staff, and key staff constraints
- Key resource constraints
- Environmental constraints, new water supplies and water re-use programme delays

5.5 SOLID WASTE

TABLE 8 - SOLID WASTE ACHIEVEMENTS SINCE 2009/10

Details	2009/10	2010/11	2011/12	2012/13
Solid waste removal (minimum level) removed at least once a week	1,433,914	1,594,161	1,670,392	945,910
Solid waste removal (below minimum level) no rubbish disposal	Nil	Nil	Nil	Nil
Total number of HH breakdown	1,433,914	1,594,161	1,670,392	945,910
Informal settlements	530,352	686,987	724,482	421,328

Source: Figures provided by eThekweni Municipality, 2014

The large drop between 2011/2012 and 2012/2013 was due to contracts not going out on time.

5.6 ELECTRICITY

Electrical connections are detailed in the table below, followed by new electricity connections in the last five years.

TABLE 9 - ELECTRICAL CONNECTIONS AND NEW ELECTRICITY CONNECTIONS

Details	2009/10	2010/11	2011/12	2012/13	2013/14
Electricity Conventional	327,002	324,044	322,045	319,662	
Electricity Prepaid	289,946	305,977	322,390	339,327	
HH that have electricity	616,948	630,021	642,252	653,307	

Delivery	2009/10	2010/11	2011/12	2012/13	2013/14
New electricity connections	12,617	14,763	12,760	9,986	14,770

Source: Figures provided by eThekweni Municipality, 2014

The following should be noted:

- Electricity loss in distribution at 6%-lowest in the country and in line with international norms
- 10,000 new customers each year on average
- Theft of power and infrastructure continues to be a challenge

Challenges include:

- Large number of informal dwellings which have to be attended to, with an existing backlog of about 248,000. At current funding levels these will take about 13 years to eradicate.

- Illegal connections cause electricity interruptions to customers and damage the infrastructure as these connections are done in an unconventional manner. The City has a programme of electrifying informal settlements and area audits to identify illegal connections and meter bypasses.
- Network theft or vandalism with aim of stealing copper. The solution to this is the state recognition of infrastructure theft as a serious crime.

5.7 ROADS

There are currently 1,300km of unsurfaced municipal roads within the boundary of the municipality. Aesthetic maintenance covering edge definition, grass cutting and rain clearing, of these roads is undertaken principally by female headed community based contractors through the Zibambele programme.

In order to speed up delivery a new road re-surfacing service has been introduced for lower volume unsurfaced roads. The municipality has constructed a further 50km of surfaced road per annum funded from savings on the operating budget. This has reduced the backlog elimination timeframe to 20 years.

Provincial roads have problems relating to pavement maintenance and verge maintenance and solid waste. Responsibility for these roads should be rationalized in the interests of service delivery.

TABLE 10 - WORK ON ROADS

Description	2009/10	2010/11	2011/12	2012/13	2013/14
Gravel road upgraded(km)	26.68	7.5	12.3	7.1	11,6
Sidewalks constructed(km)	67,5	50,5	36,4	39,3	51,2
New surfaced roads(lane km)	39	9.6	9.3	11.5	1,3
Rehab of surfaced roads (lane km)	341.5	515.1	273.8	334	315,6

Source: Figures provided by eThekweni Municipality, 2014

5.8 IMPROVING MUNICIPAL CAPACITY, INCLUDING WORKING WITH UNIVERSITIES

eThekweni has good contacts with cities and municipalities in South Africa and abroad. It is a significant role player in the very active South African Local Government Association, but it also plays a role through its Municipal Institute of Learning (MILE) in both assisting under capacitated municipalities in South Africa and Africa, and by being at the forefront of building international learning networks, including partnerships with UCLG, Plus Network, COGTA, and SALGA²⁸. The city funds its internal costs for these initiatives although some projects are funded through grants from international bodies.

MILE holds a wide range of technical, mid-career and other learning programmes. Internationally it has strong city-to-city relations with over 20 cities across the developed and emerging world.

The eThekweni Municipality made history in 2009 with the signing of a Memorandum of Agreement (MOA) with the Durban University of Technology, the University of KwaZulu Natal and the Mangosuthu University of Technology. More than just collaboration around a strategic research agenda, the MOA talks to the sharing of knowledge, resources and expertise, human capital development, academic support and the harnessing of networks. A Committee has been established that meets quarterly. The Dean of Research of UKZN who is an active member of the Committee has

²⁸Interview with Sogen Moodley, 2014

also recently been appointed as a member of the City Planning Commission²⁹.

Researchers or academia are, more often than not, involved as paid researchers or consultants to the state, sometimes as part of civil society structures and occasionally as expert informants³⁰. The academia present in eThekweni also seems quite limited and not active in taking on a city partnership or watchdog role, with the exception of a couple of academics with their own issues and agenda³¹.

5.9 ENGAGEMENTS WITH COMMUNITIES AND OTHER STAKEHOLDERS

There are a number of structures in the municipality promoting engagements and involvement of community, youth, women, traditional leaders, religious, foreigners, business and others in the life of the city. The budget process, for example, must follow a process of community consultation. In eThekweni, in addition to community meetings at a local level, sectoral meetings (such as health, environment, etc) are also held. These all culminate in a city-wide workshop, called the Big Mama workshop.³² There are well over 500 active organizations involved in these city matters. Business, including multinationals, is also active in eThekweni particularly as it is Africa's major port.

Formal mechanisms of engagement include invited spaces where the state consults with citizens such as council committees, imbizos (although these are largely one way processes), workshops, roadshows, sizakala centres, ward offices, political party structures, ward committees, invitations for submissions (written or otherwise), advertisements announcing various matters, e-services and call centre systems, surveys (e.g. quality of life), scheduled stakeholder meetings (e.g. with chamber of commerce), public reporting and documentation (news, reports, plans) and social media. Structures such as the city ombud's office and public accounts structures tend to not generate much confidence in that they are insufficiently independent, accessible and transparent³³.

There are formal legislated roles that all stakeholders play through being involved in the annual cycle of:

- Reviewing the Integrated Development Plan;
- Engaging around the budget;
- Engaging and monitoring the publically available quarterly Service Delivery and Budget Implementation programmes
- Engaging around the annual audit and annual report
- Utilizing the many sectoral and spatial structures to get comment. This also includes the use of social media, website, Call centre and the like.

There are also many informal roles for stakeholders and all municipal departments have informal and formal committees which include outside experts, representatives, etc.

By law all of these engagements must be reported in to the Municipality's council committees and they clearly impact on decision-making processes. Given the Public Access to Information Act, reasons for all decisions must be properly recorded, included inputs made, and communities can easily access these.

Given that councilors are from political parties, those structures also play a role in directing affairs of council.

There is an Informal Traders Forum which has regional structures across all parts of the city and that

²⁹Interview with Sogen Moodley, 2014

³⁰Interview with Professor Glen Robbins, 2014

³¹Interview with Soobs Moonsammy, 2014

³²Interview with Sogen Moodley, 2014

³³Interview with Professor Glen Robbins, 2014

forum monitors informal trading. eThekweni is considered to be one of the most progressive cities in the world in terms of the provision of informal trading opportunities, education and training.

Business is actively involved in the budget process and annually makes inputs in a structured way. Driven by private sector, investment projects in excess of R50 billion are in the development pipeline. Challenges include bulk infrastructure rollout and regulatory constraints that impact directly on development, for example, water licenses, and environmental challenges. The Cornubia joint venture between Tongaat Hulett, the city and other spheres of government will result in an investment of over R25 billion through mixed use developments. The city is developing a 20 year plan for unlocking the entire Northern Development Corridor. At Dube Trade Port, Samsung has committed to build a production plant for the African market in 2014.

The Strategic Infrastructure Project 2 (SIP2) which includes a freight route to Cato Ridge from the N2 south, has raised interest in the outer west as a logistics corridor. A Keystone Bartlett logistics park is in the pipeline. Spatial Development Plans are in place to support manufacturing and logistics sectors. The Durban Dug-out port is at an advanced planning stage and ongoing engagements with the City are yielding results. The Illovo Auto Supplier Park is also in progress.

Over R20 billion investment in the inner city by private/public sector is planned. A Tsogo Sun expansion will break ground in 2015, Bakhressa SA will be operational at the end of 2015 and the Warwick shopping center in 2016. The Point Waterfront is at the end of the planning stage and a programme plan is to be consolidated this 2014/15 financial year.

Township and rural development investment has been driven by nodal development projects that are currently being implemented. Major projects include: Kwamnyandu Pedestrian Bridge, Kwa-Mashu Residential Development, Kwa-Mashu furniture cluster and Kwa-Dabeka shopping centre.

Notwithstanding this, though, the private sector still feels constrained in its ability to actively engage on, and influence, Council decisions. The Chamber of Business has no regular, annual consultation around the Integrated Development Plan or the budget. However, even with the opportunity, the extent to which there would be meaningful consultation is questionable. "Mandating within an organization such as the chamber is, for the most part, a sham and not many people (least of all the leaders of business), are really interested in giving time to make their views known"³⁴.

In the South African context, enabling and progressive national government legislation which flowed from the Constitution, that now includes communities as part of the definition of local government, has effectively closed the debate on the merits and de-merits of active citizen participation. It is now a legislative imperative that citizens are actively involved in the governance process. This new conceptualization of local government has prompted local authorities throughout the country to change the previously dominant mindset that viewed community consultation and participation as a tiresome burden that slowed down delivery and had to be merely factored into or added onto the strategy-making process.

At the same time, the concern is that such engagements are often simply one-way communications from the city. Concerns are voiced by leaders of major stakeholders around the following including suggestions on how better engagement could occur:

- How communities are contacted, such as arguments that newspapers are only useful to those that buy the papers or have access to deal with these queries³⁵. Suggestions have been made that the city could use schools, clinics and other service information processes to get information out³⁶.

³⁴Interview with Andrew Layman, 2014

³⁵Interview with Bobby Peek, 2014

³⁶Interview with Bobby Peek, 2014

- Lack of consultation is a common complaint³⁷. Some argue that it has often been the smaller municipalities that have been more open to listening to the ideas of civil society. Metros are at times too politically charged because they are large and the investments are large³⁸.
- Assisting civil society organizations to learn from other large metros in learning and sharing experience. A good start would be with the fellow metros in SA³⁹. It should be noted that there is a very strong association for organized local government (SALGA) and an additional one facilitating the development of strategies between the nine largest cities (SACN), but these focus on organized local government, not civil society;
- The city should do more to capacitate stakeholders to engage in formal processes. Too often these are about reporting to citizens what the state intends and there is little scope for deliberative dialogue. Often processes are outsourced to third parties. Ward level structures are generally weak and characterized by contestation and struggles. They are often overly influenced by political party agendas and related factionalism. There is sometimes a chasm between municipal officials and their engagement processes with citizens and the councillor processes. Issues of traditional leadership remain a challenge. In some cases, for example, because traditional leaders are custodians of communal land, they can exercise power in ways that may be detrimental to the community and/or municipal needs. Often access to council processes is subject to gatekeeper actions by elected representatives or municipal officials. The lack of meaningful decentralized capacity makes formal structures inaccessible and ill-informed about sub-metropolitan matters⁴⁰.
- Finding ways to have regular structured open dialogue with key interest groups in the city. There should be greater emphasis on capacitated decentralized functions to improve intelligence to the council and make local engagements more meaningful for participants. There needs to be more innovation in engagement processes (for example as was tried out in Imagine Durban) and a greater visibility of politicians in these - after all they are elected to serve, at least in part - as an interface between the city bureaucracy and citizens. Post engagement follow-up needs to be more transparent. Poorly designed processes (such as those to do with the budget) need to be revisited to ensure greater bottom up input. Key policy matters need to be subject to greater public scrutiny and engagement (for example, what should be the balance of spending on events versus libraries). Processes need to be less informed by municipal propaganda agendas and also less driven by election/party priorities. There should be some form of stakeholder forum to set guidelines and requirements and take reports on the nature of engagement processes⁴¹.
- Explore the use of new technology to aid transparency and accountability and better communication.
- The decision making is one sided, which makes sense in supporting the voters of the governing political party, but in doing so it denies opportunities of how a city can intervene despite different needs and agendas⁴².

Unfortunately, tensions between individual, political, business and community leaders have often stifled common agendas being pursued, although there have been some positive developments.

Overall, though, it could be argued that the reason for this disjuncture between many mechanisms and structures for participation but a feeling from civil society that more could be done, has a lot to do with the tension between representative and participatory governance⁴³. The legislation requires

³⁷Interview with Andrew Layman, 2014

³⁸Interview with Bobby Peek, 2014

³⁹Interview with Bobby Peek, 2014

⁴⁰Interview with Professor Glen Robbins, 2014

⁴¹Interview with Professor Glen Robbins, 2014

⁴²Interview with Soobs Moonsammy, 2014

⁴³Interview with Bobby Peek, 2014

considerable consultation over all decisions, but the ability for participant organizations to effect change largely depends on their ability to convince the majority party. Hence NGOs and business are generally happy with the transparency and openness and ability to know what is happening, but they are generally unhappy with their limited ability to effect real changes. The constitutionally entrenched rights to openness, access information, and the like means that a wide range of opposition has emerged from the right to the ultra-left, all of which enhances the requirements for a participatory, in addition to a representative, democracy.

5.10 TRANSPARENCY

All council meetings are open to the public unless (generally) a staffing or sensitive matter such as corruption is being discussed. All documentation (except that which is not directly related to decisions/policy etc.) must be made available on request, in terms of national legislation.

All media is used and the city also produces its own newspaper every fortnight in both English and Zulu.

The supply chain processes are strictly regulated and all documentation must be made available for any reviews. Three independent committees of officials must sit on such matters – a Bid Specification Committee, Bid Evaluation Committee and a Bid Adjudication Committee – and activities are recorded. No councillors may influence or be involved at all in any procurement matters and no state officials (including members of Parliament, councilors, officials or their spouses) can participate in procurement matters in local governments anywhere.

There are independent hotlines for reporting corruption which are managed and monitored by independent agencies. It is difficult to measure how successful these have been even though cities have to report back on every issue raised with them through these hotlines.

eGovernment is central to the city's operations for all aspects, from reporting potholes through to receiving accounts, submitting plans and many other areas.

The city has a number of on-line platforms for engagement (chat forums, online enquiries, etc., www.durban.gov.za and www.mile.org.za).

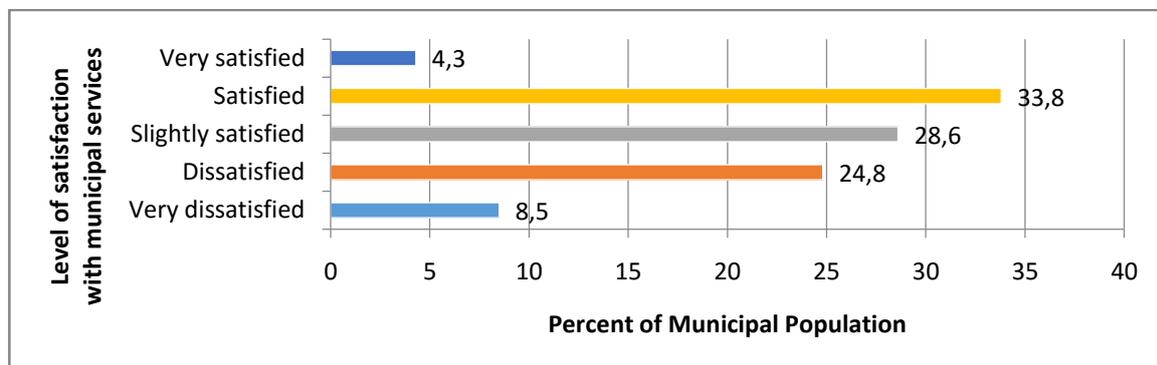
6 CONCLUDING COMMENTS

The city has over 200 offices across the city where residents can interact with the local government (e.g. apply for permits, make payments, get information, etc.). In addition, significant attention is placed on improving the already advanced IT systems allowing for engagement on matters, recording of concerns and the like. All such matters are properly logged and communities can track progress.

6.1 SATISFACTION WITH MUNICIPAL SERVICES

Between 2001 and 2011, eThekweni Municipality experienced unprecedented service delivery with strong political and administrative leadership driving the delivery processes. This contributed to reducing its historical backlogs. This has generated more migration to the city and the boundaries have continued to grow contributing more backlogs as largely rural wards have been incorporated. More resources will therefore be required in future to cope with new demand for services and housing. In general, 66.7% of the population is satisfied with municipal services⁴⁴.

FIGURE 10 - LEVEL OF SATISFACTION WITH MUNICIPAL SERVICES



Source: eThekweni Municipality 2014/15 IDP (2014)

Residents are able to engage with the city in many ways outside of formal letter/emails/etc.:

- Visiting the more than 200 municipal offices, organized to offer a range of services most appropriate to the communities being served, available for customer services
- Visiting ward councilors who each have at least one office per ward
- Accessing the website which allows for the logging of all service delivery requests
- Using the hotlines which process over 700,000 calls per annum.

⁴⁴ibid

6.5 OPPORTUNITIES

In addition to opportunities described above, many others exist:

- Facilitating urban agriculture and integrating eThekweni's different socio economic groupings in a more active manner⁴⁹.
- Utilizing the environmental opportunities such as the 'green lung' for the city and beaches within the city centre⁵⁰
- Finding ways to promote the fact that eThekweni is one of the best municipalities to live in the country by a long way, but the general perception is that Durban is the most expensive city in which to do business and that it is business unfriendly⁵¹.
- Addressing tourism, enhancing the port as a huge magnet, property development⁵².
- Governance reform and reviews need to be an ongoing part of the governance process in Durban⁵³.
- Decentralized administration where feasible.
- Continuing to perform relatively well as a council⁵⁴.

Finally, the city is still some way off being a city that is completely informative, interactive, interconnected and dependent on the community having a more direct say in what happens locally⁵⁵. But each of these elements feature highly.

eThekweni's financial management and rate of service delivery – surely both important indices of governance – is good, and has been for some time⁵⁶. But work remains on ensuring the city transparently and accountably manages and delivers services to a community at the least cost per unit delivered⁵⁷.

⁴⁹Interview with Bobby Peek, 2014

⁵⁰Interview with Bobby Peek, 2014

⁵¹Interview with Andrew Layman, 2014

⁵²Interview with Andrew Layman, 2014

⁵³Interview with Professor Glen Robbins, 2014

⁵⁴Interview with Professor Glen Robbins, 2014

⁵⁵Interview with Bobby Peek, 2014

⁵⁶Interview with Andrew Layman, 2014

⁵⁷Interview with Carlos Esteves, 2014

ANNEX

Indication of the Current Division of Functions / Service Provision

Comparing the number of Xs in the different columns gives an indication of the extent metropolitan-level approaches are applied to the public service provision in the area at present.

Metropolitan-wide versus Local Service Provision

Group	Function	Metro level*	Local Gov't	Higher Gov't	Private sector	Informal sector
1 Economy	Strategic city dev. planning	X	X			
	Economic development	X	X			
	Tourism promotion & mgmt.	X	X			
	Major markets				X	
	Informal economy	X	X			X
2 Land management	Regional land use planning			X		
	Local land use planning	X				
	Land allocation	X				
	Land surveying	X				
	Titling / provision of tenure	X	X	X		
3 Housing and amenities	Housing	X	X	X		
	Social (low income) housing	X	X	X		
	Community upgrading	X	X			
	Cultural facilities	X	X	X		
	Parks and recreation facilities	X	X			
4 Transport	Roads and bridges	X	X			
	Public transit (e.g. buses)	X	X			
	Street lighting	X	X			
	Street cleaning	X	X			
	Car parking	X	X			
5 Safety and emergencies	Police protection/security	X	X	X		
	Traffic management	X	X			
	Fire, emergency/rescue service	X	X			
	Ambulance services	X	X	X		
6 Water, drainage, sewerage, and waste management	Water supply system	X	X			
	Drainage/flood protection	X	X			
	Piped sewerage system	X	X			
	Solid waste collection	X	X			
	Solid waste disposal	X	X			
7 Social services	Education (primary/secondary)			X		
	Public health	X		X		
	Welfare assistance			X		
	Child care services	X	X			
8 Electricity	Power supply (electricity)	X	X			
9 Other	Libraries	X	X			
	Business licensing	X	X			
	Local agriculture	X	X			

Source: authors, based on legal texts and interviews

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