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This report is presented as follows:

- Section 2: Red tape reduction process in Overstrand Municipality.
- Section 3: Red tape reduction process in Cape Agulhas Municipality.
- Section 4: Two case studies of municipal red tape reduction initiatives underway.
- Section 5: Final project conclusions and recommendations.
- Annexures containing the workshop reports including detailed red tape reduction action plans for each municipality:
  - Annexure 1: Overstrand Municipality.
  - Annexure 2: Cape Agulhas Municipality.
  - Annexure 3: Two case studies of municipal red tape reduction initiatives.
  - Annexure 4: Overview red tape reduction article "Managing illegal land-uses in the Cape Agulhas Municipality".

Regarding the "As Is" and "To Be" process maps for each municipality, the following should be noted:

- Cape Agulhas Municipality: The action plan to address illegal land-uses shows that there is no existing standardised "As Is" process and that "To Be" process steps identified do not involve a standardised process which is amenable to process mapping. Instead, the "To Be" actions identified comprise a wide range of actions that different stakeholders need to take in order to put in place a holistic plan to address the issue by different role-players. The action plan to improve the municipal complaints process involves a standardised complaints process and therefore "As Is" and "To Be" process maps have been included.
- Overstrand Municipality: For the building plan approval process, the "As Is" process was presented by the municipality and the workshop discussion focused on identifying "To Be" improvements to this process. The second issue, involving identification and access to land for agricultural purposes does not involve a standardised process issue. The municipality has conducted a study which found that there is no available municipal land for agricultural purposes. As a result, the action plan identified other actions that could enhance access to land for agricultural purposes. This action plan did not involve a standardised process and therefore it was possible to develop "To Be" process maps.

## Overstrand Municipality

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### 1.5 Introduction

This section presents results from the red tape reduction process in Overstrand Municipality. The section is divided as follows:

- Process followed;
- Red tape business surveys;
- Municipal red tape issues identified;
- Municipal red tape issues prioritised for the action plan phase; and
- Municipal red tape reduction action plans including 'As Is' process flows / current situation and 'To Be' process flows/ improvement plan.

### 1.6 Process followed

The red tape reduction process consisted of three workshops namely: red tape launch, red tape identification and red tape reduction action plan workshops.

The red tape launch workshop was attended by the local municipality whilst the identification and action plan workshops were attended by formal and informal businesses as well as municipal officials. The Overstrand Municipality took responsibility for inviting formal and informal businesses to the red tape identification and action plan workshops. Refer to Annexure 1 for the detailed red tape launch workshop minutes, detailed red tape action plans developed including attendance sheets and workshop discussion notes.

### 1.7 Red tape business survey

#### 1.7.1 Introduction

A survey of formal and informal businesses was also conducted in Overstrand Municipality. The purpose of this survey was to identify municipal red tape issues from a business perspective as well as obtain business proposals regarding suggestions for improvement for the issues raised.

Two separate surveys were conducted; one for formal businesses and the other for informal businesses.

#### 1.7.2 Main findings

##### A. Informal business:

The informal business survey was conducted in three local townships namely; Zwelihle, Mount Pleasant and Hawston. The survey was conducted over two days and a total of 36 businesses were interviewed face to face.

29% of informal businesses that participated in the survey were dissatisfied or very dissatisfied with the current municipal service delivery. On the other hand, 25% were satisfied or very satisfied with the current municipal service delivery. The major service delivery challenges affecting businesses as perceived by informal businesses are as follows:

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- Cost of electricity: 41% of respondents.
- Availability of land: 29% of respondents.
- Local waste facilities: 24% of respondents.
- Level of safety and security: 24% of respondents.

24% of informal businesses indicated that local government culture was a problem affecting their business in the Local Municipality. The other major Red Tape issues raised by formal businesses were as follows:

- Lack of information on Municipal services: 18% of respondents.
- Inability to access relevant municipal officials: 18% of respondents.

#### **B. Formal businesses:**

A total of 519 formal businesses responded (or at least completed some of the questions) and 309 formal businesses completed the online survey. 53% of formal businesses that participated in the survey were satisfied with the current municipal service delivery (71% were either satisfied or very satisfied). The major service delivery challenges affecting businesses as perceived by formal businesses are as follows:

- Cost of electricity: 32% of respondents.
- Public transport system: 21% of respondents.
- Cost and availability of business premises: 15% of respondents.
- Cost of land: 14% of respondents.

In terms of specific red tape issues the following percentage of respondents regard these red tape issues as having a major to very severe negative impact on business operations:

- Municipal procurement timeframes including payment: 22% of respondents.
- Advertising and/or signage regulations/ systems: 19% of respondents.
- Municipal supplier database registration issues: 17% of respondents.
- Building plan Approval processes: 15% of respondents.

Furthermore, 41% of informal businesses surveyed indicated that the time taken by the municipality to respond to queries was unacceptable. In-addition, 35% of informal businesses indicated that the provision of businesses to informal trading areas was also unacceptable.

#### **1.7.3 Conclusions recommendations**

The main municipal red tape issues raised by the formal businesses surveyed relate to municipal procurement time-frames including payment, advertising and/or signage regulations/ systems (also raised by informal businesses), municipal supplier database registration issues, and building plan approval processes.

Suggestions to reduce red tape include:

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1. Speeding up, simplifying and improving processes for municipal procurement, business plan approvals, and enforcement of the advertising by-law / regulations.
2. Putting in place an effective complaints policy and system (i.e. linked to the performance management system where complaints can be escalated if no, or a satisfactory, response is received and where there are consequences for continued poor performance on the part of officials responsible for responding to complaints) that ensures that effective responses are provided to businesses within 7 days.
3. Reviewing (in consultation with the local tourism industry) the unintended negative impacts of certain by-laws and regulations every few years (especially for old by-laws and regulations and using a tool and process such as the national government's Socio-economic Impact Assessment Guidelines (or the Western Cape Government's Regulatory Impact Assessment Guidelines), and specifically a review of the zoning, parking and toilet regulations for small businesses (including accommodation businesses) to inform whether these need to be revised to address these unintended negative consequences.
4. Strengthening communication between businesses and the municipality, including making information on all existing by-laws and regulations available in different ways including for example:
  - a. Making sure the municipal web site contains all by-laws as well as a summary of the main conditions/ requirements/ rules contained in each by law.
  - b. Working with local business chambers / tourism organisations etc. and holding information sessions on key regulations and by-laws to improve business awareness and understanding.
  - c. Ensuring a municipal newsletter system is in place to communicate regularly with businesses and ensure there is clear information on by-laws and regulations and approval processes.
  - d. Ensuring that the municipality's annual citizen/ customer satisfaction survey includes questions dealing with red tape so that red tape trends and issues can be identified on an annual basis and to inform municipal actions plans to reduce red tape.

### 1.8 Red tape reduction problems identified

Two separate red tape identification workshops were conducted in Overstrand Municipality- one for formal businesses and the other for informal businesses. A total of 12 businesses attended the formal business workshop and 7 businesses attended the informal business workshop.

#### A. Formal businesses

The following issues were identified by the formal businesses as negatively impacting on formal business in the Overstrand Municipality (in order from highest priority to lower priority as prioritised by the businesses attending the workshop):

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1. The building plan approval process is taking too long, for example applications for departure.
2. The rezoning process is taking too long and there is a lot of paper work.
3. The municipal accounts payment system is not easy to use. The municipality should consider migrating from the current manual to an online system.
4. The cost of parking is too high. The payment for parking is inconsistent. Some parking spaces require parking fees whilst others do not. There is also no policy or by-law related to parking.
5. The municipality is not giving feedback on time to businesses on service delivery issues that have been raised with, or complaints that have been submitted to, the municipality.
6. The public transport system needs to be improved.
7. The municipality should simplify public consultation and communication processes. In addition, the municipality should improve information dissemination to all businesses.
8. There are problems with signage process for businesses.
9. Long term tenders should be awarded. Also, the municipality is not monitoring businesses that are awarded tenders.
10. There are too many regulations which cost businesses a lot of money to comply with.
11. The process of acquiring business space should be made easier with no discrimination.

#### **B. Informal businesses**

The following issues were identified by the informal businesses as negatively impacting on their business in the Overstrand Municipality (in order from highest priority to lower priority as prioritised by the businesses attending the workshop):

1. The procedures to identify municipal land and buildings, as well as the municipality's policies and procedures for the sale of land or leasing of buildings need to be clarified. An important example and linkage relates to the identification of and access to land for agricultural purposes. The municipality has not given feedback to informal businesses in over 2 years with regard to land available for agriculture. The DTI and Department of Agriculture have expressed interest in funding agriculture but it is difficult to get land from the municipality.
2. There is no proper feedback given to businesses on tenders submitted- especially those that are unsuccessful. Businesses need feedback on unsuccessful bids so that they learn and improve their future bid submissions.
3. The municipality is not providing cleaning and security services on small business premises (for example the Taxi Rank in Hawston).
4. There are small businesses that are renting municipal business premises but they are not fully operating from, or utilising, these premises. This means that other businesses cannot use them. The municipality should regularly monitor the use of business premises and terminate lease contracts or re-allocate these premises to new businesses if there is no compliance with lease contracts regarding usage.

#### **1.9 Red tape reduction issues prioritised**

The following two priority municipal red tape issues were agreed by workshop participants to be taken forward to the next phase of action plan workshops:

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- **Formal Businesses:** The improvement of the building plan approval process.
- **Informal Businesses:** The procedures to identify municipal land and buildings for agricultural use, as well as the municipality's policies and procedures for the sale of land or leasing of buildings, need to be clarified.

#### 1.10 Red tape reduction action plan

Two separate red tape action plan workshops were conducted in Overstrand Municipality; one for formal businesses and the other for informal businesses.

This section presents two action plans based on the two prioritised issues in the previous section. The section starts with the formal business action plan followed by the informal business action plan.

##### 1.10.1 Formal businesses red tape reduction action plan

###### 1.10.1.1 Nature of the problem

Provincial departments are delaying the property development process by not complying with legislated time-frames for providing comments on development applications for large developments (for e.g. retail centre developments, multiple residential units, golf course developments)<sup>2</sup>.

###### 1.10.1.2 'As Is' and proposed 'To Be' process

###### 'As Is' process: Building plan application process

1. A developer approaches the Town Planner to get advice for a pre-screening session for their proposal for a development.
2. A developer prepares the application based on the advice from the Town Planner. The municipality gives the developer the application forms.
3. A developer submits the final application to the Town Planner. The Town Planning Department sends a notification of receipt to the applicant.
4. The Town Planner and other municipal departments have 14 days to evaluate the application to see if there are any issues to be corrected.
5. If there is a problem, the Town Planner asks the developer to revise the plan. The developer is given thirty days to revise application.
6. If the application has no issues to be corrected, the Town Planner advertises the development in the media. The advertisement runs for thirty days.

<sup>2</sup> It has not been possible to investigate this matter in detail in this red tape process as the decision-making role of Provincial Government is rapidly evolving. Planning legislation is currently undergoing various changes at both at national level (with the Spatial Planning and Land Use Management Act (16/2013); Draft regulations published on 10th October 2014 for comment) and Provincially (with regulations needing to be promulgated to give effect to the Western Cape Land Use Planning Act, 2014 (No. 3) as promulgated on April 7th 2014). There is a general decentralisation process of planning decision-making powers moving downwards from the Provincial to the municipal level.

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7. The application is sent to relevant provincial departments for comment. This usually takes five weeks. However, provincial department delay and can take up to three months.
8. The Town Planner receives comments from stakeholders.
9. When objections are received the applicant has an opportunity to respond. The applicant can make any one of the following responses: a) Address the issue raised b) The issues raised is no important including supporting documents. c) Modify the plan according to the issue raised.
10. Council meets once a month to approve building plan application. The developer has to wait for that month long period. The Council can either deny or approve the application. If the application is approved, it may be subject to certain conditions.
11. Town Planning sends Council feedback to the applicant and objectors. Council can approve or not approve with some comments/recommendations.

**'Proposed 'To Be' Building plan application process (with new proposed changes highlighted in bold):**

1. Developer approaches the Town Planner to get advice for a pre-screening session for their proposal for a development. **The advice provided includes information on the Bulk Infrastructure Contribution Levy which contains levy guidelines for different types of bulk infrastructure contributions. Town Planning also advises which municipal official to contact to obtain further clarity on BICLE if relevant/ needed.**
2. The developer prepares the application based on the advice from the Town Planner. The municipality gives the developer the application forms and instructions to complete them.
3. The developer submits the final application to the Town Planner. The Town Planning Department send a notification of receipt to the applicant.
4. The Town Planner and other municipal departments have 14 days to evaluate the application to see if there are any issues to be corrected.
5. If there is a problem, the municipality asks the developer to revise plan. The developer is given thirty days to revise application.
6. If the application has no issues to be corrected, the Town Planner advertises the development in the media. The advertisement runs for thirty days.
7. The application is sent to relevant provincial departments for comment. This usually takes five weeks. **Province prepares a contact list of officials to contact for follow up on comments. Provincial Government Department of Environmental Affairs and Development Planning develops service standards and Standard Operating Procedures for its key decisions impacting on the property development process (to ensure that the time-frames for Provincial Government decisions do not exceed the maximum time-frames as stipulated in relevant legislation).**
8. The Town Planner receives comments from stakeholders.
9. When objections are received the applicant has an opportunity to respond. The applicant can make any one of the following responses: a) Address the issue raised b) The issues raised is no important including supporting documents. c) Modify the plan according to the issue raised.

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10. Council meets once a month to approve building plan application. The developer has to wait for that month long period. The Council can either approve the application or give a comment which means the application is unsupported.
11. Town Planning sends Council feedback to the applicant and objectors. Council can approve or not approve with some comments/recommendations.

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**Other Improvement Actions Identified to Reduce Red Tape:**

**1. Improving Communication between businesses involved in the development process and the municipality regarding regulations and new developments:**

- The municipality should develop a plan to use formal communication channels or structures between business bodies and the municipality. Ideally this is part of a Municipal Communication policy and Strategy which needs to be developed (by corporate or strategic services).
- The municipality should proactively identify any red tape issues rather than waiting for them to be reported by businesses.
- Apparently, Overstrand Municipal Management has given a directive to set up structures for formal engagement between the municipality and business.
- The municipality has a list called the Building Control Contractors List which contains registered businesses in construction. This list is often used when the municipality wants to communicate to businesses in this sector. Businesses that are not on this list must contact Building Control in order to be added to the list. However, businesses suggested that the municipality should publish more information articles in the newspaper so that local businesses are informed on the current discussions within the building sector including any new legislation. The municipality should also consider using the Overstrand Builders Association and the construction talk show on radio to raise awareness on any new legislation affecting businesses in the construction sector.

**National Heritage Resources Act No. 25 of 1999 (NHRA)**

The municipality suggested that the Western Cape Province should consider assisting the municipality to set up a local office in the municipality. This local office would make the assessment of Heritage developments much quicker. In addition, the WCG needs to develop a submission to national government proposing certain delegations of powers to municipalities to improve the efficient implementation of the NHRA. This proposal could include certain thresholds for the types of assessments which can be conducted locally by the municipality. This delegation of heritage assessment powers will require an amendment of the National NHRA. WCG DEDAT may need to work with the Department of Cultural Affairs and Sport (DCAS) on this submission.

**Provincial department delays**

- The municipality suggested that the Western Cape Government Department of Environmental Affairs and Development (DEADP) should monitor the time-frames in which its different departments respond to applications from the local municipalities. In addition, the Provincial Government should develop service standards for all its departments which handle application approvals so that they can monitor if the departments are giving feedback in time.
- The municipality suggested that the Provincial Government should clarify the core functions of the DEADP.
- The DEADP should consider developing a contact database for officials to be contacted in case of the need to get provincial approvals.

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#### **1.10.1.3 Way forward: Process champion, Task team, final presentations to municipal committees**

The Provincial Department of Economic Development and Tourism will need to work closely with the DEADP to take forward a number of initiatives including:

- a) DEADP to compile a guide containing contact details of officials in the department responsible for managing/ taking various kinds of decisions the DEADP is responsible for in terms of legislation.
- b) DEAPD should develop service standards and refined 'To Be' process maps for various comments required as part of the property development process.
- c) The DEDAT needs to work with the DCAS to design a consultation process to obtain stakeholder inputs (including from municipalities in the Western Cape as well as the private sector involved in the property development process) develop a position paper on proposed amendments to the National Heritage Resources Act No. 25 of 1999.

#### **1.10.2 Informal businesses red tape reduction action plan**

##### **1.10.2.1 Nature of the problem**

There is poor communication between informal traders and the municipality around issues of leasing municipal stalls and the market square. The Operations Management Committee has not been functioning. The municipal official responsible for managing the market does not appear to be visible.

There is poor communication between farming cooperatives and the municipality around issues of availability of land for agriculture and options available to address this issue where the municipality can play a support/ facilitation role.

##### **1.10.2.2 'As Is' and proposed 'To Be' process**

###### **'As Is' process:**

###### **Availability of land for local farmers**

Local farming cooperatives have been trying to access land from the municipality for agriculture and livestock production for the past two years but they have not been successful. The municipality told the farmers that there was no land available for agriculture and livestock production. The unavailability of land was also confirmed by a study conducted by the municipality.

###### **Renting of municipal properties**

The informal traders renting municipal stalls are concerned with the new municipal policy which stipulates that they have to bid for their stalls after the leases expire. Furthermore, the informal businesses are concerned about the one year leases that are currently being offered by the municipality. The Informal businesses indicated that these short leases make it difficult for them to plan ahead as they will not be sure whether they will have their stalls in the coming year.

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Overall, the informal traders do not understand why they have to tender for their stalls. Businesses feel that the municipality should consider the fact that the market is generating income for the town and is a major tourism attraction. The municipality cannot ignore the value that is being brought by the current traders, breaking up the market could kill the attraction and economic benefit by allowing businesses to trade that do not have the necessary skills, knowledge and experience and which may not necessarily be sustainable.

**'To Be' process:**

**Leasing agricultural land to farming cooperatives**

The municipality should identify spatially where the cooperatives would like to lease land so that they have the right information for negotiation processes with private land owners in terms of which farmers can be approached for further discussion. One municipal official indicated that the municipality had already started a process to engage the private land owners to try and organise leasing of land to cooperatives.

The municipality to set up a meeting with the cooperative present at the workshop and relevant private sector farmers in the area the cooperative wants to lease land. Key issues to be discussed between the municipality and relevant private sector farmers is whether they are prepared to lease land to cooperative for livestock purposes for at least a five year period, whether they are prepared to offer a below-market affordable rental, and what special conditions need to be in place to govern the lease relationship (and which many need to form part of the lease agreement).

**Operations Management Committee: Improving communication between informal traders and the municipality**

The informal businesses suggested that the municipality should resuscitate the Operations Management Committee to improve communication between businesses and the municipality. The municipality should consider revising the role, purpose, representation and secretariat support/ functioning of this committee so that all key issues related to leases, maintenance, marketing etc. can be included in the agenda. A proposal was made that LED Department coordinate this Committee.

**Leasing of Municipal Premises/ Properties in General:**

The Property Department to instruct the municipal IT Department to add an email address on the municipal website which businesses can use when they have queries related to leasing of municipal properties. In addition, basic instructions on what information the public should submit to the municipality regarding the availability of municipal buildings to be used for business purposes should be included on the municipal website.

**1.10.2.3 Way forward: Process champion, Task team, final presentations to municipal committees**

The municipal LED Department should lead the revival of the Operations Management Committee. The municipal LED Department should facilitate the negotiation process between

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local farmers and cooperatives to negotiate entering into five year leases between cooperatives and local farmers.

The Town Planning Department should support the negotiations for leasing farms to local cooperatives from private farmers. The Property Management Department needs to support the functioning of the Operations Management Committee as well as ensure that improved information is available to the public on the processes to be followed when applying for the lease of municipal properties.

## Cape Agulhas Municipality

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### 1.11 Introduction

This section presents results from the red tape reduction process in Cape Agulhas Municipality. The section is divided as follows:

- Process followed;
- Red tape business surveys;
- Municipal red tape issues identified;
- Municipal red tape issues prioritised for the action plan phase; and
- Municipal red tape reduction action plans including 'As Is' process flows / current situation and 'To Be' process flows/ improvement plan.

### 1.12 Process followed

The red tape reduction process in Cape Agulhas consisted of three rounds of workshops namely: red tape launch, red tape identification and red tape reduction action plan workshops. Furthermore, a red tape formal business survey was conducted. The results of these workshops and survey are presented in the sections below.

### 1.13 Formal business red tape online survey

#### 1.13.1 Introduction

The purpose of this online survey was to identify the municipality red tape issues and any suggestions for improvement for the issues raised. The target participants for this survey were all formal businesses who had had some interaction with the Cape Agulhas Municipality (i.e. the businesses may or may not have a permanent physical presence in the Cape Agulhas municipal area as some may be suppliers to the municipality based outside of the area).

Each business was sent an email and sms with the web link to the survey and they had ten days to complete the survey. Overall, the survey was sent to 170 formal businesses. A total of 72 formal business responded to the survey. Of these, 33 completed 100% of the survey questions.

#### 1.13.2 Main findings

In terms of municipal service delivery and red tape issues having a negative impact on businesses, 28% of formal businesses indicated that the high cost of electricity was affecting functioning of their businesses. In terms of specific red tape issues the following percentage of respondents regard these red tape issues as having a major to very severe negative impact on business operations were:

- Local land development regulations including zoning and/ land use: 17% of respondents.
- Building plan approval processes: 17% of respondents.

The major service delivery challenges affecting businesses as perceived by formal businesses are as follows:

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- Public transport system: 17% of respondents.
- Local road infrastructure: 17% of respondents.
- Cost of waste removal: 17% of respondents.

17% of businesses surveyed indicated that the time taken by the municipality to approve building plans was unacceptable.

### 1.13.3 Conclusion

The main red tape issues raised by the formal businesses surveyed relate to local land development regulations including zoning and land use and building plan approval processes.

Business suggestions to reduce red tape include reviewing parking space regulations, relaxing signage restrictions, improving the time taken to complete municipal procedures e.g. building plan approval processes, and improving the availability of information on key regulations and relevant officials (e.g. via the website, community radio stations etc.).

### 1.14 Red tape reduction problems identified

#### Formal businesses:

The following issues were identified by formal businesses as negatively impacting on their business in Cape Agulhas Municipality (in order from highest priority to lower priority as prioritised by the businesses attending the workshop):

- The municipal officials are not always available when they are needed. The municipality doesn't have a complaint policy, or standardised time-frame to respond to different types of complaints, or a complaints escalation process to ensure that responses to complaints are monitored.
- The municipality's letters to illegal businesses regarding illegal land uses (and the best way for businesses to respond to and deal with these letters) and the inconsistent enforcement and lack of pro-active enforcement approach by the municipality to illegal land-uses. This links to the need for the municipality to maintain an improved GIS system and database of land-use / zoning information, including a record of where businesses are located.
- The municipality needs to improve communication and record keeping including land-use and zoning information on what businesses are operating where and have been granted licences and municipal approval to operate or not.
- The municipality requires unnecessary technical details to approve building plans for an abattoir. These plans are apparently always drawn up by engineers and not architects and the municipality is insisting that plans are drawn up by an architect. Furthermore, no abattoir plans in South Africa have been drawn up by architects. As a result, this initiative may not go ahead resulting in the loss of needed job creation and municipal revenue.
- There is allegedly an incorrect municipal interpretation of the National Environment Management Air Quality Act 39 of 2004 where the municipality interprets the act differently from the National and Provincial government. This impact on the EIA process by causing a lot of delays which costs a lot of money for businesses involved in planning a bio-gas facility for the area. In-addition the delays also affect job creation and municipal revenue.
- The approval of building plans is taking too long including for example "vir store op plaase".
- The process of getting a building plan approval is very long.

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- The environmental impact studies are very expensive for emerging businesses (however new amendments to the EIA regulations reduce the costs for certain types of EIAs).
- The municipality needs to communicate their future plans to businesses in a language that is well understood by businesses and also using email (e.g. a newsletter).
- There is a need to identify land for future development in Struisbaai.
- Advertising by-law: there is a need to enforce these and ensure all businesses follow the same regulations and the regulations need to be easily available/ accessible (e.g. website and from the relevant officials).

#### 1.15 Red tape reduction issues prioritized

The following red tape action plan issues were prioritized by formal businesses during the red tape identification workshop:

1. Availability of officials and a policy and system to submit complaints and escalate complaints and monitor responses to complaints
2. Inconsistent enforcement and lack of pro-active enforcement approach by the municipality of illegal land-uses.

#### 1.16 Red tape reduction action plan

Two separate red tape action plan workshops were conducted in Cape Agulhas Municipality. This section presents the two action plans based on the two prioritized issues in the previous section.

##### 1.16.1 Reducing Red Tape Action Plan 1: Reducing illegal land use and illegal business operations

###### 1.16.1.1 Nature of the problem

There are concerns about the municipality's inconsistent enforcement and lack of pro-active enforcement approach to illegal land-uses. This links to the need for the municipality to maintain an improved GIS system and database of land-use / zoning information including a record of where businesses operate. There are some businesses illegally operating in the Cape Agulhas Municipality. For instance, there are unregistered bed and breakfast businesses operating without licenses. These businesses cannot be graded using the tourism accommodation standards and this increases the risk of poor quality tourism accommodation being offered which can negatively impact on tourist experiences and the overall reputation and attractiveness of the area. The municipality has sent letters to illegal businesses regarding illegal land uses in an attempt to start addressing this issue.

###### 1.16.1.2 Key actions summarized

The municipality should consider creating a comprehensive database of all the businesses operating in the areas. On this database, the municipality should verify businesses which are legal and those not. The municipal manager should give approval to having a link on the website where unregistered businesses are listed. Formal businesses in the area should consider reporting non-compliant business on the Hello Peter website (customer service complaint website) as well as to the municipality (for attention: Town Planning Manager).

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#### 1.16.1.3 'As Is' and proposed 'To Be' process

This section presents the current state ('As Is') and the proposed improved state ('To Be') in relation to reducing the above red tape issues.

##### 'As Is' process

###### A. Illegal land-uses and businesses

There is a lack of communication between municipal departments regarding illegal operation of businesses in the area. For instance, the electricity department may not know that a certain business they are serving is an illegal business according to the Town Planning Department. The municipality does not understand the amount of revenue they are losing through unregistered businesses. This revenue can be about R4,000 per business for land-use permission as well as higher municipal rates and other tariffs (e.g. electricity) which are payable by businesses. The municipality does not send a reminder to business whose temporary departure is about to expire. This leaves most business operating illegally because their departures will have expired.

###### B. Applications for departures

The application for a departure for rezoning process is taking too long. This affects businesses because they have to wait for up to ten months before they can start operating. Whether departure applications are submitted at the beginning or end of the month also impacts on how long the process will take to get approval (ideally the process of obtaining a departure should take about 3 months). Estate agents in the area are not informed about land zoning and they are not informing property buyers on what they can and cannot do on the purchased premises and what processes need to be followed with the municipality to obtain the required approvals to operate a business.

##### 'To Be' process

The municipality will consider developing a comprehensive database with all the businesses operating in the area. This will assist the municipality to enforce registration of businesses especially those in the tourism sector. Furthermore, the quality of tourism experiences will be improved and the overall tourism reputation and sustainability and growth will improve. Registration also helps the accommodation businesses to be graded by the grading agency. Tourists take the grading system seriously, therefore a graded accommodation business will most likely get more clients and the tourism experience will more likely be a positive one where their expectations are met and positive tourist experiences will enhance the overall reputation and perception of the area as a tourism destination. This will assist with overall job creation.

Municipal revenue will grow and be enhanced through both land-use and departure application fees, as well as correct business rates and service charges being charged to businesses. This will raise additional revenue for service delivery and infrastructure which can enhance the overall community's development and quality of the business environment.

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**1.16.1.4 Way forward: Process champion, Task team, final presentations to municipal committees**

The municipal Town Planning Department (Mr Bertus Hayward), working in partnership with the local chamber and Local Tourism Organisation, should champion the process of developing a comprehensive business database as well maintaining it.

The Municipal manager, Estate Agents, Cape Agulhas tourism organization, LED department and Finance department need to support the proposed red tape reduction process above. In addition, the municipality needs to set aside funding for business information update requests that are going to be used to update the municipal database. The municipal Town Planning Department staff needs capacity to pro-actively identify and track down illegal businesses.

**Reducing Red Tape Action Plan 2: Improving the Municipal Complaints System**

**1.16.1.5 Nature of the problem**

There is no clear process of giving feedback to clients who submit complaints. When a complaint is received, there is no time frame on when the complaint must be resolved. There is no single municipal department that is responsible for adding complaints on the municipal complaint system (Ignite system). There are no consequences when a department does not respond to a complaint in time. For instance there are two departments which take approximately a year to respond to complaints. When businesses/ citizens phone the municipal reception, they frequently either do not obtain an answer or have to wait for an answer in excess of 10 minutes because of the limited lines available.

**1.16.1.6 Key actions summarized**

The municipal staff awareness of what departments and officials are responsible for what services needs to be improved (especially receptionists who are often asked to refer people to the relevant official) so that complaints can be referred to the correct person who can address the problem (municipality could consider a 1-2 page municipal official directory page with user friendly descriptions of main services dealt with by different departments/ branches for use by receptionists/ Pas). The municipality should improve training of municipal officials in customer care and how to use the Ignite system to improve the customer feedback. Furthermore, the municipality should increase public awareness of complaint system and the importance of always obtaining a reference number once a complaint is submitted so that progress with the complaint can be monitored/ followed up easily. The municipality to use the bulk SMS system to raise this awareness.

**1.16.1.7 'As Is' and proposed 'To Be' process**

This section presents the current state ('As Is') and the proposed improved state ('To Be') in relation to reducing the above red tape issues.

**'As Is' process**

The public communicates with the municipality through the municipal telephone reception, Facebook, Twitter, help sms system or a complaint email address. The municipal website has a

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complaint form/ comment form. Each complaint submitted on this form will go directly to the IT unit which forwards the complaint to the relevant official who handles the issue. As part of the complaints monitoring process, every week the Municipal Manager sends a complaints summary report to managers and every month a similar report is sent to councilors. Receptionists in the municipal departments are responsible for logging in client complaints on the Ignite system. The Ignite system currently makes provision for the following data fields: name, address, phone number and urgency of the matter, and status of the complaint resolution (in progress or resolved).

#### **'To Be' process**

The municipality should consider centralising Client Services and complaints in one corporate unit to help manage and track client complaints better. The restructuring of 5 departments into one single Client Services department is already in progress. The new unit will fall under the office of the Municipal Manager. The municipality should consider designing a form to sign off a complaint that has been received. The municipality should include the complaint reporting in the managers KPI report which are sent to the council and the director is evaluated on these reports every 6 months. If the client is not satisfied with feedback given, they should be given a chance to speak to the director. All new customer service staff should be trained on the new proposed ignite system. IT unit should investigate phone call redirecting options and the cost implications.

#### **1.16.1.8 Way forward: Process champion, Task team, final presentations to municipal committees**

The client services manager should champion the process of modifying the complaint system with the Municipal Manager playing an oversight role.

Directors, managers, Clients service unit and Ignite service provider (to make modifications to the ignite system) need to support the proposed complaint system modification.

The following resources are required:

- 2 Client Services staff members for the logging complaints and giving feedback to clients.
- Financial resources to modify the Ignite system (cost to be determined and specifications for required changes to be defined).
- New municipal reception phone call redirecting / menu system. IT is currently reviewing options and identifying cost implications.

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## Conclusions and Recommendations

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### 1. Recommendations for Overstrand and Cape Agulhas Coast Municipalities:

- 1.1 Red tape reduction action plans (incl. 'To Be' Processes) to be presented to Municipal Top Management Team (Municipal Manager and Directors) with an indication of key decisions that are needed (and if necessary resource implications) so that implementation of the action plan can continue and/or proceed. At this presentation the possibility of each municipal department identifying a red tape champion, as part of a red tape reduction task team, to take forward red tape reduction initiatives on an ongoing basis, will be discussed. These red tape champions should assess the list of red tape issues raised by businesses in both the business survey and the red tape identification workshops and develop a proposed way forward to address these issues and which is submitted to Top Management for decision.
- 1.2 The following high level Standard Operating Practices are recommended for each municipality given that each action plan contains actions which are unique to each municipality:
- 1.2.1 The Municipal Red Tape Champions to decide if further refinements are needed to the action plan (including the "To Be" process if relevant) and to convene the necessary meetings involving the relevant Departments and officials to discuss and agree on these refinements.
  - 1.2.2 If the red tape reduction action plan(s) included an improved "To Be" standardized/ repeatable process, the red tape champion (in consultation with responsible officials) needs to identify one or more Key Performance Indicators (KPIs) for that process that can be used to monitor and report on the future performance of that process. These KPIs need to be incorporated into the relevant Director's performance agreement as well as the Municipality's Service Delivery Improvement Plan (SDIP) and performance management, monitoring and reporting systems. Performance of this process must then be monitored and reported on as part of the ongoing SDIP and performance review process.
  - 1.2.3 The Municipal Red Tape Champions to monitor progress with the implementation of the red tape action plan and to present progress to the municipal Top Management Team at a date agreed with the Top Management Team.
  - 1.2.4 The municipality to use relevant communication channels to communicate the red tape reduction action plans to local businesses, including local business chambers and LED Forums (where these exist). Progress with implementing these red tape reduction action plans needs to be publicly reported so that businesses are aware of improvements being made. This could include the municipality using local newspapers, the municipal website, and public meetings amongst other communication channels and opportunities. In addition, the red tape reduction action plan workshops need to be emailed to all business that participated in the red tape reduction action plan workshop.

## 2. Recommendations for WCG: Department of Economic Development and Tourism:

- 2.1 The WCG: DEDAT to formally communicate in writing the above municipal recommendations to each municipality that participated in the process.
- 2.2 The two municipal red tape case studies, as well as an overview article for media communication purposes, to be finalised. WCG: DEDAT to forward each case study to the key contact / further information contacts identified in each case study with a request to provide any comments (corrections, amendments, additions) on the case study. Once finalised, the case studies need to be made available on the WCG: Red Tape Reduction Unit's website. The case studies should also be distributed to non-metro municipalities in the Western Cape for information sharing and awareness raising purposes. Ideally a communication plan should be developed regarding distribution and raising awareness of red tape case studies.
- 2.3 The WCG: DEDAT should explore holding an information sharing workshop (which could be part of an existing meeting structure such as the SALGA Economic Development Working Group or a District Municipal Managers forum etc.) with relevant municipalities to share useful red tape reduction approaches being implemented by various municipalities. Municipalities participating in the red tape reduction process should be invited to make a presentation (using a presentation template which they are provided with and which has a structure similar to that used in the case study articles).
- 2.4 Municipalities have reported that the decision-making comment/ approval time-frames of the Provincial Department of Environmental Affairs and Development Planning (WC: DEADP) for various physical development related issues (these comments do not refer to Environmental Impact Assessment approval processes) sometimes exceeds the time-frames provided for in legislation<sup>3</sup>. This unnecessarily delays development and negatively impacts on the Western Cape economy. It is vital that this Department develops Standard Operating Practices and improved "To Be" processes for key development review and decision-making processes so that maximum time-frames (as provided for in legislation) are not exceeded. DEDAT needs to raise this issue in the "Provincial Red Tape Working Group" structure and a process needs to be agreed upon to develop "To Be" processes for the Provincial Department of Environmental Affairs and Development's key decision-making processes directly impacting on municipalities and physical development processes in the Province. There may also be a need for DEDAT to ensure that regulations currently being developed at National and/or Provincial level to

<sup>3</sup> It has not been possible to investigate this matter in detail in this red tape process. Planning legislation is currently undergoing various changes at both at national level (with the Spatial Planning and Land Use Management Act (16/2013): Draft regulations published on 10th October 2014 for comment) and Provincially (with regulations needing to be promulgated to give effect to the Western Cape Land Use Planning Act, 2014 (No. 3) as promulgated on April 7th 2014). There is a general decentralisation process of planning decision-making powers moving downwards from the Provincial to the municipal level.