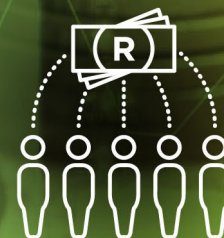
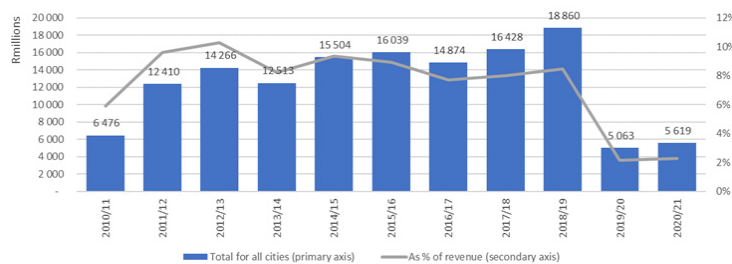


# State of City Finances Report 2022



The bi-annual State of City Finances Report is one of the South African Cities Network's (SACN's) flagship reports. It is the only publication that provides a comparative view of the finances of the cities of nine cities in South Africa (the eight metros plus Msunduzi). PDG supported the SACN to produce the 2022 version of the State of City Finances Report, conducting almost 30 interviews with current and former city officials, academics, National Treasury and others; undertaking analysis of city finances; and drafting the report itself.

The 2022 version of State of City Finances Report took a longer view than previous iterations of the report, looking at city finances over the decade from 2011 to 2021, which spanned two administrative terms. It highlighted some of the significant trends or events that have impacted city finances over this period. It then compared the financial performance of the cities over the first term (from 2011 to 2016) to that over the second (from 2016 to 2021) and found that while the first period was one largely of improvement (although with underinvestment in infrastructure), the second was one of steady decline with a major shock to an already weakened system delivered through COVID-19. While there is much that must be done by cities to improve their financial management, the overall findings of the report were that many of the shifts required to improve the financial trajectory of cities are not directly related to their finances. It highlights that city finances are inextricably linked with governance and local politics.



*Operating surpluses for the cities as a group grew between 2011 and 2016 but then stagnated and declined dramatically in 2020 and 2021 due to the impacts of COVID-19*

As has been the case with several previous iterations of the State of City Finances Report, the 2022 version also included analysis of changes in the affordability of municipal household bills over the past five years and found a stark decline in affordability

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**SCFR22 PROJECT:**

**Project Profile:** State of City Finances Report 2022

**Client:** South African Cities Network (SACN)

**Date:** 2022