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Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

**PRESENTATION TO THE
SELECT COMMITTEE ON LOCAL GOVERNMENT AND
ADMINISTRATION**

**DETAILS OF PROJECT CONSOLIDATE AND LOCAL
GOVERNMENT PRIORITIES FOR THE 5 YEARS**

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**Local Government Review and Strategic
Priorities for the next term of Local Government
2006 - 2011**

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Introduction

Purpose:

- To assess some of the **main lessons arising from the first term of local government** in order to achieve a fully viable and consolidated local government system in the second term.
 - Also reflects on progress in Project Consolidate and lessons from practice that must inform local government policy refinement.
 - Also **focuses on selected areas of practical and policy intervention** with the greatest potential for improving municipal performance and creating a better life for all South Africans.
- Addresses the central question is: **“What must be done in the next term of local government (2006-2011)?”**
- Indicate the **specific Project Consolidate key actions in 2006** to support the Strategic Priorities on Local Government

Main Findings

- The nature of the problem was discussed in the July 2005 Cabinet Lekgotla. In summary, the various current challenges are:

Key Performance Area	Main Challenges
Institutional Capacity and Municipal Transformation	<ul style="list-style-type: none"> •Core municipal systems not established or implemented, e.g. PMS •Municipal management capacity and capability & high vacancy levels •Poor accountability mechanisms •Serious challenges in the areas of financial management, programme management, engineering and organisational development.
Basic Service Delivery and Infrastructure	<ul style="list-style-type: none"> •Slow pace and poor quality of services delivered •Water and sanitation backlogs emerge as one of the critical challenges •Housing backlog sighted as a critical issue
Local Economic Development	<ul style="list-style-type: none"> •High levels of poverty due to unemployment •Poor quality LED plans and scarcity of municipal LED specialists
Financial Viability and Management	<ul style="list-style-type: none"> •Inadequate billing, debt management and credit control systems •Poor municipal financial management capacity and systems •Low revenue base due to high levels of indigents
Good Governance	<ul style="list-style-type: none"> •Instability within and between political and administrative domains •Poor communication between council and communities •Non functioning of ward committees

Main Findings

- Clearly, the two main problems that underlie the performance of municipalities is **poor capacity** and **inadequate accountability mechanisms**.

- The **next term of Local Government** must result in a more **sustainable** system, with reliable service delivery and a general improvement in Government's performance **as a whole**.

Main Findings – Benchmark for an Ideal Functional Municipality

A. Municipal Transformation and Institutional Development

- i. An IDP that is the expression of state-wide planning as a whole
- ii. A balanced infrastructure investment and sustainable economic development programme that is part of the IDP
- iii. Establishment and functionality of all core municipal policies and systems as required by law
- iv. Implementation of continuous management reform and improvement
- v. Empowering employees through focused and continuous professional/skills development
- vi. Development and functionality of effective accountability and performance management mechanisms for councillors and officials
- vii. Sound labour/management and HR relationships
- viii. Increased and appropriate utilisation of technology

Main Findings – Benchmark for an Ideal Functional Municipality

B. Local Economic Development

- i. Thriving and vibrant local economy and neighbourhoods
- ii. Ongoing programme of contributing to the development of an employable, educated and skilled citizenry
- iii. Facilitation of job creation and access to business opportunities
- iv. Continuous and positive interactions with all key economic anchors and actors

C. Basic Service Delivery and Infrastructure Investment

- i. A clean, safe and healthy municipality
- ii. Universal access to quality, affordable and reliable municipal services (e.g. water, sanitation, electricity, refuse removal, transportation)
- iii. Regular investment in infrastructure and productive equipment

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Main Findings – Benchmark for an Ideal Functional Municipality

D. Financial Viability and Financial Management

- i. Sound financial management systems
- ii. Development of annual and medium term outlook on revenue and expenditure plans and targets
- iii. Reduced dependency on grant transfers
- iv. Timely and accurate accounting of public resources and effective anti-corruption measures

E. Good Governance and Community Participation

- i. Functional community participation mechanisms and ward committees
- ii. Established feedback mechanisms in order to ensure responsiveness to communities
- iii. Continuous and special attention to historically marginalised and excluded communities
- iv. Equal, easy and convenient access for the public to the municipality and its services
- v. Effective intergovernmental relations

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Strategic Priorities

On the basis of a detailed analysis of the status quo as presented in the report, **three** overarching strategic priorities for the next term of Local Government are:-

- i. Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability;
- ii. Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
- iii. Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures.

Strategic Priority No. 1:

**Mainstreaming hands-on
support to Local Government**

Strategic Priorities For The Next Term Of Local Government: 2006 - 2011

What does mainstreaming mean?

- a. Functional municipality must have particular characteristics – Framework for KPA's and KPI's
- b. Undertaking specific tasks and actions by national and provincial government, State Owned Enterprises and key stakeholders
- c. Introduce measures to:
 - i. Address **differential** capacities of the municipalities;
 - ii. Focus on **time-bound** outcomes;
 - iii. Emphasise the **role** of national departments and provincial government; and
 - iv. Enforce **Monitoring and Evaluation** mechanisms

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Strategic Priorities For The Next Term Of Local Government: 2006 - 2011

- d. Vision and Time-frames: What must be achieved with Local Government and through Local Government by 2011?
 - i. A viable **system** of Local Government focused on service delivery and development;
 - ii. Meeting obligations and **targets** of Government by 2011, on course to 2014;
 - iii. Facilitate Local Government engagement with **planning** processes (IDPs and LEDs) within the context of Government's obligations.
- e. Concrete Actions

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Strategic Priorities For The Next Term Of Local Government: 2006 - 2011

Cross-Cutting Priority Actions

Mainstreaming hands-on support to Local Government:

- *The role of National and Provincial Governments, together with SALGA*

- (i) The **national** and **provincial** government departments must prioritise support for municipalities through the actions identified. They will report to the July 2006 Cabinet Lekgotla through the relevant clusters on, inter alia:
 - a) Reflecting concrete support actions to municipalities in their Strategic and Business Plans; and
 - b) Streamlining their operations and providing appropriate resources to provinces, so that the latter can support local government.
- (ii) **Provincial** government specifically must prioritise support for municipalities through the actions identified by, inter alia:
 - a) Reflecting concrete resources / support actions to municipalities in their Provincial Growth and Development Strategy; and
 - b) The Office of the Premier & Premiers Coordinating Forum must assume overall accountability for coordinating and monitoring the hands-on support to municipalities.

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Strategic Priorities For The Next Term Of Local Government: 2006 - 2011

Cross-Cutting Priority Actions

Mainstreaming hands-on support to Local Government:

- (iii) The **dplg** must continue to nationally coordinate, facilitate, direct and monitor the priority hands-on support actions of national government to local government by:
 - a) Improving its own institutional arrangements and internal capability;
 - b) Identifying priority areas of support to local government required of national government, SOEs and key stakeholders; and
 - c) Facilitating, supporting and monitoring the implementation of these support actions.
- (iv) **SALGA**, in partnership with **dplg**, must intensify its support to the political leadership of municipalities by:
 - a) Engaging in a structured programme of capacity building and training;
 - b) Stabilising the political and administrative components of municipalities; and
 - c) Unblocking political problems that negatively affect the service delivery and support actions directed at municipalities.

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Strategic Priorities For The Next Term Of Local Government: 2006 - 2011

Cross-Cutting Priority Actions

Mainstreaming hands-on support to Local Government:

- (v) Focus the relevant organs of state and stakeholders on the **priority actions** identified under the 5 Key Performance Areas and elaborated in the Summary Report, the Project Consolidate Municipal Action Plans and the updated IDPs.
- (vi) **Rollout an unprecedented national capacity building, training and support programme to local government** over the next 5 years.
- (vii) Convene a **national series of orientation sessions with Mayors** after the March 2006 municipal elections.
- (viii) SALGA & **dplg** to implement a practically-focused **induction programme for councillors and senior municipal managers** immediately after the 2006 municipal elections.
- (ix) Building the **technical capacity and capability of municipalities** through the mobilization and deployment of appropriate skills and expertise.

Priority Actions for Mainstreaming Hands-on Support in the 5 Key Performance Areas