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Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

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

**PROGRAMME 4
BRANCH: SYSTEMS AND CAPACITY BUILDING**

**Ms Shiva Makotoko
Acting Deputy Director-General**

24 May 2006

INTRODUCTION

1. Purpose of Programme and Core Functions
2. 2005/06 Strategic Achievements
3. Programme Budget
4. 2006/07 SCB Strategic Priorities

1. PURPOSE OF PROGRAMME AND CORE FUNCTIONS

Provides support to Local Government to build institutional and administrative systems within the following areas:

1. Intergovernmental Fiscal Relations
2. Local Government Institutional Development and Administrative Systems
3. Capacity Building Systems
4. Disaster Management
5. Anti-Corruption and Accountability
6. Performance Management and Support
7. Local Government Leadership Development Programme
8. LG Equity and Transformation.

2. STRATEGIC ACHIEVEMENTS (2005/6)

- a. Realigned provincial boundaries.
- b. Phased implementation of Property Rates Act – Developed first set of Regulations and monitoring Framework.
- c. Implemented anti-corruption strategy in selected municipalities in line with Project Consolidate.
- d. Approval of a new Councillor Remuneration framework.
- e. Division of Fiscal Powers and Functions – Input to the Discussion document on proposed powers and functions for Category B and C municipalities.

2. STRATEGIC ACHIEVEMENTS ...

- a. Developed a draft Competency Framework for LG.
- b. Local Government Employees Bill drafted.
- c. Supported NT with the implementation of the MFMA - Direct assistance to 57 non complying municipalities to submit financial statements, within the context of Project consolidate.
- d. Managed and administered the LG equitable Share and the Municipal Systems Improvement Grant.
- e. Outputs: January -March 2006
 - Successful elections held
 - Launch the Local Government Leadership Academy by 31 March 2006.

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2. STRATEGIC ACHIEVEMENTS ...

- a. Workshops on the Implementation Strategy for the Disaster Management Act, 2002 and National Disaster Management Framework involving all three spheres were done.
- b. Volunteer Regulations for Disaster Management Act, 2002 were published in the Government Gazette for public comments on 9 September 2005.
- c. A Manual on Joint Management of Incidents (Chemical/Biological Agents/Radio-active Materials) published on 3 February 2006 in the Government Gazette.
- d. Several provinces are receiving aerial support to extinguish bush and forest fires through working on Fire programmes with the SA Airforce.
- e. An Emergency Operational Committee was established and Standing Operational Procedures were developed.

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3. BUDGET

Subprogramme	Adjusted Appropriation	Medium-term expenditure estimate			
		2005/06	2006/07	2007/08	2008/09
R Thousand					
Management	1 268	1 205	1 269	2 830	
Intergovernmental Fiscal Relations	19 827	6 078	6 474	14 702	
Local Government Institutional and Administrative Systems	4 220	5 430	5 712	5 998	
Capacity Building Systems	5 172	-	-	23 026	
Disaster Management	41 137	34 142	36 032	39 834	
Municipal Performance Monitoring and Support	12 673	20 590	21 203	24 566	
Municipal Leadership Development Programme	1 774	2 440	2 567	3 080	
Anti-Corruption	2 863	2 728	2 872	3 016	
Local Government Equity and Development	2 205	2 936	3 092	3 246	
Project Consolidate	-	34 249	39 409	-	
Total	91 139	109 798	118 630	120 298	
Change to 2005 Budget Estimate	23 190	29 334	35 089	30 235	

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ANALYSIS OF THE OVERALL BRANCH BUDGET

1. Budget increases from R91,1million in 2005/06 to R109,8million in 2006/07, an annual average increase of 21,7%. The biggest increase recorded for Project Consolidate.
2. The professional services/consultancy budget has also increased to take into account the priorities set which focus mainly on strengthening and enforcing Institutional and Administrative Systems in Local Government.
3. There is greater focus on Performance Management and achieving better institutional development, including addressing governance, anti-corruption and financial viability.

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3. STRATEGIC PRIORITIES (2006/7)

- | | |
|---|---|
| a. Implement legislative and policy refinements to existing LG laws arising from lessons on PC. | f. Local Government Anti-Corruption strategy rolled-out |
| b. Regulate LG Administrative and HR Systems in line with the Systems Act, 2000 | g. LG Gender Policy developed with focused Training and Development on Women in LG |
| c. Implementation of municipal performance management system and performance excellence | h. Finalise and implement the LG HIV and AIDS Framework, and establish LG Youth Development Strategy |
| d. National monitoring system on performance management fully developed | i. Support National Treasury on work towards finalising the LG Fiscal Framework |
| e. Improved skills and effectiveness of local Government leadership | j. Implementation of legislation and policy flowing from the re-alignment of provincial boundaries coordinated. |

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(a) Finalise legislation and policy refinements to existing LG laws

- Finalise the LG Laws Amendments Bill with a view to have it submitted Parliament during 2007/08.
- Municipal Property Rates Act Regulations:
 - Gazette first set of regulations for implementation; and
 - Gazette second set (and final) regulations for public comment.
- Review the Division of Powers and Functions between Category B and C municipalities.

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(b) Regulate LG Administrative and HR Systems in line with the Systems Act, 2000

- Municipalities need to be supported to **establish the core basic municipal systems** to function as effective governments as required by law.
- Enforcing a more effective **performance management system** in local government.

(b) Regulate LG Administrative and HR Systems ...

- Finalising a local government **competency framework** by July 2006 (which will include improving the regulatory environment by issuing regulations on the):
 - Appointments, develop generic job descriptions, Supporting municipalities to **fill vacant municipal and senior manager posts**.
 - Performance and evaluation of Municipal Managers together with other Senior Managers.
 - Dispute Resolutions and management of suspensions in LG.
 - Remuneration Framework for Section 57 Employees in LG.
 - Other HR Systems – 2007/09.

(c) Implementation of municipal performance management system

- Refine the regulatory framework on Performance Management Systems in Local Government
 - Benchmark aspects of KPAs in line with Project Consolidate and other parameters used in government.
- Finalise the LG PM Framework and Implementation Strategy and pilot in selected PC municipalities – expand pilot by 2007/09.
- Host Performance Excellence Awards and celebrate 5 years of LG Best Practices.

(d) National Monitoring System on LG Performance fully Developed

- Improve national and provincial oversight on LG - Monitoring system rolled out to Provinces.
- Consolidate data collection tools and align systems.
- Publish a report on Performance in LG over the past five years.
- Implement the LG Financial EWS with Provinces.

(e) Improved skills and effectiveness of local Government leadership

- Strengthen local government leadership by implementing the Municipal Leadership Development Programme, pilot in selected municipalities in all provinces.
- Targeted Development Programme for women in LG.
- Fast-tracking and finalizing work on the Local Government skills audit for section 57 municipalities.
- National and provincial government must provide financial management hands-on support to, in particular, low capacity municipalities and appropriate support to the previous cross boundary municipalities.

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(e) Improved skills and effectiveness of Local Government leadership

- SALGA & dplg to implement a practically-focused induction programme for councillors and senior municipal managers immediately after the 2006 municipal elections.
- Finalise and implement the HIV and Aids Framework.

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(f) Local Government Anti-Corruption Strategy roll-out

Improve the capacity to account for public resources and support all programmes that are designed to improve governance and fight corruption:

- Implement the LG Anti-Corruption Strategy.
- Establish Partnerships with Public institutions and Private sector involved in Anti-Corruption.
- Review Legislation to clearly define roles and responsibilities of different spheres of government and other organs of state.

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(g) Support National Treasury on work towards finalising the LG Fiscal Framework

- Further refinement that should lead to finalisation and stabilisation of the local government fiscal system that should focus on
 - (a) Improving efficiencies based on revenue raising capacity; and- Activation of the Development component;
 - (b) Bias Intergovernmental Transfers towards municipalities with low fiscal capacity and inadequate revenue base.
- Implement key local government finance legislation and strengthen financial management support and oversight at the national and provincial levels – MFMA, MSA, MPRA.
- Implement key sector reforms and address potential fiscal handicaps, e.g. REDS.

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2006/07 STRATEGIC PRIORITIES

1. The new framework for the remuneration of municipal councilors implemented, monitored and refined.
2. Implementation of legislation and policy flowing from the re-alignment of provincial boundaries coordinated.
3. Develop a framework to entrench Batho Pele principles rolled out in local government.
4. Manage and administer the LG Equitable Share and Municipal Systems Improvement Grant in line with DORA.

Thank you!