

Local Government Turnaround Strategy

Working together, turning the tide in Local Government

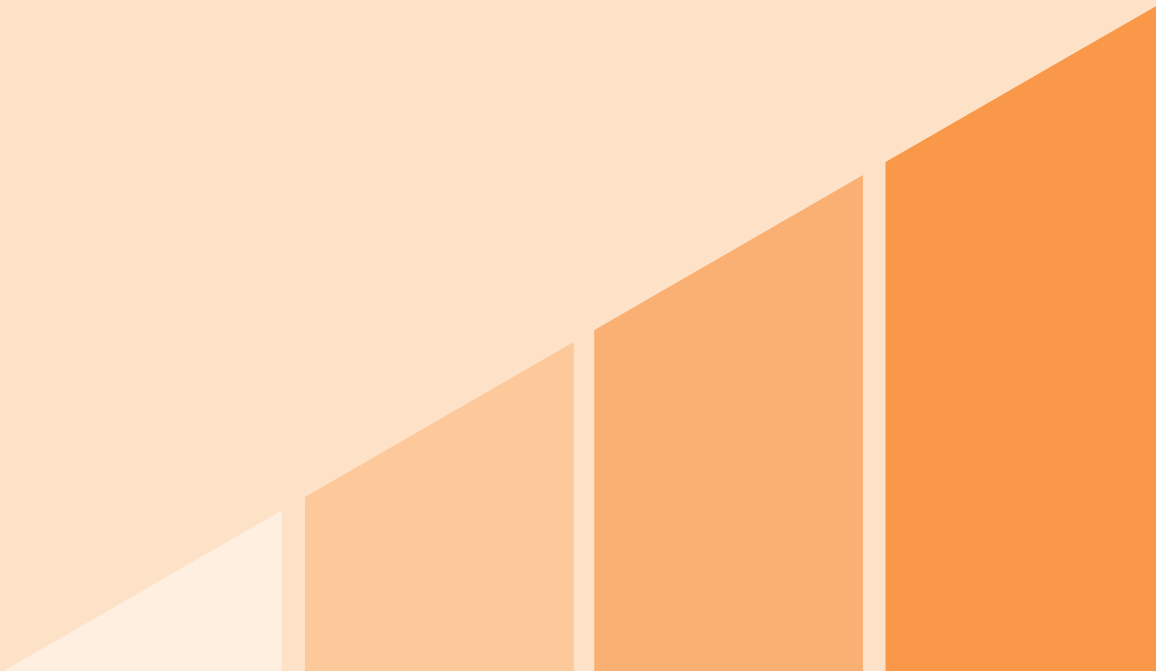


2009 > 2014



**cooperative governance
& traditional affairs**

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA



Working together, turning the tide in Local Government

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1. The Importance of Local Government

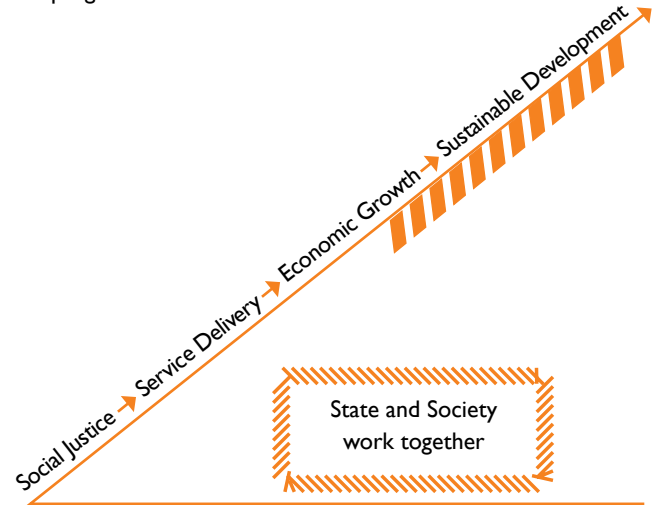
Local Government plays a key role in reconstruction and development in our country.

“The aims of democratising our society and growing our economy can only be realised through an effective and efficient Local Government system that forms part of a developmental state.” (LGTAS)

The establishment of a South African developmental state is based on the vision of the state and society working together at all levels to advance social justice, service delivery, economic

growth and sustainable development. Developmental Local Government is central to building the developmental state.

Nine years into the new Local Government system, despite impressive progress in many areas, local government is in distress and there are worrying trends and signs that are undermining the progress and successes achieved thus far.



The Developmental Local Government Model



The Local Government Turnaround Strategy (LGTAS) is informed by the State of Local Government Report and the Local Government Indaba and was endorsed by Cabinet in December 2009. The LGTAS is aimed at counteracting those forces that are undermining our Local Government system. Root causes for some of these problems include:

- Weaknesses in the Local Government model
- Policy and legislative factors
- Political factors
- Weaknesses in monitoring systems
- Shortage of capacity and skills
- Weak intergovernmental support and oversight
- Issues associated with the intergovernmental fiscal system.



Restoring confidence

With this in mind, the key question government undertook to address with a range of role-players in 2009 was:

“What is the state of Local Government in 2009, and what must be done to restore the confidence of our people in this sphere of government by 2011 and beyond?”

In order to address this question, assessments of each of the 283 municipalities were conducted by the Department of Co-operative Governance and Traditional Affairs (CoGTA) during the course of 2009, led by the Minister, Mr Sicelo Shiceka, in association with the respective MECs responsible for Local Government. The purpose of the assessments was to determine the key problems in different areas and to establish the root causes. From these assessments, the consolidated State of Local Government Report¹ was compiled and consultations conducted with stakeholders.

Subsequently, the LGTAS was developed. The aim of this countrywide programme is to mobilise government and society at large to deal with the factors undermining Local Government and to restore the communities confidence in the country's municipalities, while improving their performance.

This strategy represents the views of a wide variety of stakeholders who participated in what is probably the most consultative process ever undertaken on Local Government in this country.

¹ State of Local Government Report, CoGTA 2009, available on website: www.dplg.gov.za

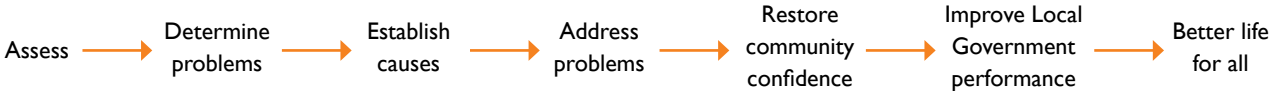


The LGTAS applies to everyone, but largely to those forces undermining Local Government, including those municipalities who have evidence of performance failures, or difficult social and economic circumstances to manage. The report points to the need for a number of adjustments and reforms in the leadership, policy, regulatory and oversight environments of municipalities.

Government is determined to turn municipalities around from local bodies struggling with failure to ones that are confident in their abilities to execute their service delivery mandates. It will rise to the challenge of ensuring that responsive municipalities are sites of excellence, with office-bearers and public servants who are efficient, effective, and accountable and carry out their duties with civic pride.



Local Government is Everybody's Business - Be part of it!



2. Overall Vision for Local Government

The Constitution (1996) which informed the White Paper for Local government (1998) states;

“Developmental Local Government is Local Government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.”

The LGTAS acknowledges and confirms this overall vision for Local Government and is based on the following key assumptions:

- **Local Government is everyone’s business.** Municipalities can be made to work better for everyone by everyone.
- **The structure of Local Government system remains.** Notwithstanding certain changes that may have to be effected, the overall architecture of the system of Local Government is still sound.
- **The Local Government system is still new and evolving.** The new system of Local Government was always intended to be phased in over time and the current problems must be seen as part of an effort to learn and correct as we continue with implementation.

The ideal Municipality

An **ideal municipality** in our system will strive to contribute to building a developmental state in South Africa. It would fulfil the following functions:

- Providing democratic and responsible government for local communities
- Being responsive to the needs of the local community
- Ensuring sustainable service delivery to communities
- Promoting social and economic development
- Promoting a safe and healthy environment

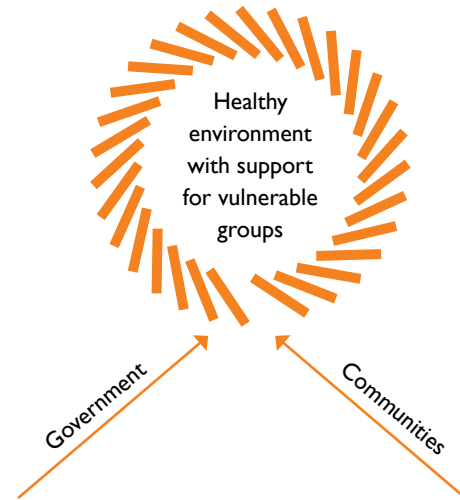


- Encouraging the involvement of communities and community organisations in matters of Local Government
- Facilitating a culture of public service and accountability among its staff
- Assigning clear responsibilities for the management and coordination of these administrative units and mechanisms.

The outcomes of meeting the objectives of such a municipality include:

- The provision of household infrastructure and services
- The creation of integrated and inclusive cities, towns and rural areas with good living conditions
- Local economic development
- Community empowerment and distribution
- Local democracy

These outcomes should create a healthy local environment in which vulnerable groups are supported and protected. It should also reduce the growing social distance between government and communities.



This sets the standard for the turnaround strategy. Municipalities must aspire to deliver on these outcomes. The rest of the state and society must ensure that there is an enabling environment and proper support for municipalities to deliver effectively.

3. Current Profile of Municipalities and Service Delivery

The government's priority since 1994 has been to meet the basic needs of the millions of South Africans living in poverty.

“In line with the Millennium Development Goals, government's target is to ensure that by 2014 all households have access to the minimum standard for each basic service.”

The table below depicts the current targets set by the South African government, in order to accelerate service delivery to meet basic needs and promote growth.

A related 2014 goal is to decrease unemployment and poverty by half. By obtaining labour-intensive services and the use of labour-intensive methods to maintain and build infrastructure, municipalities have to both broaden participation in the local economy and create work opportunities for the poor.

It is important to point out that current standards and expectations for service delivery may have to be reviewed. Highly urbanised areas with formal settlements can reasonably expect their own standpipes, while tiny rural areas, such as Bizana in the Eastern Cape, may need their service delivery to focus on

Minimum standards for basic services, (Source: Vision 2014)

Sector	Minimum standard 2014 target
Water	All households to have access to at least clean piped water 200 m from household.
Sanitation	All households to have access to at least ventilated pit latrine on site.
Electricity	All households to be connected to national grid.
Refuse Removal	All households to have access to refuse removal services at least once a week.
Housing	All existing informal settlements to be formalised with land-use plans for economic and social facilities and with provision of permanent basic services.
Other, e.g. education, health, roads, transport, sports and recreation, street trading, parks and community halls	Standards for access for all other social, government and economic services must be clearly defined, planned and, where possible, implemented by each sector working together with municipalities in the development and implementation of Integrated Development Plans (IDPs).

greater access to state-provided boreholes or rain tanks and water harvesting, and alternative energy sources for cooking, such as bio-fuels.

Progress regarding access to priority services

Municipalities have contributed significantly to reducing infrastructure backlogs and delivering services. Despite this progress, there are still significant restrictions to faster service delivery. These relate to municipal capacity and the ability of the state to provide adequate infrastructure, particularly in areas of rapid growth or which are geographically remote. It is important to focus on the governance arrangements in traditional areas, where access to land and municipal services is often not coordinated, leaving citizens without access to basic services.

In a community survey conducted in 2007, it was found that the provinces that struggle the most with reaching service delivery targets are the Eastern Cape; KwaZulu-Natal and Limpopo, with Mpumalanga not far behind.



The marked differences in poverty, wealth and institutional capacity in South Africa's 283 municipalities has made it necessary to begin tailoring policies and approaches to suit their circumstances. A 'one-size-fits-all' approach does not work.

Municipalities play a key role in spatial development. They must plan and manage their built environments in ways that promote social cohesion, inclusive growth and sustainable development.

Classification systems

The 283 municipalities in the country have different capacities and are faced with different social and economic challenges, which determine the responsibilities that they are able to deliver on.

The Constitution provided for the legislative framework for Local Government and established three categories of municipality:

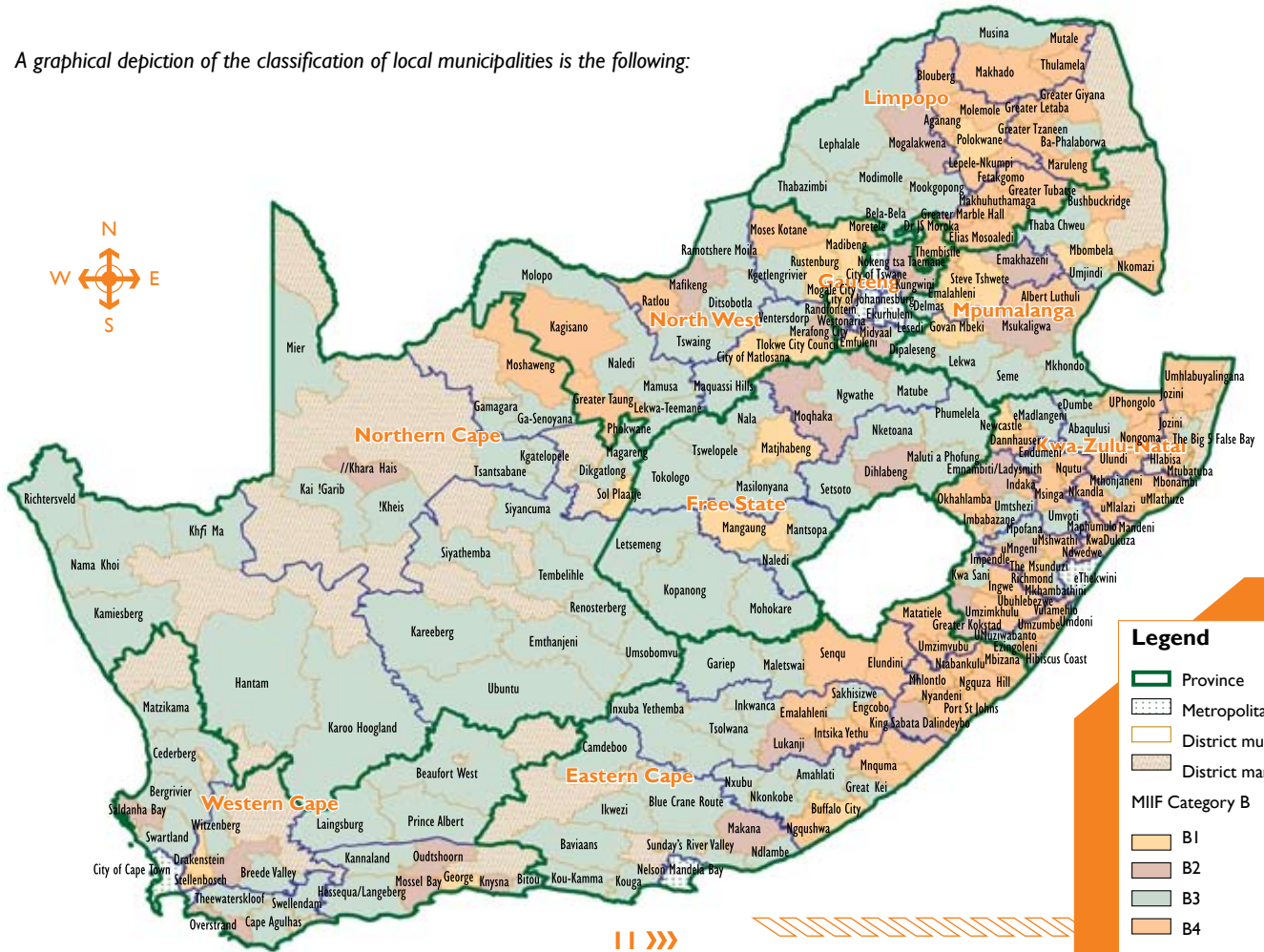
- A – Metros
- B – Local Municipalities
- C – District Municipalities

Six Metropolitan (Category A), 231 Local Municipalities (Category B) and 46 District Municipalities (Category C) were established.

The various problems in municipalities point to the need to have a greater differentiated and segmented approach to Local Government. Such an approach will better inform the tailored support and intervention measures.



A graphical depiction of the classification of local municipalities is the following:



Legend

- Province
- Metropolitan municipality
- District municipality
- District management area

MIIF Category B

- B1
- B2
- B3
- B4

4. What are the *main problems* and their *root causes*?

There is a range of problems and challenges, which are not equally applicable across the board to all municipalities. Also, some problem areas may come from outside municipalities and require solutions beyond their scope.

“Service delivery is an outcome, the scale and quality of which depends a number of factors.”

The following key thematic areas were explored:

- **Service Delivery²** – the delivery of basic services in municipal areas, such as water, sanitation, refuse removal, electricity and roads.
- **Spatial conditions** – geographic considerations, such as apartheid spatial patterns; and types of economies in the area, such as mining or agriculture.
- **Governance** – elements such as political leadership, institutional organisation, administration, capacity and skills, oversight and regulation, and monitoring and reporting.
- **Financial Management** – municipal budget and income management, e.g. from water, rates and electricity charges. The Intergovernmental financial system distributes grants to municipalities for service delivery. These include the Equitable Share (ES) and the Municipal Infrastructure Grant (MIG).

² The functional responsibilities of municipalities are referred to in Schedules 4 and 5 of the Constitution.



- **Local Economic Development (LED)** – refers to the approach a municipality may take to encourage investment by big business, small local business development, tourist industries or large-sector economy management in mining, manufacturing or farming.
- **Labour Relations** – the way the management and workforce of municipalities work together.

Core areas of concern

- Serious leadership and governance challenges in municipalities, including weak responsiveness and responsibility to communities.
- The financial management of many municipalities is very poor.
- Many municipalities are unable to deliver basic services or grow their economies.
- The legacy of apartheid spatial development patterns and inequity continues.
- There are inadequate skills and capacity to ensure professional administration and positive relations between labour, management and councils.



These findings, whether they relate to the external environment or problems of municipalities' own making, have fuelled public perception and concern that the entire Local Government system is in distress.

The root causes of much of the municipal challenges as listed on page 3 relate to:

- Inappropriate national and provincial government policies, and practices; and burdensome requirements

- Socio-economic conditions prevailing in many municipalities, which are not being adequately addressed by macro, micro-economic and industrial policies and plans of the state
- Political parties that are undermining the integrity and functioning of municipal councils through intra and inter-party conflicts and inappropriate interference in councils and administration
- A breakdown of values at societal level, which is breeding unethical behaviour, corruption, a culture of non-payment and lack of accountability
- Communities that are engaging in destructive forms of protest, including withholding payment of local taxes and services
- Those municipalities that are not geared for delivering basic services and are not responsive and accountable enough to residents, including failure to involve communities in their own development
- Absence of communications resources, e.g. people, technology and equipment processes, and no accountability for how and when municipalities communicate to communities.



“These realities have led to many negative responses towards those municipalities that are struggling with complex social and legacy-based issues, or that are failing in performance or governance. The LGTAS is a high-level government-wide response to stem this tide. It is an effort to stabilise Local Government and put municipalities back on a path of responsive and accountable service delivery.”



5. How will we *tackle these problems?*

Five strategic objectives have been identified that will guide the LGTAS interventions and support framework:

“These five objectives are the key drivers to rebuild and improve the basic requirements for a functional, effective and efficient developmental Local Government.”

- Ensuring that municipalities meet the **basic service needs** of communities
- Building clean, effective, efficient, **responsive and accountable** Local Government
- Improving performance and **professionalism** in municipalities
- Improving **national and provincial policy, oversight and support**
- Strengthening **partnerships** between Local Government, communities and civil society.

In achieving these objectives, we will **mobilise government and society** to protect and enhance the Local Government system by addressing the forces undermining the system and addressing relevant areas for improvement.



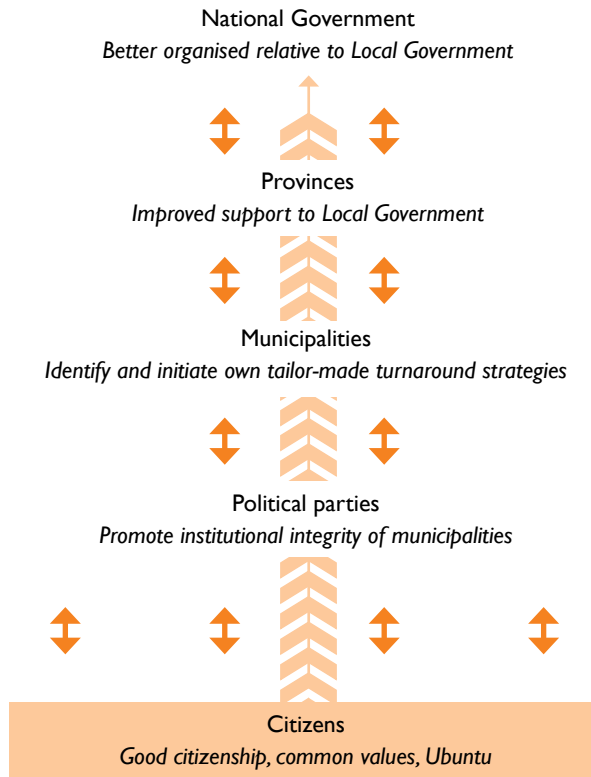
Key Interventions

- National Government, including state enterprises, will organise itself better in relation to Local Government.
- Provinces will improve their support and oversight of Local Government.
- Municipalities will reflect on their own performance and identify their own tailor-made turnaround strategies³.
- All three spheres of government will improve Inter-Governmental Relations (IGR) in practice.
- Political parties will promote and enhance the institutional integrity of municipalities.
- A good citizenship campaign will be designed and launched, at the core of which is Ubuntu.



All citizens, including public officials at all levels, those in the private sector, trade unions, professional bodies and traditional leaders will be guided in their actions by a common set of values.

³ Municipalities have received guidelines on structuring their Turn-Around Strategies; the five thematic areas provide a guide to key focus areas for intervention.



LGTAS Implementation Priorities

The immediate pre-2011 priorities

- 1 Addressing immediate financial and administrative problems in municipalities
- 2 Regulations to stem indiscriminate hiring and firing
- 3 Ensuring and implementing a transparent municipal supply chain management system
- 4 Strengthening ward committee capacity and implementing a new ward committee governance model
- 5 National and provincial commitments in IDPs
- 6 Differentiated responsibilities and simplified IDPs (agreements with individual municipalities on the ideal scope of functions to be provided and how best the state can support service delivery through intergovernmental agency arrangements)
- 7 Funding and capacity strategy for municipal infrastructure
- 8 Intergovernmental agreement with metros on informal settlement upgrades, including alignment of MIG (cities) and housing subsidy grants
- 9 Reviewing and rearranging capacity grants and programmes, including Siyenza Manje support
- 10 Upscaling the community works programme to ensure ward-based development systems
- 11 Implementing the Revenue Enhancement – Public Mobilisation campaign
- 12 Launching the “good citizenship” campaign, focusing on governance values to unite the nation and mobilise involvement in local development affairs
- 13 Preparations for next term of Local Government to inspire public confidence.



The post-2011 priorities – Vision 2014

- 1 A single election for national, provincial and Local Government
- 2 Access by all citizens to affordable basic services
- 3 Appropriate formalisation of informal settlements
- 4 Clean cities, by managing waste in such a way that employment and wealth are created
- 5 Significantly reduced infrastructure backlogs
- 6 Access to water, sanitation and electricity for all schools, clinics and hospitals, and other public facilities
- 7 At least one sporting facility for each of the wards
- 8 The necessary ICT infrastructure and connectivity for each municipality
- 9 All provinces and municipalities to have clean audits
- 10 Violent service delivery protests to be eliminated
- 11 Municipal debt to be reduced by half
- 12 Empowered and capacitated organs of people's power (street, block/section, village and ward committees)
- 13 Trained and competent councillors, traditional leaders, officials, ward committee members, CDWs and community activists.



Empowered local government is the key to well managed municipalities, the provision of basic services and a healthy and productive living environment.



6. Implementation of the *Local Government Turnaround Strategy*

One of the main aims of the LGTAS is to restore the confidence of the majority of our people in our municipalities, as the primary delivery machine of the developmental state at local level.

The LGTAS seeks to improve the organisational and political performance of municipalities and, in turn, improve the delivery of services. The goal is to improve the lives of citizens and progressively meet their social, economic and material needs, thereby restoring community confidence and trust in government.

“Implementation of the LGTAS will be based on the attitude that there must be a differentiated and targeted support system for Local Government.”

Measures will be taken to ensure that in those parts of the country, especially rural areas, where severe poverty and under-development exist side by side with weak municipal capacity, there is a dedicated focus to increase municipal capacity.

A differentiated support system will, therefore, be established to manage the support system to be provided by the LGTAS. The support system will focus on two interrelated streams:

- Institutional measures to facilitate improved delivery of infrastructure and services
- Structural, policy, legislative and capacity-building measures over the longer term



With coordination and effort we will turn municipalities around to improve the lives of citizens and progressively meet their social, economic and material needs.



7. Intervention Framework

Minimum standards for basic services, (Source: Vision 2014)

Focus Area	Intervention	Responsibility		
		National Sphere	Provincial Sphere	Local Sphere
Service Delivery	I. Better Planning and Oversight over Local Service Delivery	I.1 Remove constraints to service delivery	<ul style="list-style-type: none"> Strengthen provincial, district planning and identify constraints Participate in reviews, consultations and oversight 	<ul style="list-style-type: none"> Strengthen collective municipal plans Consultations on free basic services Mobilise urgent support for provision of basic services
		I.2 Ensure the necessary resources are allocated to address service delivery of the MDG priorities within the defined timeframes (2014)	<ul style="list-style-type: none"> Budget and grant reviews 	<ul style="list-style-type: none"> Monitor MIG expenditure and infrastructure planning

Focus Area	Intervention	Responsibility		
		National Sphere	Provincial Sphere	Local Sphere
Service Delivery		<p>I.3 Continue to strengthen intergovernmental and municipal planning – the IDP must be followed by all, and be applicable to all spheres of government, State owned Enterprises and stakeholders outside government</p> <p>I.4. Radically redress apartheid spatial planning: urban/rural divide, townships and suburbs</p> <p>I.5. Spatial Development Frameworks must enable municipalities to know and guide what is happening in every part of a municipal space</p>	<ul style="list-style-type: none"> • Provincial intergovernmental and sector coordination • Regional role in development planning and coordination • Oversight and approval of IDPs 	<ul style="list-style-type: none"> • IDPs must be endorsed by community organisations and stakeholders as local social compacts • Strengthen community oversight and monitor service delivery projects • Implement support programmes for improved spatial planning

Focus Area	Intervention	Responsibility		
		National Sphere	Provincial Sphere	Local Sphere
Service Delivery		1.6. Restructure the MIG 1.7. Establish a special purpose vehicle for infrastructure development	<ul style="list-style-type: none"> Oversight and support for infrastructure investment management 	<ul style="list-style-type: none"> Implement support programmes for improved MIG performance
		1.8 All small business must be registered, so that taxation may be enforced	<ul style="list-style-type: none"> Improvement of monitoring and enforcement measures 	<ul style="list-style-type: none"> All small business must be registered, so that taxation may be enforced
Governance	2. Establish a Single Window of Coordination for Local Government	2.1 Establish a single point of entry for support, monitoring and intervention in Local Government: CoGTA nationally	<ul style="list-style-type: none"> Provincial CoGTAs must be the single point of coordination for Local Government Intergovernmental communication and information systems Consultation Oversight and support Monitoring and reporting 	<ul style="list-style-type: none"> Intergovernmental communication and information systems Implementation systems Compliance

Focus Area	Intervention	Responsibility		
		National Sphere	Provincial Sphere	Local Sphere
Governance		2.2. Improve communication between government and communities by institutionalising communication structures, processes and systems for structured, direct and regular communication with local communities	<ul style="list-style-type: none"> Participation and oversight 	<ul style="list-style-type: none"> Council to implement and oversee
	3. Deepen People-centred Government through a Refined Model of Ward Committees	3.1. Priorities of all three spheres of government must find expression in the work of ward committees	<ul style="list-style-type: none"> Ward committees must be coordinated at a municipal, district, provincial and national level 	<ul style="list-style-type: none"> Ward committees must be coordinated at municipal, district, provincial and national level

Focus Area	Intervention	Responsibility		
		National Sphere	Provincial Sphere	Local Sphere
Local Economic Development	4. Urgent Application of LED across Local Government Sphere	4.1. Application of LED framework and ongoing monitoring of LED in municipalities	<ul style="list-style-type: none"> Regional economic growth assessment 	<ul style="list-style-type: none"> Support programmes to assess LED approaches and work with ward committees on economic products
		4.2. Intergovernmental focus from DSD; Rural Development, dti, CoGTA and DHS	<ul style="list-style-type: none"> Intergovernmental support for LED 	<ul style="list-style-type: none"> Support programme for LED
		4.3. Develop policy on ward-based economic planning	<ul style="list-style-type: none"> Ensure alignment of provincial economic plans with municipal and ward-based economic plans 	<ul style="list-style-type: none"> Facilitation of ward-based economic planning Each ward to have at least one economic development product
Labour Relations	5. Strengthen Local Labour Relations to support Developmental Local Government	5.1. Develop a tool to monitor the functionality of the LLFs	<ul style="list-style-type: none"> Oversight role 	<ul style="list-style-type: none"> Revive LLFs

The intervention areas identified above provide an overview of critical actions required. Detailed plans and inputs from stakeholders will also inform the process going forward.



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