The BACK TO BASICS Concept

and

Outcomes of the Back to Basics Local Government Summit
PURPOSE OF PRESENTATION:

To provide a brief on:

1. The context for the Back to Basics concept and approach
2. The outcomes of the LG Summit, held on 18 September 2014.
The Context for the Back to Basics Concept and Approach

SONA: ‘Together we move South Africa forward’

‘..Government would like people’s experience of local government to be a pleasant one...

Government has evaluated all municipalities, including their financial management...

Government has formulated a plan of action to revitalise local government...

(HE President Jacob Zuma, SONA, June 17, 2014)
Local government is the crucible in which the complex processes of development, governance, transformation of life and living conditions is taking place daily.

In this way, the area under the jurisdiction of each of the 278 municipalities is where educational, health, recreational, economic, housing and other related activities take place daily.

This is the space in which our children grow to adulthood, where our talents are shaped, our institutions operate and our wellbeing determined.
1. The Technical PCC of 04 July 2014 received a presentation and briefing from CoGTA on the development of a new approach to revitalise and strengthen the performance of the local government sector.


3. The evolution of this Programme within CoGTA has resulted in the concept and approach for:
   - Back to Basics: Serving Our communities Better!
   - Back to Basics to Build a Responsive, Caring and Accountable Local Government.
• **Developmental local government** remains the visionary foundation for the continuing reconstruction and development of our country. The Local Government White Paper developed a vision of local government as a key component of the developmental state.

• In pursuit of that vision, basic services, social services, and civil and political rights, including participatory governance, have been progressively extended to more citizens than ever before.

• *It is recognized however, that despite our delivery achievements, much still needs to be done to improve the performance of local government.*
The National Development Plan (NDP) has also made it clear that meeting our transformation agenda for local government now requires a much higher and more focused *intergovernmental commitment* towards the creation of more functional municipalities and a capable machinery at a local level.

- **The Back to Basics Programme is to be implemented by all of government, as a Presidential priority**, with the added imperative of the need to remain focused and driven towards the approaching local government elections in 2016.
Back to Basics
Serving Our Communities Better!

- Putting people first and engaging with communities
- Delivering basic services
- Good governance
- Sound financial management
- Building capabilities

Documents on the Back to Basics can be found here: http://www.coega.gov.za/summit2014/
COGTA initiated B2Bs by:

- Conducting a desk top assessment of municipalities in all nine provinces;
- By verifying the findings with provinces;
- By presenting this state of LG to MinMec; and
- By developing 3 categories of municipal performance to initiate focused action.
The Back to Basics Approach....

- **Top**
  - Above average performance
  - Deliver on developmental mandate
  - Innovation

- **Middle**
  - Basics being performed
  - Acceptable service delivery
  - Functioning below acceptable level

- **Bottom**
  - Municipalities performing unacceptably
  - Corruption,
  - Negative Audits
  - Poor service delivery
  - No community engagement
The Back to Basics Approach....

- The assessment was conducted using the following functional factors:
  - Political stability
  - Governance
  - Service delivery
  - Financial Management
  - Institutional management
  - Community satisfaction
Definition of the criteria used in the categorisation of municipalities
Over a third are doing well
A third have the potential to do well
Just under a third are not doing well
MUNICIPALITIES THAT ARE DOING WELL

- Strong political and administrative leadership
- Characterised by political stability
- Councils meeting as legislated
- Functional council and oversight structures
- Regular report back to communities
- Low vacancy rates
- Collection rates above 80% on average
- Spending on capital budgets above 80%
- Continuity in the administration
- Consistent spending of capital budgets
- Consistent unqualified audit outcomes
- Responsive to service delivery needs
- Evidence of good administrative and financial management
- Performance driven by Integrated Development Plans, Budgets Compliance and Innovation.
MUNICIPALITIES THAT HAVE A POTENTIAL TO DO WELL

- Fair amount of financial and records management
- Some level of political and administrative stability
- Reasonable feedback through community meetings
- Reasonable access to basic services
- Councils sitting fairly regularly
- Reasonable adherence to the IDP and Budgets, compliance and little innovation
- Some form of political stability
- Most of administrative positions filled by incompetent staff
- Some critical positions not filled
- Poor expenditure of capital budgets
- Poor records keeping
- Low collection rates (less than 50%)
- Mainly qualified audit outcomes
- Significant mismatch between Plans and Budgets.
MUNICIPALITIES THAT ARE NOT DOING WELL

- Challenges of political-administrative interface
- High political in-fighting and instability
- Non-compliance with rules and regulations
- High vacancy rates
- High levels of incompetency among staff
- Extremely low levels of capital budget spending
- Inappropriate spending of budgets
- Overall disregard for financial and supply chain management regulations
- Compromised service delivery
- High level of community dissatisfaction resulting in protests
- Absence of Plans.
Get all municipalities out of the dysfunctional state
No one below the middle path

Support municipalities on the middle path to progress to the top path
And stay there

Support and incentivise municipalities on the top path to remain there

Targeted and brisk response to corruption and fraud
WHAT DOES “GETTING THE BASICS RIGHT” MEAN?

1. Putting people first: let’s listen and communicate
2. Adequate and community-oriented service provision
3. Good governance and transparent administration
4. Sound financial management & accounting
5. Robust institutions with skilled and capable staff
BACK TO BASICS: THE PRIORITIES

Back to Basics
Serving Our Communities Better!

- Putting people first and engaging with communities
- Delivering basic services
- Good governance
- Sound financial management
- Building capabilities

Documents on the Back to Basics can be found here: http://www.cooperativetargov.za/summit2014/
SUBSTANTIVE COMMUNITY INVOLVEMENT

- Regular ward report backs by councillors
- Clear engagement platforms with civil society
- Transparent, responsive and accountable
- Regular feedback on petitions and complaints
No service failures

where there are, restore them urgently!
A RESPONSIVE ADMINISTRATION

- Competent and capable people and performance management
- Functional delegations
- Regular interactions between management and organised labour
- Shared scarce skills services at district level
- Realistic organograms aligned to municipal development strategy
GOOD GOVERNANCE

- Oversight in place – without any interference
- Transparency, accountability and community engagement
- Proper system of delegation to ensure functional administration
- Clear delineation of roles and responsibilities
- Functional structures
SOUND FINANCIAL MANAGEMENT

Proper record keeping and production of annual financial statements.

Credit control, internal controls and increase the revenue base.

Cut wasteful expenditure including monitoring overtime.

Functional Supply Chain Management structures with appropriate oversight.
• Serious consequences for corruption, fraud and maladministration.

• Action will be taken in this regard, including asset forfeiture and civil claims.

• Greater transparency and scrutiny for supply chain management.

• Private sector and civil society must assist.
Continue to promote a harmonious relationship between traditional leadership and local government.

Participate in IDP’s and community consultation processes – including land use schemes.

Facilitate access to land for development purposes.
President JG Zuma has established the inter-ministerial task team on service delivery. This is led by Minister Pravin Gordhan.

The purpose of the Task Team is to fast-track service delivery in areas where there are bottlenecks, quickly respond to areas where there are service delivery problems and ensure that general service delivery is improved.
Spatial planning – SPLUMA requires coordination in land use planning

Public Transport is nationally coordinated but locally implemented

Human settlements need coordination between delivery agencies and municipalities

National demands not matched by municipalities capacity to deliver

Government Departments and Agencies delivery at local not coordinated

Coordination in the entire water and sanitation value chain

INTERGOVERNMENTAL DELIVERY COORDINATION
2. The LG Summit

- A Presidential Local Government Summit was convened on 18 September 2014 at the Gallagher Estate in Midrand, Johannesburg.
- The purpose of the Summit was to introduce government and stakeholders to the ‘Back to Basics’ approach for Local Government.
- The theme of the Summit was: “Back to Basics – Serving our communities better”.
- The impetus for the Summit was the need identified to improve the functioning of municipalities to better serve communities by getting the basics right.
- All delegates endorsed, the Statement of Intent with its eight primary commitments, the first of which is to commit to the implementation of the Back to Basics Programme.
Delegates at the Summit included:

National Ministers, Deputy Ministers, Premiers of the provinces, the Chairperson of the National Council of Provinces, the Deputy Speaker of the National Assembly, Members of the Executive Councils (MECs) for Local Government, the Deputy Chairperson of the NCOP, Chairpersons of Parliamentary Committees, the Chairpersons of the National House of Traditional Leaders and of the South African Local Government Association (SALGA) respectively, Mayors, members of Traditional Councils, Municipal Managers, Chief Financial Officers and Technical Directors. Stakeholders included the business sector, organised labour, many professional and research bodies, the donor community and the media.
**Outcomes of the LG Summit**

The Statement of Intent: endorsed by all delegates as follows *(extracts)*

**INSPIRED** by the leadership and guidance provided by the President of the Republic of South Africa, recommit ourselves to advance the objects of developmental local government.

**WE COMMIT TO:**

- Implement the Back to Basics programme.
- Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning and delivery of infrastructure and amenities, maintenance and upkeep.
- *Ensure quarterly performance monitoring and reporting on the work of municipalities as directed by the Back to Basics approach;* and
- Improve the political management of municipalities and be responsive to the needs and aspirations of local communities.
IMPLEMENTING Back to Basics
OUR OBJECTIVE: Building Capable Local Government

Ensure healthy political / admin interface

Infrastructure audits, maintenance plans & expenditure

Ensure capable and competent staff

Effective credit control and debt collection policies

Build institutional systems and processes

Capacity building for councillors

Develop and implement Audit and Post Audit Action plans.

Cooperative Governance
Department: Cooperative Governance
Republic of South Africa
A Differentiated Approach: Actions

- Light touch monitoring
- Minimise additional regulatory burden
- Delegate additional functions
- Support to enable networking best practice exposure
- Free to make own compliant appointments
- Unallocated block grants and participation in City Support / Rural Support Programmes

Doing Well

- Medium intensity monitoring
- Oversee effective performance of functions
- Close supervision of service delivery with targeted interventions
- Capacity building based on diagnosis of gap
- Oversee all appointments, and COGTA participate in process of Section 57 Appointments.
- Conditional grant with regular monitoring and reporting

At Risk

- Intensive monitoring with high degree of oversight
- Intervene in terms of Sections 55, 139 and 155 (7) of the Constitution
- Intervene to guarantee minimum standards, where necessary functions removed / suspended and performed by third parties
- Build basic administrative capacity.
- COGTA assumes the recruitment function, including appointing administrators and S57 Managers.
- Where necessary channel funding for services via third party agencies.

Dysfunctional
An integrated data system which is usable and provides useful information.
Investigations and Interventions

- Coordinate law enforcement over fraud and corruption
- Act against incompetent senior management
- Act against improper SCM
- Aim for no disclaimers
### Timeline – next 4 months

#### OCT
- Model for strengthening districts finalised
- All B2B indicators completed
- Dashboard initialisation

#### NOV
- Pilot dashboard reports produced
- Misconduct and Competency Databases launched
- Demarcation process begins
- National operations for B2Bs formalised

#### DEC
- Analysis of dashboard reports
- Guidelines on Reporting developed

#### JAN
- Draft Regulations developed
- First analysis of status of functionality
- Progress Review begins on impact of interventions for first period

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This will become the monthly dashboard that must be submitted in 1st week of every month.
Continuing: Policy Review

- Strengthening district municipalities
- Review unviable municipalities
- Procedures to implement differentiation - not “one-size-fits-all”
THANK YOU! Enkosi!