



Cooperative Governance  
Traditional Affairs



# 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.



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# 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)*



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# The Context for the Back to Basics Concept and Approach

‘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’.

## **Budget Vote 3: Cooperative Governance and Traditional Affairs National Assembly**

**17 July 2014**

**Minister Pravin Gordhan**

## The context for the Back to Basics Concept and Approach....

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.
2. The Technical PCC resolved that PCC would convene a session dedicated to the planned Programme of Action for Local Government 2014-2019.
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.***



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## The context for the Back to Basics Concept and Approach....

- ***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.*



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## The context for the Back to Basics Concept and Approach....

- 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!



**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.cogta.gov.za/summit2014/>



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# The Back to Basics Approach....

## 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

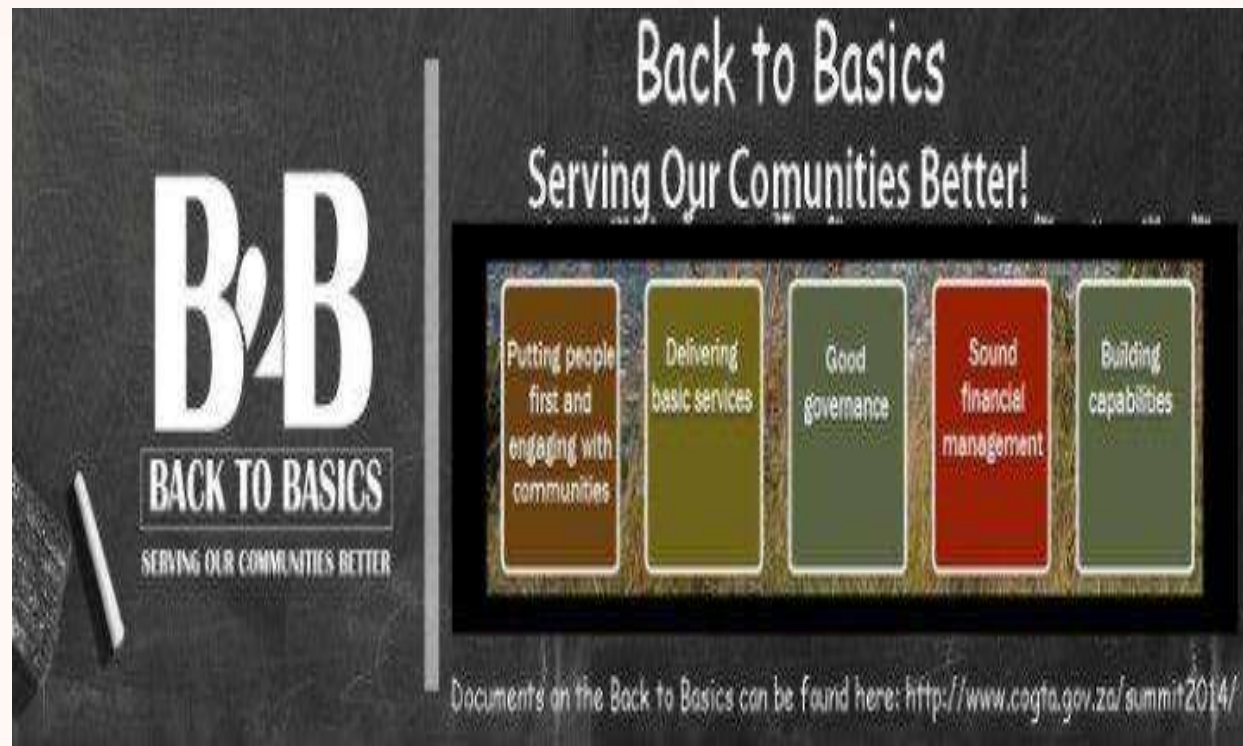
bottom

- ⊙ 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



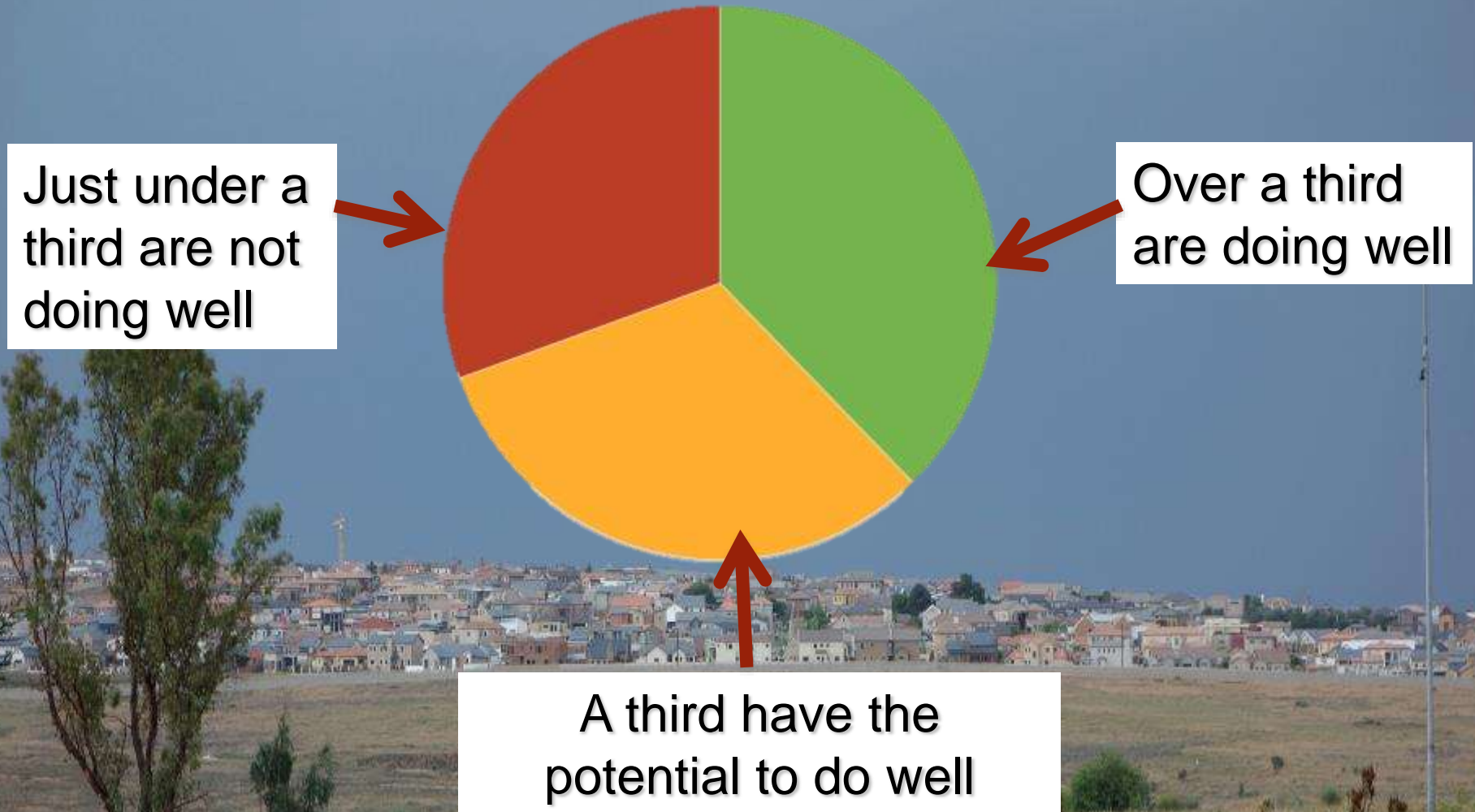
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# COGTA's recent assessment of the performance of municipalities showed:





## 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.



# OUR PRIORITIES

1

- ⦿ Get all municipalities out of the dysfunctional state
- ⦿ No one below the middle path

2

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

3

- ⦿ 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



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# BACK TO BASICS: THE PRIORITIES



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# 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**



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# GOOD GOVERNANCE

Oversight in place  
– without any  
interference

Functional  
structures

Transparency,  
accountability and  
community  
engagement

Clear delineation  
of roles and  
responsibilities

Proper system of  
delegation to  
ensure functional  
administration



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# 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



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# SOUND FINANCIAL MANAGEMENT

- 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.



# TRADITIONAL LEADERS

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.





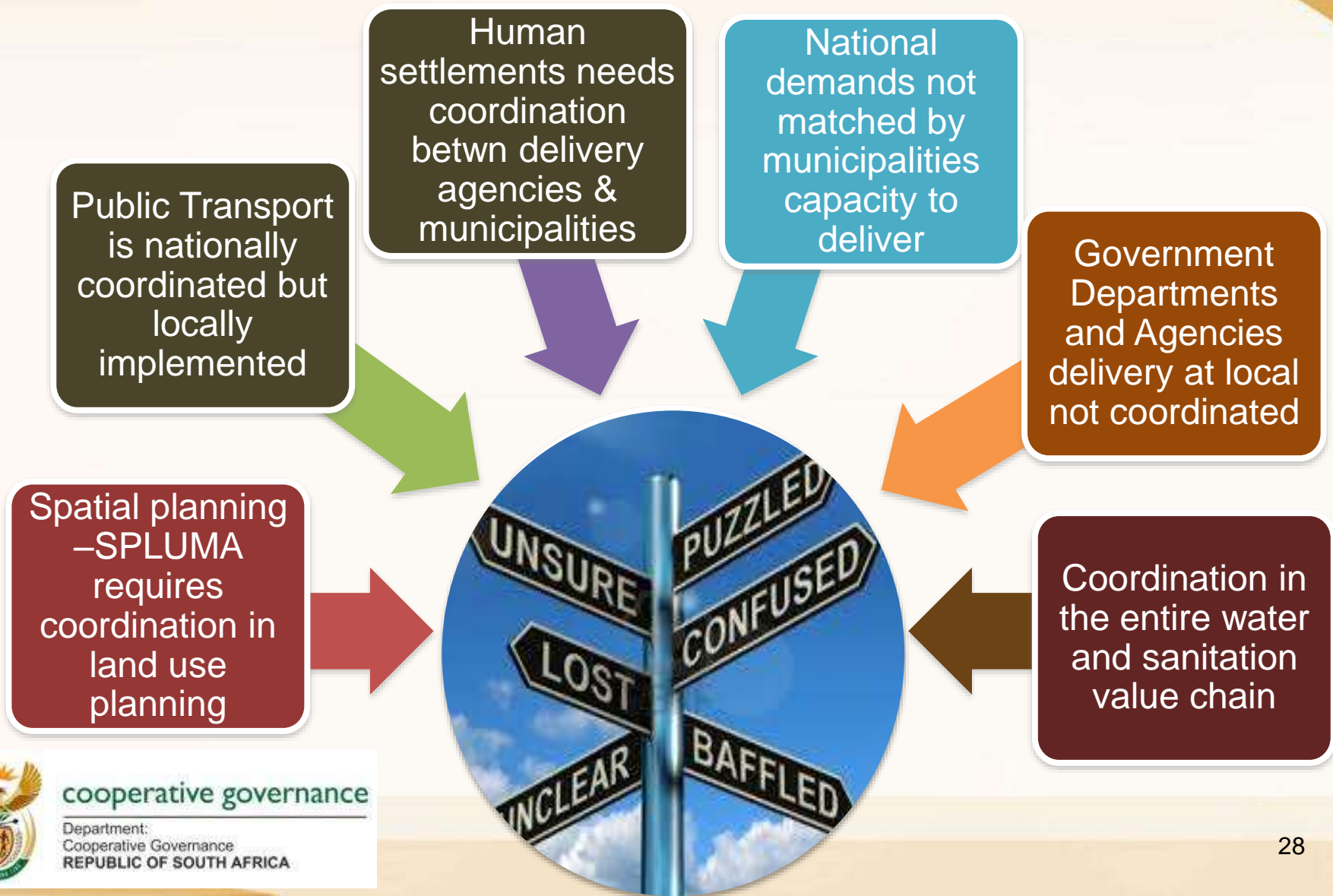
# SERVICE DELIVERY INTERMINISTERIAL COMMITTEE (IMC)

**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.**



# INTERGOVERNMENTAL DELIVERY COORDINATION



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## 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.



## 2. The LG Summit

### 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.*



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# 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



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# 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.

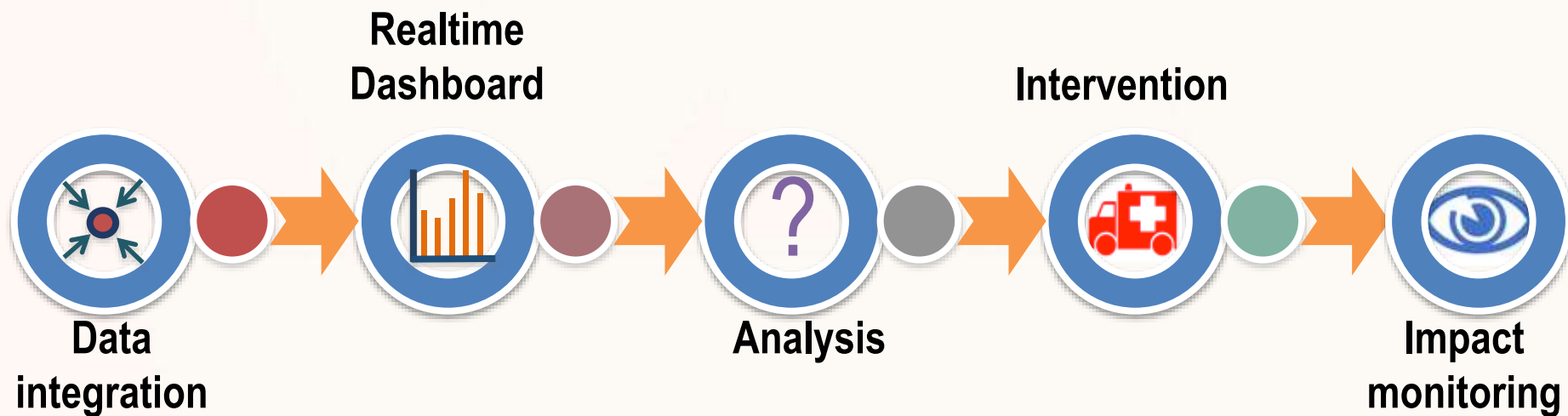
Dysfunctional



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# Performance monitoring & intervention



**An integrated data system which is usable and provides useful information**



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# Investigations and Interventions

DEEP END

DIEPKANT

ICALA ELISHONAYO



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

*This will become the monthly dashboard that must be submitted in 1<sup>st</sup> week of every month.*

**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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# Continuing: Policy Review

**a**

Strengthening district municipalities

**b**

Review unviable municipalities

**c**

Procedures to implement differentiation - not “one-size-fits-all”



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# THANK YOU! Enkosi!



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