

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Draft Presentation by the MEC for CoGTA
and Human Settlement to the NCOP
Provincial Week
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GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER



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PURPOSE

The purpose of the presentation is to brief the NCOP Permanent Delegates about the following:

- Support and interventions to strengthen the capacity of municipalities to delivery basics services to communities, including some progress as result of the implementation of support.



KEY LEGISLATIVE MANDATES



KEY LEGISLATIVE MANDATES

- **CONSTITUTION RSA, 1996**
 - Section 139: provides that the Provincial Executive may intervene if a municipality fails to fulfil an executive obligation.
 - **Section 154: which states that “...national government and provincial governments MUST support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions...”**
 - Chapter 12: provides for the recognition of the institution of traditional leadership.
- **IGR Framework Act, No. 13 of 2005:**
 - Section 47 (b), (c), and (d) of the Intergovernmental Relations Framework Act,
 - **Establishes a framework for the promotion and facilitation of intergovernmental relations.**
 - Provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes.
 - **Enables government to work coherently; to enhance service provision through consultation with other organs of state in.**
 - Monitors the implementation of policy and legislation; to avoid duplication; and to ensure that government’s national priorities are achieved.
- **National Development Plan:**
 - Advocates for a proactive approach in improving the coordination between the three spheres of government through a two-pronged method that distinguishes between routine and strategic coordination.

KEY MANDATING LEGISLATIVE FRAMEWORK

- The mandates are further articulated in other pieces of secondary legislation and policy documents, which **include but are not limited to the following:**

White Paper on Local
Government, 1998

Municipal Systems Act 32 of
2000

Local Government
Structures Act 117 of 1998

Municipal Finance Management
Act, 2003

Intergovernmental
Relations Framework Act
13 of 2005

Traditional Leadership and
Governance Framework Act No.
41 of 2003

Municipal Property Rates Act
(No. 6 of 2004)

Disaster Management Act (No.
57 of 2002)

Municipal Demarcation Act (No.
27 of 1998)

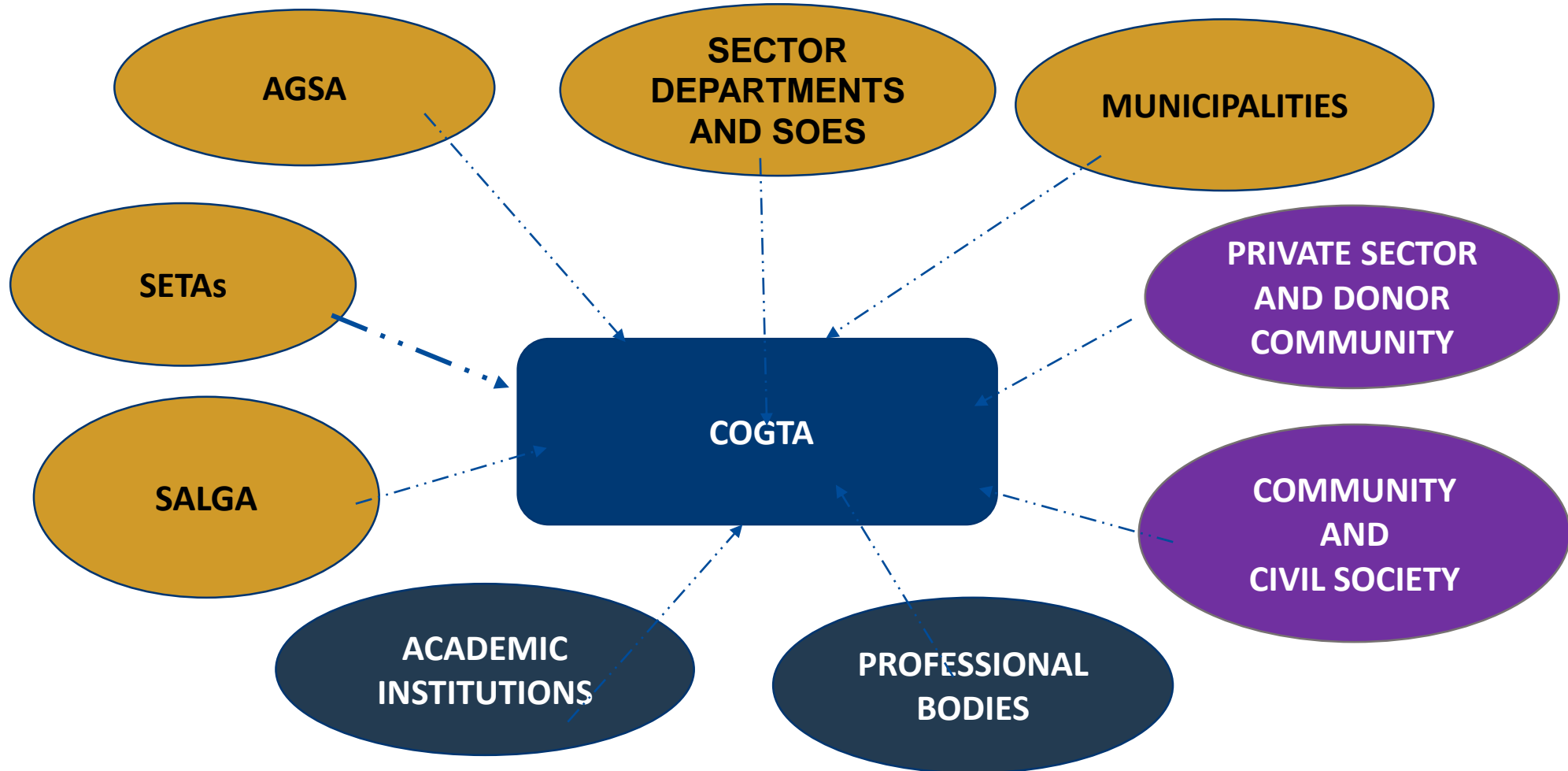
Spatial Planning and Land
Use Management Act, Act
16 of 2013



KEY STAKEHOLDERS AND STRATEGIC PARTNERS



KEY STAKEHOLDERS AND STRATEGIC PARTNERS



POTENTIAL AREAS OF COLLABORATION

KEY STAKEHOLDER	POTENTIAL AREAS OF COLLABORATION
SETAs	<ul style="list-style-type: none"> Capacity Building and Training and Development Opportunities. Technical expertise and skills.
AGSA	<ul style="list-style-type: none"> Oversight on Good Governance and Leadership Accountability
SECTOR DEPARTMENTS AND STATE OWNED ENTITIES	<ul style="list-style-type: none"> Technical expertise and skills Funding and Resources
MUNICIPALITIES	<ul style="list-style-type: none"> Oversight and Compliance
SALGA	<ul style="list-style-type: none"> Sharing of Best Practice, Funding and other Resources Strategic Partnerships

POTENTIAL AREAS OF COLLABORATION

KEY STAKEHOLDER	POTENTIAL AREAS OF COLLABORATION
COMMUNITIES AND CIVIL SOCIETY ORGANISATIONS	<ul style="list-style-type: none"> • Technical expertise and skills • Oversight and Compliance
PRIVATE SECTOR	<ul style="list-style-type: none"> • Sharing of Best Practice, Funding and other Resources • Strategic Partnerships
TRADITIONAL LEADERSHIP	<ul style="list-style-type: none"> • Strategic Partnerships
PROFESSIONAL BODIES	<ul style="list-style-type: none"> • Capacity Building and Training and Development Opportunities.
ACADEMIC INSTITUTIONS	<ul style="list-style-type: none"> • Technical expertise and skills • Sharing of Best Practice and Resources
TVET AND TECHNIKONS	<ul style="list-style-type: none"> • Strategic Partnerships



S154 SUPPORT ALONG BACK-TO-BASICS PILLARS



S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 1: Putting People First.

CRITICAL CHALLENGES	NATURE OF SUPPORT ACROSS MUNICIPALITIES
Ward Based war room establishment and functionality	<ul style="list-style-type: none"> • Coordinate, support and monitor the implementation of WBWRs • Introduce the utilization of the ABCD approach during IDP process
Establishment and Functionality of Ward Committees	<ul style="list-style-type: none"> • Support and oversight on the establishment and functionality of Ward Committees • Induction and capacity building for new councillors

PROGRESS: PERFORMANCE AS RESULT OF S154 SUPPORT ALONG B2B PILLARS



**Putting
People First**

Ward
Committee
Establishment
and Induction

ACTIVITY	TIME FRAME	RESPONSIBLE INST	RESOURCES REQUIRED	STATUS
Municipal plans	Jan	Municipalities	/	Approval of plans in progress by municipalities. Status report being compiled
Ward committees' elections awareness	Jan-Feb 2022	Municipalities/ CoGTA Communication unit	CoGTA supply Posters and media/social media support to complement municipalities 500 posters per municipality	Design and printing In progress DD: end Jan
Nomination of candidates	Jan-Feb 2022	Municipalities	Work in Progress: Report being compiled on status of approval	Based on municipal plans
WC Elections	Feb-March - April 2022	Municipalities/ CoGTA/ Salga/ IEC,	Ballot paper (produced by municipality) voters' roll supplied by IEC	To be confirmed by approved municipal plans
Elections Monitoring team		CoGTA, Municipalities	HR	Not started
Ward Committee Induction*	Start when first municipality has established around mid –begin March - May	CoGTA Municipalities	Human resources, induction material	Content development in progress by content team from CoGTA and Municipalities
Post induction support	From 2 nd / 3 rd quarter onwards	CoGTA Municipalities	HR, knowledge on participatory methods	To be determined

NOTE*:

- Induction Content will focus on roles, responsibilities and the how to organize communities around services using asset-based frame to stimulate proactive community participation development in delivery. This will form the basis for ongoing capacity building sessions with WCs

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 2: Delivery of Basics Service and Infrastructure .

CRITICAL CHALLENGES	NATURE OF SUPPORT ACROSS MUNICIPALITIES
High Levels of Non-Revenue Electricity Losses.	<p>Deployment of project management and engineering experts (SAICE and MISA) to support municipalities as follows:</p> <ul style="list-style-type: none"> • Verification of accounts and losses determined • Formats and procedures for reporting losses to AG completed • Expediting Ontec reporting system for prepayment meters
High Levels of Non-Revenue Water Losses.	<ul style="list-style-type: none"> • Implementation and monitoring of NERSA license conditions • Development of high-level water balance on consumption and RW supply • Identified bulk meters and delineating zones, return flows at treatment works and leaks detected • Gather consumption and revenue data (RW)
Low spending in Capital Budgets	<ul style="list-style-type: none"> • Capex War established as a joint planning platform across the three spheres of Government to assess performance, state of readiness of capital projects , Identifying critical skills needs, etc. and find common remedial measures.

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 2: Delivery of Basics Service and Infrastructure .

CRITICAL CHALLENGES	NATURE OF SUPPORT ACROSS MUNICIPALITIES
Lack of electrification in informal settlements	<ul style="list-style-type: none"> • Mobilise support from national government, and Eskom to ensure adequate provision of electricity in informal settlements • Develop an electrification support plan with short-term, medium-term and long-term actions.
Intervention in terms of Section of the Constitution	<p>The section 139(1)(b)(i) and 5(a) intervention specifically in Emfuleni appointed Team of experienced Administrators of oversee implementation of remedial measures on the areas below.</p> <ul style="list-style-type: none"> • Supply chain management; • Finance, and • Infrastructure / Service Delivery. <p>Mobilisation of GPG sector Departments to support implementation of Financial Recovery Plan.</p>
Intervention in terms of Section 63 of Water Service Act	<ul style="list-style-type: none"> • Rand Water has been appointed as the implementing agent for Section 63 Vaal River intervention project. An implementing Agent Agreement was signed on 5 October 2021 and took over the site on 7 October 2021. • A project implementation plan was developed for 2021/22 financial year and beyond for funding of the critical works.

PROGRESS: PERFORMANCE AS RESULT OF S154 SUPPORT ALONG B2B PILLARS



Service Delivery

- Municipal spending of the 2021/22 Capital Budgets as of 31 January 2022

Municipalities	Adjusted Budget (R000)	YTD Exp (R000)	YTD % spending
City of Johannesburg	8 157 478	2 043 973	25%
City of Tshwane	3 956 871	1 143 439	29%
City of Ekurhuleni	4 081 636	1 065 928	26%
Total: Metro Municipalities	16 195 985	4 253 340	26%
Emfuleni	428 632	26 054	6%
Lesedi	110 107	46 519	42%
Merafong City	150 212	61 606	41%
Midvaal	178 121	73 819	41%
Mogale City	259 784	117 115	45%
Rand West City	193 420	171 612	89%
Sedibeng District	2 280	632	28%
West Rand District	7 600	-	0%
Total: Local Municipalities	1 330 156	497 357	37%
Totals: Municipalities	17 526 141	4 750 697	27%

Source: Municipal submission, November 2021

- The above table on aggregated capex of 27% is showing a slow start performance in terms of spending which prompt that most municipalities did not plan properly to start implementing capital projects as soon as new financial year begins etc.

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 3: Good Governance .

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
Increasing UIFW expenditure .	<ul style="list-style-type: none"> • Deployment of Legal Experts to support the municipality in the investigation and implementation of investigations recommendations.
Increasing number of audit findings. issues	<ul style="list-style-type: none"> • Monitor progress on the implementation of the audit action plan to address UIFW and Escalate matters as mybe applicable.
Poor or no consequence management	<ul style="list-style-type: none"> • Mobilisation of support from other sector departments (GPT, NT).
Slow resolution of Community Petitions sent to the City and other Sector Departments.	<ul style="list-style-type: none"> • The implementation of OPCA quarterly workshops through the OPCA Provincial Coordinating Committee (OPCA-PCC)
Weak Oversight regarding the implementation of Consequence Management	

PROGRESS: PERFORMANCE AS RESULT OF SUPPORT AND INTERVENTIONS ALONG B2B PILLARS



Governance

- Audit Outcomes for 2020/21 compared with 2019/20 and 2018/19

Audit Outcomes for 2020/21 Financial Year compared with 2019/20 & 2018/19			
Municipality	Audit opinion 2018/19	Audit opinion 2019/20	Audit opinion 2020/21
City of Johannesburg MM	Unqualified	Unqualified	Unqualified
City of Ekurhuleni MM	Unqualified	Clean	Clean
City of Tshwane MM	Unqualified	Unqualified	Not finalised
West Rand DM	Unqualified	Unqualified	Unqualified
Rand West City LM	Unqualified	Qualified	Qualified
Merafong City LM	Unqualified	Unqualified	Adverse
Mogale City LM	Unqualified	Unqualified	Unqualified
Sedibeng DM	Unqualified	Unqualified	Unqualified
Emfuleni LM	Unqualified	Qualified	Unqualified
Midvaal LM	Clean	Clean	Clean
Lesedi LM	Unqualified	Unqualified	Unqualified

Source : CoGTA M&E Analysis , March 2022

PROGRESS: PERFORMANCE ALONG B2B PILLARS



Governance

- Reduction in unauthorized, irregular, fruitless and wasteful expenditure

Municipality	Total UIFWE	% of UIFWE per Municipality From the Aggregated Balance
	2020/21 Opening Balances + Yearly Expenditure	
City of Johannesburg MM	9,537,243	0.04%
City of Tshwane MM	12,310,908,754	52.12%
City of Ekurhuleni MM	2,230,365,439	9.44%
West Rand DM	159,442,398	0.68%
Mogale City LM	840,354,987	3.56%
Rand West City LM	2,122,557,170	8.99%
Merafong City LM	241,584,655	1.02%
Sedibeng DM	21,455,249	0.09%
Emfuleni LM	5,132,104,083	21.73%
Midvaal LM	14,780,686	0.06%
Lesedi LM	537,130,353	2.27%
TOTAL	23,620,221,017	100.00%

- The total 2020/21 UIFWE Opening balances were recorded at **R23.62 billion** showing a decrease of **R14.28 billion (38%)** from the 2019/20 figure of **R37.86 billion**.
- The NT norms requires municipalities to have **0%** UIFWE. However, municipalities do not adhere to the norm due to weak control environment in municipalities.
- Only **R593.01 million (3%)** of the **R23.62 billion** was addressed by municipalities in the 2020/21 FY.
- **CoTMM** recorded the highest UIFWE in the province taking a portion of **52.% (R12.31 billion)**, followed by **ELM** at **R5.13 billion** representing a share of **22%**.
- The following 5 municipalities recorded the lowest UIFWE i.e. **CoJMM, WRDM, MerCLM, SDM and MLM**.

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 4: Finance Management .

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
Increasing Government Debt	<ul style="list-style-type: none"> • Mobilisation of support from other sector departments (GPT, NT) to support municipalities with revenue enhancement, payment of Eskom and Rand Water .
Growing Debtor’s Book.	<ul style="list-style-type: none"> • The assessment of billing data for Large Power and Water users, development and implementation of the of plans to address identified challenges in the billing data of the Large power and Water users. • The assessment of municipal viability and the development of municipal viability strategy • Deployment of the revenue experts to assess the revenue value chain and the implement the integrated revenue plans.
Declining revenue and possible unsustainable budget which has implications for service delivery provision	<ul style="list-style-type: none"> • Development and implementation of simplified revenue plans. • Implementation of the Government debt reduction strategy. • Facilitation of strategic engagements of bulk suppliers to negotiate realistic payment plans for municipalities as well as Covid 19 relief measures.

PROGRESS: PERFORMANCE ALONG B2B PILLARS



Financial Management

- Increasing government debt

GPG Debt as at the end of December 2021								
Departments Rands	DoE S20	DoE S21	DID	DRT	DoH	DSD	DHS	TOTAL
CoJ	18 808 560,94	27 486 891,08	-1 364 923,92	2 707 251,97	321 090 163,50	472 615,64	108 761 156,15	477 961 715,36
Ekurhuleni	8 750 110,98	10 838 036,67	57 227 320,99	383 552,23	20 789 525,13	1 299 823,35	2 941 412,06	102 229 781,41
CoT	9 072 185,20	17 664 932,43	160 394 883,58	2 108 405,17	29 900 628,01	7 871 197,14	72 211,21	227 084 442,74
Emfuleni LM	3 095 180,72	4 485 027,89	8 099 206,13	39 283,99	10 912 462,18	-	70 769,40	26 701 930,31
Lesedi LM	4 979 182,63	-	7 444 936,97	237 369,69	2 412 630,47	1 762 451,46	-	16 836 571,22
Midvaal LM	218 531,87	619 884,30	2 103 757,26	-	-	-	315 909,02	3 258 082,45
Mogale LM	1 118 802,69	4 653 516,98	5 069 781,99	-	22 866 069,37	-	-	33 708 171,03
Merafong LM	114 416,85	2 119 270,59	-2 875 847,56	-	4 917 464,12	-	-	4 275 304,00
Rand West LM	332 549,72	-51 541,55	2 234 115,41	-	111 173,85	-	-	2 626 297,43
TOTAL	46 489 521,60	67 816 018,39	238 333 230,85	5 475 863,05	413 000 116,63	11 406 087,59	112 161 457,84	894 682 295,95

- The total GPG debt owed to municipalities was R894 682 295, 95 as the end of December 2021.

PROGRESS: PERFORMANCE ALONG B2B PILLARS



Financial Management

- Reduce debt owed to municipalities

Department	GPG Payments end of December 2021							TOTAL
	DoE S20	DoE S21	DID	DRT	DoH	DSD	DHS	
CoJ	5 537 712	-	12 823 118	-	-	177 036	17 149 481	35 687 347
EKU	13 847 019	-	14 314 554	164 557	-	957 437	-	29 283 567
CoT	9 390 188	-	-	586 202	-	2 101 584	-	12 077 974
Emfuleni LM	2 766 893	-	-	-	-	-	-	2 766 893
Lesedi LM	551 651	-	-	227 274	-	328 852	-	1 107 777
Midvaal LM	291 390	-	-	-	-	-	-	291 390
Mogale City LM	-	-	-	41 238	-	-	-	41 238
Merafong City LM	934 388	-	-	-	-	-	-	934 388
Rand West LM	163 450	-	-	-	-	-	-	163 450
TOTAL	33 482 692,89	-	27 137 671,13	1 019 270,94	-	3 564 909,34	17 149 480,93	82 354 025,23

- The total payment made by GPG department was R 82 354 025, 23 as at end December 2021

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 5 : Institutional Capabilities .

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
High Level of Vacancies (Key Section 56 and 57 and Critical Technical Posts)	<ul style="list-style-type: none"> • Monitoring and reporting on compliance and progress on the finalisation of recruitment processes for key Section 56 and 57 as well as other critical technical positions.
Capacity challenges of the s79 and MPACs	<ul style="list-style-type: none"> • Capacity Building Interventions with a specific focus on oversight function (including s79 and MPAC's). • By the end of the training delegates will be able to demonstrate competencies: <ul style="list-style-type: none"> ➤ Good Governance and Risk Management, ➤ Municipal Processes, ➤ Financial Management and IDP Processes, ➤ Quality Assurance, Knowledge and Understanding of Project Environment, ➤ Leadership, ➤ Performance Monitoring and Evaluation, ➤ Municipal Public Accounting, and ➤ Accountability and Ethical Conduct.

PROGRESS: PERFORMANCE ALONG B2B PILLARS



Administration

- senior managements vacancies as of March 2022

Municipality	Status on appointment of municipal senior managers in Gauteng municipalities as at March 2022				
	Total no. of SM posts	Total Filled	Filled by Women	Total Vacancy	
				#	(%)
City of Joburg	22	16	6	6	27%
City of Tshwane	10	6	3	4	40%
Ekurhuleni MM	23	18	8	5	22%
Total Metros	55	40	17	15	27%
Sedibeng DM	6	2	1	4	66%
Lesedi LM	6	4	3	2	33%
Emfuleni LM	8	5	2	3	37%
Midvaal LM	7	5	1	2	28%
Total Sedibeng	27	16	7	11	40%
West Rand DM	6	5	2	1	16%
Merafong City LM	7	2	0	5	71%
Mogale City LM	10	6	3	4	40%
Rand West City	7	6	1	1	14%
Total WRDM	30	19	6	11	36%
Grand Total	112	75	30	37	33%

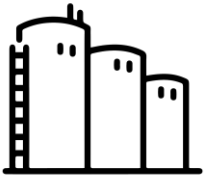
- There are 112 approved senior management positions in the Gauteng province, 75 of these positions are filled, 30 positions are filled by women and 37 positions are vacant.
- Current vacancy rate is 33% (increase from 25% recorded in the previous reporting quarter)
- Resignations and expiry of contracts contributed to the increase in municipal senior management vacancies.
- Difficulty experienced by municipalities in attracting highly skilled and experienced senior managers due to regulated competency assessment issues and inflexible salary scales.

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 6 : Spatial Planning and IDP .

CRITICAL CHALLENGES	NATURE SUPPORT ACTIONS ACROSS MUNICIPALITIES
Development of the DDMs “One Plan”	<ul style="list-style-type: none"> • Facilitate the compilation of chapters contributing to the One Plan • Support the implementation, review and update of the DDM One. • Support the Sedibeng DDM Hub

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS



Spatial Planning and IDP

- Progress on DDM implementation at glance

First demonstration of the dashboard to track the implementation of the DDM One plan projects completed

Mobilization of partners currently underway

Discussions to assess DDM One Plans currently underway with national DCOG

Introduced the DDM (One Plan projects) in the MTEC process

Alignment of the DDM One Plans to be part of sector departmental APPs

DDM communication plan implemented

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 6 : Spatial Planning and IDP .

DDM Implementation partners	Areas of partnership	Mode of collaboration
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Commission)	<ul style="list-style-type: none"> • Support the Sedibeng pilot process • Research • Promotion of youth development • Land use management and cultural and religious rights 	MoU currently being drafted and will be concluded by March 2022
Public Private Growth Initiative (PPGI)	<ul style="list-style-type: none"> • Support the Sedibeng DDM Hub • Capacity building programmes especially for young people • Support engagements with the business sector, NGOs on infrastructure challenges 	No MoU required
African Development Bank (AfDB)	<ul style="list-style-type: none"> • Support the implementation, review and update of the DDM One Plans by mobilizing resources and Technical Assistance • Urban and Municipal Development Fund to provide Technical Assistance in planning and capacity building areas • Sustainable urban development action plan for the next 5 years • Sub-national lending facility 	Still to be determined

S154 SUPPORT PLANS ALONG BACK TO BASICS PILLARS

Pillar 6 : Spatial Planning and IDP .

DDM Implementation partners	Areas of partnership	Mode of collaboration
D-LAB Programme (DBSA)	Collaborate on current projects in the City of Johannesburg, i.e. Soweto and Alexandra	Mode of collaboration still to be determined
Violence Prevention through Urban Upgrade (VPUU) Programme	<ul style="list-style-type: none"> Collaborate on current projects in the City of Johannesburg in Oranje Farm Support the process of coordinating sector departmental projects in Oranje Farm 	MoU to be developed by March 2022
University of Johannesburg (UJ)	<ul style="list-style-type: none"> Research (project based, masters and PhD) Part time lecturing on the DDM Learnerships (placement of students in the Dept) Joint grant application for DDM related programmes and projects Support the review of the DDM One Plans Support the development and implementation of the GIS DDM dashboard Hosting joint seminars/webinars 	MoU to be developed by March 2022
LGSETA	<ul style="list-style-type: none"> Capacity building in municipalities to support the implementation of the DDM 	Mode of collaboration to be determined
Property Sector Charter Council	<ul style="list-style-type: none"> To be determined 	NA

SUMMARY AND CONCLUSIONS

- 11 Municipal Specific Support Plan are developed and implemented as part of Section 154 of the Constitution.
- Intervention in terms of Section 139 of the Constitution is underway in Emfuleni LM.
- Intervention in terms of Section 63 of Water Service Act is underway in Emfuleni LM.
- Financial Recovery Plan is underway in Emfuleni LM.
- Financial Recovery Plan is underway in the West Rand DM.
- Multi-Disciplinary Sector Departmental Teams are in place to tackle critical challenges that include human settlement related issues and water provision in MAWIKA and Ekangala in the City of Tshwane.
- Facilitation and coordination of the transfer of Land from Mpumalanga, Northwest, National Departments and Gauteng to the City of Tshwane is underway.
- Facilitation and coordination between the City and GDHS on land agreement projects and Urban Renewal Projects in Alex and Kliptown is underway.