LOCAL GOVERNMENT TURNAROUND STRATEGY: MUNICIPAL GUIDELINES

Presentation

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Introduction

Purpose:

To introduce the municipal guidelines for the development of municipal Turnaround Strategies
Introduction

- The purpose of the guideline document is to inform and guide municipalities during the process of preparing and implementing their own turn around strategies.
- This guideline document must be read together with The State of Local Government Report, Local Government Turnaround Strategy (LGTAS) and the LGTAS Implementation Plan.
Guiding Principles

- Municipal ownership and buy-in
  - *without* the utilization of external service providers.
Guiding Principles (cont)

- Implementation orientation/bias
  - effective monitoring and evaluation internally and externally

- Resource allocation and commitment
  - all role players in the municipal area must ensure that the Municipal TAS obtains the resources required to enable implementation

- Realistic, time and space bound/linked
  - allocating clear time frames and providing a spatial logic (where applicable) that informs where to do what

- Differentiation – one size does not fit all
  - Developing context specific Turnaround strategies
A BIT MORE ON DIFFERENTIATION

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Infrastructure classification</th>
<th>Socio-economic vulnerability index</th>
<th>NT capacity</th>
<th>Audit</th>
<th>MDB % of functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emalahleni (Eastern Cape)</td>
<td>B4</td>
<td>1</td>
<td>L</td>
<td>Outstanding</td>
<td>60.53</td>
</tr>
<tr>
<td>Fetakgomo</td>
<td>B4</td>
<td>1</td>
<td>L</td>
<td>Unqualified</td>
<td>23.68</td>
</tr>
</tbody>
</table>

[1] Where the audit was still outstanding the previous year’s audit outcome was used.
Both these municipalities could be identified as high priority areas. Both municipalities have serious infrastructure capacity constraints combined with high socio-economic vulnerability.

Fetakgomo does not provide the electricity reticulation function, *neither* does the district municipality.

Although Eskom is indicated as the service provider no service level agreement was in place at the end of 2008. A service level agreement could become one of the TAS actions for this municipality if not concluded during 2009.
DIFFERENTIATION

- Fetakgomo receives no income from electricity service provision, or water or sanitation (MDB)
  - How can this municipality’s revenue base be broadened?
- Emalahleni municipality faces serious challenges in relation to service delivery primarily due to a lack of capacity.
- The municipality had also spent around R3 million on legal costs after being sued by dismissed employees.
- Specific activities relating to financial controls being put in place as well as a human resource strategy might be TAS activities for this municipality.
It will be critical to revisit the root causes as identified by the State of Local Government Assessment report before any TAS activities are decided on.

Keep asking "why?" until you begin to arrive at the root causes for your problem - so that you can "dig out the roots" instead of "hacking at the leaves". (This method is also known as "5 whys", because if you ask "why?" 5 times, you are likely to arrive at root causes.)

Re-arrange ideas into logical groups - spawning even better ideas.
### Root Causes of Municipal Problems as identified during the LG Assessment

<table>
<thead>
<tr>
<th>Category</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Systemic Factors</strong></td>
<td>(two tier system; limited revenue base; demarcation)</td>
</tr>
<tr>
<td><strong>Legislative Factors</strong></td>
<td>(inappropriate legislation; over- and under-regulation)</td>
</tr>
<tr>
<td><strong>Political Factors</strong></td>
<td>(inter- and intra-political conflicts and polarisation)</td>
</tr>
<tr>
<td><strong>Accountability Systems</strong></td>
<td>(lack of performance management systems; poor oversight; poor community participation mechanisms)</td>
</tr>
<tr>
<td><strong>Capacity &amp; Skills</strong></td>
<td>(lack of capacity in small &amp; rural municipalities)</td>
</tr>
<tr>
<td><strong>IGR support &amp; oversight</strong></td>
<td>(fragmented national and provincial support; weak oversight)</td>
</tr>
<tr>
<td><strong>Intergovernmental Fiscal Regime</strong></td>
<td>(poor grant design &amp; limited impact; grant dependency)</td>
</tr>
</tbody>
</table>
"To address this mistake we must use root-cause analysis. I’ll begin by saying it’s not my fault."
ROLES AND RESPONSIBILITIES

- **National Cogta Team**
  - Support, advisory and guidance role
  - Ensure the participation of relevant National Sector Departmental Representatives,
  - Provide dedicated administrative support to the preparation and execution of the provincial and municipal visits

- **National and Provincial Sector Department Representatives**
  - provide all relevant information that may be required by municipalities in the process of preparing the TAS, specifically, projects they are undertaking in that municipal area
• Provincial Local Government Department and the Office of the Premier
  • Support, advisory and guidance role by ensuring that key levers for turn around are identified
  • Coordinate and manage all municipal visits within the province
  • Ensure that the Municipal TAS forms part of the IDP,
  • Ensure that all municipal TAS are prepared and adopted by Councils
  • Reporting on the development and implementation of the municipal turn-around strategies to Cogta,
  • Ensure quality and implementability of the respective Municipal TAS.
“Figure out what happened to the last crew here, and tell the next crew not to do that.”
ROLES AND RESPONSIBILITIES (Cont)

- Municipalities
  - The entire Senior Management Team must actively participate in the development of its Municipal TAS and the implementation thereof
  - Ensure that the implementation of the TAS is supported by necessary budgetary requirements in order to allow for implementation
  - Liaise in advance with the provincial logistics contact person, i.e. procuring dates, venues for meetings and workshops, working stations for the Support Team, sending out invites to stakeholders
  - Keep a detailed record of all proceedings, information and discussions on the process,
Municipal Councils

- Oversee, support and endorse the proposed municipal process for the development of the TAS
- Communicate the TAS to municipal community members and stakeholders,
- Participate in the process of the development of their TAS
- Adopt their Municipal TAS
TURNAROUND TEMPLATE

• Template is a guideline and should not be seen as separate from the planning cycle instruments (IDP, SDBIP and Budget)

• Template indicate broad areas identified for turnaround – differentiated actions by municipalities should be indicated in the column for “Municipal Action”
  
  • E.g. Municipality X has a challenge with the formalisation of informal settlements due to insufficient capacity to reticulate water
  
  • Municipality X need to develop a municipal action under Turnaround focal area: “Basic Service Delivery – Water”
Municipality Y has a challenge with formalisation of informal settlements due to a dispute of ownership of the land in question.

Municipality Y need to develop a municipal action under Turnaround focal area: “Basic Service Delivery – Formalisation of Informal Settlements”.

Where an unblocking action is required from other partners, e.g. Provincial of National Government, such unblocking action should be indicated.

Targets set are unique and need to be implementable within timeframe and resource allocation.
THANK YOU!

Questions?