# TABLE OF CONTENTS

Foreword of the MEC ........................................................................................................... 3  
Foreword of the HOD .......................................................................................................... 4  
Acknowledgements ............................................................................................................. 6  
1. BACKGROUND .................................................................................................................. 7  
2. INTRODUCTION ................................................................................................................ 7  
3. REFLECTION ON THE CURRENT STATE OF LOCAL GOVERNMENT ......................... 9  
4. SOCIO-ECONOMIC PROFILE OF GAUTENG PROVINCE ............................................. 12  
5. GAUTENG’S TEN-PILLAR PROGRAMME OF RADICAL TRANSFORMATION,  
MODERNISATION AND RE-INDUSTRIALISATION .................................................. 14  
   5.1 Central Corridor: City of Johannesburg ..................................................................... 15  
   5.2 Eastern Corridor: City of Ekurhuleni ................................................................. 16  
   5.3 Northern Corridor: City of Tshwane ............................................................... 16  
   5.4 Western Corridor: West Rand District ............................................................ 17  
   5.5 Southern Corridor: Sedibeng District ............................................................. 17  
6. METHODOLOGY ............................................................................................................. 18  
7. DIAGNOSTIC ASSESSMENT CRITERIA ....................................................................... 20  
   7.1 ANALYSIS DASHBOARD ...................................................................................... 20  
   7.2 OPERATIONALISATION OF THE BACK TO BASIC APPROACH ............................. 21  
8. GAUTENG BACK-TO-BASICS MUNICIPAL DIAGNOSTIC FINDINGS AND PROPOSED  
ACTION PLANS ............................................................................................................... 22  
   8.1 SOURCES OF INFORMATION .............................................................................. 22  
   8.2 LIMITATIONS OF THE DIAGNOSTIC TOOL ....................................................... 22  
   8.3 GAUTENG MUNICIPALITIES’ GENERIC STRENGTHS ........................................... 23  
   8.4 GAUTENG MUNICIPALITIES’ GENERIC CHALLENGES ......................................... 24  
   8.5 GAUTENG BACK-TO-BASICS ACTION PLANS ..................................................... 24  
      8.5.1 PILLAR 1 - PUTTING PEOPLE AND THEIR CONCERNS FIRST ................. 24  
      8.5.2 PILLAR 2 - DELIVER MUNICIPAL SERVICES ........................................... 35  
      8.5.3 PILLAR 3 - SOUND FINANCIAL MANAGEMENT AND ACCOUNTING .......... 42  
      8.5.4 PILLAR 4 - GOOD GOVERNANCE ............................................................. 54  
      8.5.5 PILLAR 5 - BUILDING INSTITUTIONAL AND ADMINISTRATIVE CAPABILITIES... 58  
      8.5.6 PILLAR 6 - TRADITIONAL LEADERSHIP AND BACK TO BASICS APPROACH .... 62  
9. IMPLEMENTATION OF THE BACK-TO-BASICS ACTION PLAN FOR GAUTENG  
MUNICIPALITIES ............................................................................................................. 64  
10. CONCLUSION .................................................................................................................. 65
Foreword of the MEC

The National Development Plan (NDP) and Vision 2030 calls for the creation of a strong, capable and developmental state. This strongly suggests that as government, we should ensure that our institutions have necessary capacity and capability to deliver on their constitutional and legislative mandate. It is a task that we should undertake in order to take people out of the scourge of poverty, unemployment and inequality. The adoption of the Transformation, Modernisation and Re-industrialisation (TMR) programme by the 5th provincial administration to respond to the challenges raised in the NDP will go a long way to change the economy, infrastructure and spatial landscape of our province, Gauteng.

The launch of the Back-to-Basics Approach by the Minister of Cooperative Governance and Traditional Affairs in September 2014 could not have happened at a better time, whilst we are consolidating the establishment of a metropolitan system of governance in Gauteng. The realisation of a globally competitive Gauteng City Region (GCR) will only be achieved when all municipalities in Gauteng are performing above average, show resilience and sustainable ability to undertake their responsibilities even against harsh economic conditions.

The focus on the two B2B at risk municipalities namely, Westonaria and Randfontein is to collaborate to move them to a better performance level, and this is one of our main objectives. One hopes that in 2016 we will have differently structured and better performing municipalities. Several interventions have been put in place to turn these municipalities around and we appeal to our colleagues in the province and across all municipalities to support these initiatives for the benefit of the people in these struggling mining towns.

I commit my unwavering support to the B2B programme and urge everyone in the province to rally behind it to make Gauteng a destination of choice - a great place to live, a great place to work and a great place to play.

Issued by: Jacob Mamabolo, MPL
MEC: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS AND HUMAN SETTLEMENT, GAUTENG
Foreword of the HOD

Local government is the cornerstone of service delivery. This is where the lives of ordinary people are changed for the better. In South Africa, we have wall-to-wall municipalities, which means any development or poor performance on service delivery takes place within the jurisdiction of a municipality. Therefore, local government is everybody’s business. It is in our interest to ensure that municipalities in our province function well and perform at levels above average, in order to lift the people of Gauteng out of the triple challenges of poverty, unemployment and inequality.

Gauteng is a progressive province with a population of approximately 13 million inhabitants. The province contributes 36% to the National Domestic Product. The province has twelve municipalities comprising of the three buoyant metropolitan municipalities of Johannesburg, Tshwane and Ekurhuleni, which co-exist alongside the two District municipalities of West Rand and Sedibeng. The two District municipalities share geographic and administrative space with seven local municipalities: those of Mogale City, Merafong City, Westonaria and Randfontein, as well as Emfuleni, Lesedi and Midvaal, respectively.

Of these twelve municipalities, Westonaria and Randfontein LMs have been identified as municipalities “at risk” in terms of the Back-to-Basics (B2B) programme. These municipalities therefore require special attention. The rest of the municipalities are performing exceptionally well. None of the Gauteng municipalities are dysfunctional.

The introduction of B2B programme is most welcome, and it will assist the province to deepen the support it provides to the municipalities that are not performing well and ensure that people who reside within their jurisdiction are not worse off in terms of their Quality of Life. The people who reside in these declining mining towns equally deserve quality service delivery, and the implementation of B2B in Westonaria and Randfontein local municipalities will ensure that the performance of same contributes towards the growth of the Western Corridor of development and the West Rand economy.

As we implement the B2B programme, we call upon colleagues within government and across spheres, public and private stakeholders, civil society and the business community at large to rally behind the programmes aimed at supporting those municipalities that are at risk. The
support may be of financial nature or expertise required to make these municipalities stronger and be the model of successful turnaround in the country. Together we can make the B2B programme the best government intervention as we head towards the definition and implementation of the Post-2015 Development Agenda.

Issued by: Nhlakanipho Nkontwana
HOD: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, GAUTENG
Acknowledgements

The Gauteng Back-to-Basics report was prepared by staff of the Gauteng Department of Cooperative Governance and Traditional Affairs, with cooperation from officials of the national Department of Cooperative Governance.

The report was developed under the technical guidance of the Head of Department, Mr Nhlakanipho Nkontwana, with support from DDGs I Mokate and W Bhila. Several CoGTA Staff members contributed immensely to the development of the report, including the various Chief Directors, Directors and Deputy Directors that led or formed part of the municipal task teams during the municipal diagnostic exercise.

The HOD expresses his gratitude to Mr Matsobane Nkoko, Director for Policy and Research and Ms Auriel Niemack, Assistant Director in the Strategic Planning and Reporting Directorate, for the central role they played in writing up this consolidated report. The coordination role played by Ms Ray Halim, including the design and layout of this report, is highly appreciated.

The input made by officials of Gauteng Treasury in providing vital data at various stages of this report is also appreciated.

To Ms Shiela Hughes of the National Department of Cooperative Governance, thank you for your support in editing the earlier version of this report.
1. BACKGROUND

At the Presidential Local Government Summit hosted by the Minister for Cooperative Governance and Traditional Affairs (CoGTA), Mr Pravin Gordhan, on 18 September 2014, the Honourable President of the Republic of South Africa, Mr JG Zuma, launched the Local Government Back-to-Basics (B2B) Programme. The Programme is aimed at strengthening the local sphere of government, improving service delivery and promoting economic growth and development at the local level. Key to the programme is the effective functioning of municipalities to better serve communities by getting the balance right in terms of the five pillars of B2B: putting people first, service delivery, good governance, financial accountability, and building capacity within robust institutions.

The B2B Approach towards effective and efficient local governance is centred on these five (5) key pillars, each of which forms the basis for serving communities better and building a responsive, caring and accountable local government. By “getting the basics right”, municipalities will be able to guarantee effective service delivery, lower (or even zero) sporadic community protests, ensure well-run and efficient municipal administrations, and provide a better life for all communities.

The pillars of the programme are defined as follows:

- Put people and their concerns first, and ensure constant contact with communities through effective public participation platforms.
- Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for, and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this. Municipalities must ensure that there are no failures in services and where there are, restore them with urgency.
- Be well governed and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.
- Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
- Build and maintain sound institutional and administrative capabilities administered and managed by dedicated and skilled personnel at all levels.

2. INTRODUCTION

This report constitutes a composite Back-to-Basics Diagnostic and Progress Report for Gauteng province and its constituent local, district and metropolitan municipalities as at June 2015. It is a product of several weeks of work that was coordinated by the Gauteng
Department of Cooperative Governance and Traditional Affairs (CoGTA), with support by a team of officials from the national Department of CoGTA. All the twelve (12) Gauteng municipalities formed part of the process at the technical level, and this report is therefore an outcome of constant engagement and inputs from all parties involved, i.e., municipalities, provincial and national Departments of CoGTA.

The report focuses on the performance of Gauteng municipalities against the five Back-to-Basics (B2B) pillars. While the report addresses issues affecting all municipalities in the province, there is biased emphasis on the municipalities that are “at risk”, both in terms of their challenges and plan of action to resolve prevailing challenges. Some of the remedial actions are province-wide, covering the whole sphere of local government in Gauteng.

The report further demonstrates that systemic challenges such as violent community protests, high levels of technical and non-technical water and electricity losses, electricity theft, inadequate tariff models for key municipal services and high municipal debt levels and culture of non-payment, among others, continue to plague the municipalities in the province, major successes have been recorded across all the B2B indicators in (10) of the twelve (12) municipalities.

According to the Back-to-Basics assessment conducted by the National Department of CoGTA in 2014, Gauteng province does not have dysfunctional municipalities. However, Westonaria and Randfontein Local Municipalities were found to be municipalities “at risk”. These municipalities are situated in distressed mining towns in the West Rand District, where there are high unemployment levels, poverty and inequality levels due to eroding economic activity and plummeting performance of mining houses. The socio-economic plight of these municipalities is receiving special attention from the Presidential project on the revitalisation of the mining towns.

According to the B2B Approach, municipalities that are considered to be “at risk” are those that demonstrate a fair amount of financial and records management, reasonable feedback through community meetings, reasonable access to basic services, and that their councils sit fairly regularly. This is in contrast with those that are regarded as “doing well” on one end, and those that are “dysfunctional” on the other.

The “doing well” municipalities, of which ten of Gauteng’s twelve municipalities fall in this category, are those that are able to demonstrate strong political and administrative leadership, functional council and oversight structures, spending on capital budgets above 80 per cent (80%), consistent unqualified audit outcomes, and consistent spending of capital budgets. According to the national B2B diagnostic report, municipalities in the this category are model municipalities, while those in the “at risk” category are those that have a potential to do well, subject to interventions such as continuous medium intensity
monitoring, capacity building based on diagnosis gap, as well as close supervision of service delivery with targeted interventions.

3. REFLECTION ON THE CURRENT STATE OF LOCAL GOVERNMENT

A performance review of South Africa’s two hundred and seventy-eight (278) municipalities conducted by national CoGTA in the run up to the second Presidential Local Government Summit of September 2014 revealed that a significant amount of work still needs to be done in order to realise transformed and desired municipal practices. The findings of the review categorised municipalities into three groups in terms of their state of performance, governance and capacity. The first group, of some 103 municipalities (37%), comprises of cases where municipalities have got the basics right, even though they still have much to do. Within this group, only 7% of municipalities could be regarded as municipalities doing well. In these municipalities, the basics are in place, and there are innovative practices to ensure sustainability and resilience. This small core represents the desired (ideal) state for all the municipalities in the country. According the national CoGTA’s assessment, ten (10) of Gauteng’s twelve (12) municipalities fall in this category.

The second group of some 89 municipalities (32%) are almost dysfunctional and need assistance to get the basics right. Overall performance is barely average. While the basics are mostly in place and the municipalities in this category can deliver on the traditional functions of local government, areas of ineptitude, degeneration and failures were found. In Gauteng, only two (2) municipalities fall in this category.

The third group comprising 86 municipalities (31%) are dysfunctional. The information gathered by national CoGTA demonstrated that significant work is required to get them to get the basics right. Among a number of ills found in this category is endemic corruption, dysfunctional councils, lack of structured community engagement and participation systems, as well as poor financial management that leads to perpetual negative audit outcomes. There is also poor record of service delivery and service management functions such as fixing potholes, collecting refuse, maintaining public places, fixing street lights, and other similar “priority one” functions of local government. While most of the necessary resources to render the functions or maintain the systems are available, the basics are not in place. It was in these municipalities that communities were found to be enormously disadvantaged, and therefore the need for urgent intervention was much more pronounced.

Figure 1 (below) depicts some of the B2B findings as per the work of the national Department of CoGTA. According to this, provinces such as the Northern Cape, North West, Limpopo, and to an extent the Free State, have the largest proportion of municipalities that could be described as dysfunctional. In contrast, provinces such as Gauteng, Kwa-Zulu Natal and the Western Cape have the largest proportion of
municipalities that are doing well. Most noticeably, Gauteng province does not have municipalities in the dysfunctional category, according to national CoGTA’s B2B assessment.

Figure 1: Back-to-Basics Performance of Municipalities per Province

While Gauteng province does not have any dysfunctional municipalities, the province is dominant in terms of the percentage of service delivery protests that occur in the country (see Figure 2 below). With 24% of all the protest actions occurring in Gauteng during the first half of the year (January – May 2015), this trend is very much in keeping with the previous Municipal IQ Hotspot Monitor, which reported that a quarter of all the service delivery protests in the country happened in Gauteng during the period January – June 2014.

The high rate of protest action in Gauteng is closely followed by the Eastern Cape (19%) and the Kwa-Zulu Natal (14%) provinces, respectively. Combined, these top three (3) provinces accounted for almost 60% of all protest actions in the country during the period in question.

This phenomenon gives meaning to the finding of the Gauteng City Region Observatory’s (GCRO) Quality of Life Survey III that “general satisfaction with services is high, but by comparison, satisfaction with government generally is low and declining”.
Another aspect to this phenomenon is the fact that urban municipalities and metros have specific challenges relating to service delivery, as highlighted in a recent Overseas Development Institute (ODI) Report on Governance and Political Economy in Service Delivery (December 2014). The Report underscores the need, globally, to improve service delivery for the urban poor, such as for the thousands of people living in informal settlements, which is a largely urban challenge, due to in-migration to urban areas. Thus whilst South African urban municipalities and metros have a good record of meeting urban service delivery needs, they are still in need of more dedicated resources and technical capacity to meet their more unique spatial and developmental challenges. These include the provision of additional infrastructure and resources for electricity, sanitation and solid waste management for in-situ upgrading and in urban regeneration areas.

In view of the different categories of municipal performance described above, and the prevalence of public protests in different provinces, the national Department of CoGTA identified three (3) key priorities in the B2B approach that must be closely observed, namely:

- **Priority 1**: To systematically manage performance, accountability and consequences through enforcement of current policies and legislation;
- **Priority 2**: To provide support to municipalities falling in the middle path in order to help them to progress towards the top path, and for those municipalities in the top path to remain in there; and
- **Priority 3**: To support and provide incentives to municipalities that are currently in the top path and therefore encourage them to remain there.
The purpose of this report is to contextualise the B2B approach to Gauteng. The main objective is to operationalise the B2B Programme in Gauteng (through conducting the municipal diagnosis and developing implementable action plans), and to present the findings of the diagnosis and action plans for implementation. An additional related purpose is to produce a document that contains set of indicators and performance targets (action plan) that the national and provincial Departments of CoGTA, along with Gauteng municipalities, can rely on for purposes of monitoring and reporting on the progress made towards achieving the five B2B targets.

4. SOCIO-ECONOMIC PROFILE OF GAUTENG PROVINCE

Gauteng Province is one of the nine (9) provinces in South Africa, and the smallest in terms of land size. It measures approximately 1.4% of South Africa’s land area, equivalent to only 18 178 square kilometres of the total land mass of 1 221 037 square kilometres. The discovery of gold in the 19th century saw Johannesburg developing to become an economic focal point of South Africa. This has made Gauteng the biggest contributor to the gross domestic product (GDP), nationally and continentally.

Gauteng is the most urbanised province, with almost 97% of its people living in urban areas. It is currently the only province with more than one metropolitan municipality in South Africa, and is home to Johannesburg, Tshwane and Ekurhuleni metros. It also has potential for additional two metros by 2016. It is host to four major financial institutions and Africa’s largest stock market, the Johannesburg Stock Exchange (JSE).

High population numbers and migration are key attributes of the province. It is the most populous province in South Africa, housing a population over 12.72 million, spread over 18 178km². The provincial population growth rate was 2.7% and 3.6% for the periods 1996-2001 and 2001-2011, respectively (2011 Stats SA census). The population has been growing rapidly due to in-migration and natural growth. According to the Statistics SA’s General Household Survey of 2013, Gauteng currently accounts for 24% of the country’s total population, the highest share followed by KZN province with 19.73%.

As noted above, millions of migrants from neighbouring countries settle in Gauteng in pursuit of economic and employment opportunities, which ultimately puts pressure on infrastructure and service delivery in the province. The Department of CoGTA in the province has to play a pivotal role in ensuring that the province is able to meet the demands of an increasing population and the triple challenges of unemployment, poverty, and inequality. The role of CoGTA therefore includes the facilitation of municipal infrastructure plans that take cognisance of spatial development frameworks and plans for coordinated sector planning of investments in the GCR, which need to be implemented in collaboration with role-players and stakeholders, such as the Departments of Transport,
Human Settlements and Economic Development. CoGTA must also provide capacity and educative support to municipalities to promote their efficiency and sustainability in a time of expansion and change.

Statistics cited in GCRO’s Quality of Life III show that demographic patterns as referenced above, will continue, as Gauteng remains a destination of choice for many job seekers. Census 2011 results have further demonstrated that Gauteng province has experienced enormous population growth between 2001 and 2011. During this period, the population of Gauteng has increased from a total of 9 178 873 persons to 12 272 263 persons.

According to Statistics-SA General Household Survey 2013, the performance of the province in terms of the delivery of basic services such as piped water (95.9%), electricity (83.6%), access to flush toilets (90.2%) and refuse removal by local authorities (90.1%), further illustrates how the exponential population growth rate presents a serious challenge to the municipalities in the province, more so noting the fact that the heightened population growth rate is not only due to a natural growth, but also to other factors such as migration (only 56% of the population of Gauteng were born in Gauteng, according to GCRO QoL Survey). This rapid population growth also leads to, among others, the proliferation of informal settlements, which pose a further challenge to the delivery of basic services by Gauteng municipalities. As noted above, new service demands can contribute to social unrest in areas where above-average levels of service delivery for the majority of established residents prevail, in comparison to those most negatively impacted by urban sprawl.

The Gauteng City Region is also the engine of the regional economy, and a gateway to the rest of the continent. Gauteng’s share of GDP increased to 36% in 2013. During the year 2011, the province’s GDP was R675 billion, depending mainly on the tertiary sector, finance and business services, including the services sector. The official unemployment rate for Gauteng in 2011 was estimated at 26.3%, and has subsequently declined to 24.6% during the fourth quarter of 2014, according to Statistics South Africa’s Quarterly Labour Force Survey for Quarter 4 of 2014.

The planned government infrastructure development, through the Gauteng Infrastructure Coordinating Council (GICC) in the five Corridors of Development within the province (Sedibeng, Ekurhuleni, Tshwane, West Rand and Johannesburg), will assist in creating an enabling environment for domestic growth and job creation. CoGTA will play a key role in ensuring that the contemplated infrastructure development becomes a reality through the facilitation of the establishment of the metropolitan system of governance and providing support to municipalities on job creation and infrastructure development initiatives over the next five (5) years. The pace at which the demand for public facilities and services is rising is, however, not consistent with the supply thereof. This is due to constrained financial resources. The responsibility of Gauteng Provincial Government is therefore to ensure
that, working together with municipalities, the best strategies that will maximise service delivery and grow the economy are employed.

5. GAUTENG’S TEN-PILLAR PROGRAMME OF RADICAL TRANSFORMATION, MODERNISATION AND RE-INDUSTRIALISATION

Having ten (10) out of twelve (12) municipalities categorised as “doing well” does not mean that Gauteng province and its constituent municipalities have over-achieved and therefore should not focus on the basics of local government. Instead, it is rather important to note that as a city-region that benchmarks itself and competes against some of the most competitive city-regions globally, the province and the Gauteng City Region (GCR) at large, has set itself very high standards in terms of governance, service delivery performance that is beyond simply the basics, as well as having initiated institutional and economic transformation platforms that will make the Gauteng City Region a destination and investment node of choice. Through the provincial government’s programme of radical Transformation, Modernisation and Re-industrialisation (TMR), the viability, performance and sustainability of the different regions, municipalities and Development Corridors are highlighted as the cornerstone of a successful and globally competitive Gauteng City Region.

The TMR agenda, the Corridors of Development and the Game Changers Programmes are province-wide initiatives focused on ensuring that meaningful and impactful interventions are rolled out across the Gauteng City Region (GCR). They seek to consolidate and entrench the GCR agenda, create greater efficiencies in governance, both at the provincial and local spheres, enhance socio-economic competitiveness of the city-region and the collaborative efforts of individual municipalities, as well as the revitalisation of local spaces, especially the township economies, across the GCR.

Fundamental to the Corridors of Development Programme is the delineation of Gauteng province and the city-region into five development corridors, namely: Central, Northern, Southern, Eastern and Western Development Corridors. Each of the Corridors is anchored by a municipality in each of the five (5) core regions in the province, i.e., Johannesburg region, Tshwane region, Ekurhuleni region, West Rand region and Sedibeng region, respectively. For each of the Corridors, and the regions, there are specific development outcomes whose successful implementation rests not only on the interventions of the provincial government, but also on the viability, efficiency and dexterity of the municipalities forming the core of those particular regions.

It is therefore within this context that the provincial government, through the Department of CoGTA, has embarked on a Back-to-Basics (B2B) diagnostic and appraisal exercise, and the development of an action plan that would assist in turning the municipalities “at risk”
around, and enhancing the performance of those in the top tier that are defined as “doing well”. The findings of the diagnostic exercise and the proposed action plan are presented in this report, and it is important to interpret these with the TMR agenda, the Gauteng Corridors of Development and the Gauteng Game Changers Programmes in mind.

Certain key milestones have been set towards the advancement of these province-wide interventions, especially as it regards to the TMR Pillars of Decisive Spatial Transformation, Transformation of the State and Governance, and Modernisation of the Public Service. The milestones are further identified per Corridor of Development.

5.1 Central Corridor: City of Johannesburg

During the 2015/16 FY, the provincial government will work with the City of Johannesburg and other stakeholders in the public and private sector to advance the metro’s position as the hub of finance, services, information communications technology (ICT) and pharmaceutical industries. Other programmes include the revitalisation of the Joburg CBD and the establishment of New Development Bank (NDB)\(^1\) within the City of Johannesburg’s area of jurisdiction.

Some of the key development programmes in support of the TMR Agenda in the Central Corridor include:

- The development of Masingita City, which will create 15 500 jobs during construction, and 10 000 jobs during full operation;
- Support to township enterprises in Soweto, Lenasia and Bekkersdal/Randfontein;
- Significant infrastructure investment through the City of Joburg’s Corridors of Freedom and Blue Economy by June 2016;
- ‘Re-stitching the City’ into an inclusive and accessible city for all by introducing transport corridors that will connect strategic nodes through affordable and accessible mass public transport system, including bus and passenger rail;
- Infrastructure investment - construction of quality public transport system and associated cycling / pedestrian infrastructure;
- Mixed use developments to stimulate economic activity and create opportunities for emerging entrepreneurs;
- Diverse accommodation types and tenure options, along with integrated access to a range of social amenities (Parks, Public Spaces, Libraries, Social Halls, Clinics, etc.);

\(^1\) The New Development Bank (NDB), formerly referred to as the BRICS Development Bank, is a multilateral development bank operated by the BRICS states (Brazil, Russia, India, China, and South Africa) as an alternative to the existing US-dominated World Bank and International Monetary Fund. The bank is set up to foster greater financial and development cooperation among the five emerging markets.
- Development of the Louis Botha Priority Precincts, i.e., implementation of Phase 1C BRT Projects, including construction of the dedicated lanes and stations, non-motorised transport infrastructure and inter-modal transport facilities and a depot;
- Orange Grove: Major redevelopment of Patterson Park Recreation Facility to include a new library, upgraded park and recreational facilities, safe pedestrian access and sports fields and opportunity for an integrated higher density residential development;
- Development of the Perth / Empire Priority Precincts, incorporating the Auckland Park Knowledge Precinct, Milpark, Brixton, Westbury, Pennyville and Noordgesig Precincts;
- Development of the Turffontein Priority Precincts, incorporating Turffontein and Wemmer Pan Precincts and City Deep Industrial and Freight Hub.
- Major private sector developments will include R20 billion investment in Rietfontein (17 000 jobs), R71 billion investment in Waterfall City (100 000 jobs); and R84 billion investment in Modderfontein (15 000 jobs over the next 20 years); and R6.5 billion investment in Steyn City.

5.2 Eastern Corridor: City of Ekurhuleni

The provincial government will work with the City of Ekurhuleni to entrench its position as the manufacturing hub, with multiple logistics and transport industries. The Aerotropolis mega projects will include 29 initiatives to revitalise manufacturing, aviation, transport and logistics industries linked to OR Tambo - Aerotropolis footprint to Lanseria and Wonderboom, ACSA, Denel and other major private sector companies are positioning themselves in line with Aerotropolis imperatives. There are also other initiatives by State-owned Enterprises such as PRASA, involving rollout of 7 224 new rolling stock units and R123 billion investment and 30 000 jobs over 20 years. Transnet will also invest in the development of Tambo Springs and Sentrarand inland ports. The former involves a R7.5 billion investment over a 5-year period, and an estimated 110 000 jobs over 15 years.

5.3 Northern Corridor: City of Tshwane

Tshwane’s position as the administrative capital and hub of automotive sector will be enhanced. The city is the main anchor for research, innovation and the knowledge-based economy in Gauteng.

Key developments in the Northern Corridor will include the following:

- West Capital development project: development of a student village, sport incubatory centre, retail and commercial components, inner city housing and health facilities;
- African Gateway in the heart of Centurion: biggest Convention Centre, massive hotel, residential, commercial and additional office space;
• Business Process Outsourcing Park in Hammanskraal: Investment of R525 million, creating over 1 000 jobs during construction and over 1 000 indirect jobs, as well as on-site training, technical support and incubators for SMMEs.
• Automotive Industry Development Centre (AIDC): Continued support for the automotive sector in the Rosslyn cluster. Establishment of freight and logistics hub to support automotive industry is being investigated.

5.4 Western Corridor: West Rand District

The Western Corridor will focus on the creation of new industries, new economic nodes, and new cities. Transformation, modernisation and diversification of the West Rand economy, including the revitalisation of the mining towns, will be the primary objective in this Corridor. There will be a particular focus placed on the green and blue economy initiatives, tourism, agro-processing and logistics. Lanseria Airport and Maropeng Heritage Site will serve as the main anchors.

Key projects for the 2015/16 FY are the Lanseria Airport logistics hub, with investment value estimated at R500 million in Capital expenditure for airport development as well as over R10 billion investment expected in Lanseria over the next 15 years. The Randfontein milling facility will transform the agricultural sector and ensure food-security in the Western Corridor.

5.5 Southern Corridor: Sedibeng District

In the Southern Corridor, focus is on the creation of new industries, economic nodes and cities, and a Hydropolis. There will be economic shift away from overreliance on steel industry and diversify to include tourism and entertainment, agro-processing and logistics.

Major projects include the creation of New Vaal River City, which will unlock potential of the waterfront developments, with an investment of more than R4 billion. The complete development is estimated to be worth between R7 and R11 billion. Approximately 7 500 jobs will be created in the construction phase alone. Sod-turning for this project was on 21 March 2015.

Key other projects are as follows:

• Sedibeng (Agropolis): Aimed at unlocking the agricultural potential of Sedibeng as the food basket of the Gauteng City Region. An estimated 32 black farmers will be support to plant barley and maize to be supplied to the nearby Heineken Brewery. About 1 000 permanent jobs will be created per annum over 3 years;
• Gauteng Highlands development: a mixed-use development comprising of industrial and residential space, with an investment value of R40 billion. About 25 000 direct and indirect jobs will be created; and
• Sedibeng Waste Water Treatment Works: creation of regional bulk sanitation infrastructure for the Southern Gauteng Region to address under-capacity of WWTT, to be completed August 2016.

6. METHODOLOGY

The development of this report and action plan commenced shortly after the launch of the Back-to-Basics Programme by the President and the Minister responsible for CoGTA on 18 September 2014. Beginning with an introductory meeting between the provincial and national CoGTA departments on 11 November 2014, the process then became a highly interactive and iterative process between all the main parties, namely: Gauteng Department of CoGTA, national Department of CoGTA, and the twelve (12) municipalities in Gauteng province.

The report was developed by means of collecting diagnostic information on the five (5) Back-to-Basics indicators of Putting People First, Basic Service Delivery, Good Governance, Sound Financial Management and Accountability, as well as Institutional Capacity. The monthly B2B reports that were submitted by municipalities to national CoGTA from October 2014 were used as the first port of call. In essence, national CoGTA’s Back-to-Basics Diagnostic Methodology depicted in Figure 3 below was used to guide the process.

![Figure 3: National Back-to-Basics Diagnostic Methodology](image-url)
In addition, Gauteng CoGTA made use of the information that it continuously gathers from municipalities in the normal course of its duties, including but not limited to the following:

- Municipal Annual Financial Statements;
- Municipal Audit and Annual Reports;
- Municipal Section 71 Reports;
- Municipal Budgets and IDP Analysis reports;
- Municipal Infrastructure Master Plans;
- State of Local Government Report;
- Auditor General’s reports of 2013/14;
- STATSSA Non-Financial Census for Municipalities;
- 2012/13 Municipal Annual Reports;
- 2014/15 Draft Municipal Annual Reports.
- Departmental Quarterly Reports on municipal performance;
- Gauteng Municipal Financial Viability Assessment Study, 2014;
- Gauteng City Region Observatory’s (GCRO) Quality of Life Survey III;
- Community Development Workers Programme (CDWP) Annual Report;
- Public Participation Unit’s Annual Report; and
- Municipal and Provincial Government’s responses to Legislature and Parliamentary Questions.

The use of information that is collected and analysed by Provincial CoGTA on a regular basis and information from other agencies such as the Auditor General, STATSSA and GCRO was mainly intended to provide a triangulation of information, thus ensuring that independent sources of information are used to cross-check and authenticate the municipal self-reports. Furthermore, this approach made it possible to also report on progress made towards the improvement of the situation in the “At Risk” municipalities.

Following the analysis of the diagnostic information and production of the initial diagnostic reports, individual municipal reports were produced and presented to each of the municipalities during the month of March 2015. This was done with the main objective of granting each municipality an opportunity to interrogate the resultant report, and then provide updated information where such was not incorporated into the diagnostic reports. A revised combined report was then presented to all municipalities at a B2B Pre-Launch Workshop on 20 March 2015. In addition, the report was presented at CoGTA’s technical and political MINMECs held during the months of April and May 2015, respectively. It was at these MINMEC meetings that the decision was made to focus the report not only on the diagnostics, but also at the progress made towards the improvement in the “At Risk” municipalities.
7. DIAGNOSTIC ASSESSMENT CRITERIA

In this section, the diagnostics assessment criteria is thoroughly explained in order to lay a foundation for the presentation and discussion of the Gauteng province’s B2B findings and action plan.

The diagnostics tool identified functional factors in its assessment of municipalities. These factors, and their respective criteria, are as follows:

- **Political stability** – deployment, infighting and factionalism, political interference;
- **Governance** – weak oversight, public participation, fraud and corruption, political-administrative interface;
- **Service delivery** – quality of services, theft of infrastructure, spending on capital budgets, maintenance;
- **Financial Management** – audit outcomes, debt, Supply Chain Management, revenue collection, the percentage (%) of budget spent on personnel, cash flows;
- **Institutional Management** – vacancy rate, filling of key positions, qualifications, organised labour; and
- **Community Satisfaction** – public participation, service delivery provision, fraud and corruption allegations, complaints systems.

7.1 ANALYSIS DASHBOARD

The guide for interpreting diagnostic reports is presented in Table 1 below. There are three (3) categories for assessing a municipality, i.e., whether it is doing well, at risk, or categorised as dysfunctional. Each category embodies a set of traits that are reflected across the pillars and functional factors.

<table>
<thead>
<tr>
<th>Doing Well</th>
<th>At risk</th>
<th>Dysfunctional</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strong political and administrative leadership;</td>
<td>• Fair amount of financial and records management;</td>
<td>• Challenges of political-administrative interface;</td>
</tr>
<tr>
<td>• Characterised by political stability;</td>
<td>• Some level of political and administrative stability;</td>
<td>• High political in-fighting and instability;</td>
</tr>
<tr>
<td>• Councils meeting as legislated</td>
<td>• Reasonable feedback through community meetings;</td>
<td>• Non-compliance with rules and regulations;</td>
</tr>
<tr>
<td>• Functional council and oversight structures;</td>
<td>• Reasonable access to basic service;</td>
<td>• High vacancy rates;</td>
</tr>
<tr>
<td>• Regular report back to communities;</td>
<td>• Councils sitting fairly regularly</td>
<td>• High levels of incompetency among staff;</td>
</tr>
<tr>
<td>• Low vacancy rates;</td>
<td>• Reasonable adherence to</td>
<td>• Extremely low levels of capital budget spending</td>
</tr>
<tr>
<td>• Collection rates above 80% on average;</td>
<td></td>
<td>• Inappropriate spending of</td>
</tr>
</tbody>
</table>
Doing Well

- Spending on capital budgets above 80%;
- Continuity in the administration;
- Consistent unqualified audit outcomes;
- Consistent spending of capital budgets;
- Responsive to service delivery needs;
- Evidence of good administrative and financial management

At risk

- the IDP and Budgets compliance and little innovation, some form of stability;
- Most of administrative positions filled by incompetent staff;
- Some critical positions not filled;
- Poor expenditure of capital budget;
- Poor records keeping

Dysfunctional

- Overall disregard for financial and supply chain management regulations;
- Compromised service delivery;
- High level of community dissatisfaction resulting in protests;
- Absence of Plans

Table 1: Analysis Dashboard

7.2 OPERATIONALISATION OF THE BACK TO BASIC APPROACH

The actions that each municipality require within the B2B Approach depend largely on its status, e.g. whether the municipality is doing well, or is at risk, or is classified as dysfunctional. In short, a differentiated approach is followed, and this is outlined in Table 2 below.

<table>
<thead>
<tr>
<th>Doing Well</th>
<th>At Risk</th>
<th>Dysfunctional</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Light touch monitoring</td>
<td>• Medium intensity monitoring</td>
<td>• Intensive monitoring with high degree of oversight</td>
</tr>
<tr>
<td>• Minimise additional regulatory burden</td>
<td>• Oversee effective performance of functions</td>
<td>• Intervene in terms of Sections 55, 139 and 155 (7) of the Constitution</td>
</tr>
<tr>
<td>• Delegate additional functions</td>
<td>• Close supervision of service delivery with targeted interventions</td>
<td>• Intervene to guarantee minimum standards, where necessary functions removed / suspended and performed by third parties</td>
</tr>
<tr>
<td>• Support to enable networking best practice exposure</td>
<td>• Capacity building based on diagnosis of gap</td>
<td>• Build basic administrative capacity.</td>
</tr>
<tr>
<td>• Free to make own compliant appointments</td>
<td>• Oversee all appointments, and COGTA participate in process of Section 57 Appointments.</td>
<td>• COGTA assumes the recruitment function, including appointing administrators and S57 Managers.</td>
</tr>
<tr>
<td>• Unallocated block grants and participation in City Support / Rural Support Programmes</td>
<td>• Conditional grant with regular monitoring and reporting.</td>
<td>• Where necessary channel funding for services via third party agencies.</td>
</tr>
</tbody>
</table>

Table 2: Actions required in a Differentiated Approach
8. GAUTENG BACK-TO-BASICS MUNICIPAL DIAGNOSTIC FINDINGS AND PROPOSED ACTION PLANS

This section presents the findings of the Gauteng municipalities’ Back-to-Basics diagnostic assessment. It begins by highlighting the sources of information relied upon for data gathering and verification, and then reviews the limitations of the diagnostic tool that was relied upon. An overview of the strengths and weaknesses of the tool thereof is provided.

This is followed by an outline of the key municipal challenges and proposed action plans, across each B2B pillar, in tabular form. It must be noted that the analysis and action plans presented in this section of the report are from a consolidated provincial perspective rather than individual municipal basis. The latter will be presented as annexures once the same has been finalised.

8.1 SOURCES OF INFORMATION

Sources of information relied upon for the purposes of putting this report are outlined in the earlier sections of this report. In the main, the sources of information that were consulted included the following: Municipal Annual Financial Statements; Municipal Audit and Annual Reports; Municipal Section 71 Reports; Municipal Budgets, IDP Analysis reports; Municipal Infrastructure Master Plans; State of Local Government Reports; the Auditor General’s reports 2013/14; the STATSSA Non-Financial Census for Municipalities; the 2012/13 Municipal Annual Reports; the 2014/15 Draft Municipal Annual Reports; the Departmental Quarterly Report on municipal performance; the CDWP Annual Report; the PP Unit Annual Report; and the Municipal B2B Monthly Reports.

Although these may not be exhaustive, a due consideration was made to ensure that as much sources of information as possible are consulted in order to ensure that data presented in the final report is thoroughly checked and triangulated against various independent and verifiable sources of information.

8.2 LIMITATIONS OF THE DIAGNOSTIC TOOL

While the diagnostic tool was relatively easy to employ, there were limitations to its effectiveness. Firstly, many of the indicators used in the diagnostic tool are difficult to measure objectively, and thus making it difficult to build a strong case on whether a particular municipality is indeed doing well, at risk, or dysfunctional in so far as some of the B2B Pillars are concerned. Secondly, the diagnostic exercise was limited, to certain instances, to verifying availability of municipal plans rather than the content and its applicability to the provincial intervention programmes, as well as the capacity of the municipality to implement.
Furthermore, there has been insufficient time to undertake a comprehensive comparison and draw conclusions on the available sources of information. Of concern too, is the fact that proposed actions needed to be forward-looking and express the involvement of other spheres of government and sector departments, their specific roles and responsibilities, which may be somehow difficult to implement without buy-in from other stakeholders. Attempt is, however, made to reflect on the relevant programmes and projects that would support the B2B as per the Gauteng Provincial Government’s Programme of Action and Game Changer Programme for the next three (3) to five (5) years.

8.3 GAUTENG MUNICIPALITIES’ GENERIC STRENGTHS

A number of strengths have emerged in the findings across the Back-to-Basics pillars and functional factors for Gauteng municipalities. These included the fact that majority of the ward committees are established and functional, provision of basic services is mostly above the national norm, relative political stability and very little of political infighting that expresses itself in the institutions of local government, and so forth.

<table>
<thead>
<tr>
<th>B2B PILLAR</th>
<th>GAUTENG FINDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Putting People First</td>
<td>• Most Ward Committees are established and functional;</td>
</tr>
<tr>
<td></td>
<td>• Public Participation Structures are in place (Statutory Engagements take place).</td>
</tr>
<tr>
<td>Basic Service Delivery</td>
<td>• Most municipalities are providing basic services above the national norm.</td>
</tr>
<tr>
<td></td>
<td>• All communities receive Free Basic Services.</td>
</tr>
<tr>
<td></td>
<td>• Infrastructure Master Plans are mainly in place, some are undergoing review.</td>
</tr>
<tr>
<td>Good Governance</td>
<td>• Relative political stability.</td>
</tr>
<tr>
<td></td>
<td>• Councils are functional and meet regularly.</td>
</tr>
<tr>
<td></td>
<td>• The mechanisms to address issues of Fraud and Corruption are in place.</td>
</tr>
<tr>
<td></td>
<td>• The key oversight structures are functional.</td>
</tr>
<tr>
<td>Sound Financial Management and</td>
<td>• No municipality has adverse audit reports or disclaimers.</td>
</tr>
<tr>
<td>Accountability</td>
<td>• The audit outcomes have improved over the 5 year period, with some municipalities achieving clean and unqualified audits consistently.</td>
</tr>
<tr>
<td>B2B PILLAR</td>
<td>GAUTENG FINDINGS</td>
</tr>
<tr>
<td>------------</td>
<td>------------------</td>
</tr>
</tbody>
</table>
| Institutional Capacity | • Most of Municipalities have the top six posts filled with competent staff.  
• Municipal organograms are in place and approved.  
• The Human Resource Development Policies and Programmes are in place and implemented. |

### 8.4 GAUTENG MUNICIPALITIES’ GENERIC CHALLENGES

Certain key challenges and failures also emerged among Gauteng municipalities. The following are among those that arose through the municipalities’ diagnostics reports:

**CHALLENGES**

- Despite many of the top six posts being filled with competent staff, across the structures there is insufficient institutional capacity;
- A low rate of revenue collection persists;
- Skills level and levels of qualification remain a challenge - a considerable number of personnel are inappropriately skilled and are placed incorrectly;
- Slow or inadequate responses to service delivery challenges in certain municipalities;
- Public participation remains inadequate;
- The efficiency of councillors and functionality of ward committees is inconsistent; and
- Existence of social distance by public representatives.

### 8.5 GAUTENG BACK-TO-BASICS ACTION PLANS

The Back-to-Basics Action Plan for Gauteng municipalities was developed through a highly interactive process, involving direct engagements with individual municipalities. The action plans were developed with the view to ensure that municipalities are able to deliver basic municipal services in an equitable, transparent and accountable manner, and that they regularly engage with communities on matters that affect their wellbeing as communities and users of municipal services. The action plans were further developed in a manner that would ensure the intensification of meaningful support and monitoring role of both the provincial and national sphere of government.

### 8.5.1 PILLAR 1 - PUTTING PEOPLE AND THEIR CONCERNS FIRST

This Back-to-Basic Pillar is concerned with the municipality’s propensity and ability to constantly engage communities and make ordinary citizens a part of local governance. Compliance with the existing legislative provisions on community participation is at the
core of this Pillar, and municipalities are required to develop affordable and efficient systems to communicate regularly with communities and effectively disseminate information.

The role and functionality of structures of public participation such as the Community Development Workers (CDW) and the Ward Committees are also at the centre of this Pillar. Furthermore, the Pillar focuses on whether municipalities carry out regular community satisfaction surveys, attend to petitions received, as well as whether they undertake mayoral izimbizo regularly.

The diagnostic exercise has revealed that many of the municipalities in Gauteng have functional public participation structures and systems, ranging from 80-98% in terms of functionality. There are, however, certain areas of concern. For example, although Mogale City reported 98% functionality, the municipality has a number of dysfunctional wards (i.e., wards 25, 26, 27, 29, 30 and 32). Similarly, the City of Johannesburg metro (CoJ), with 80% functionality, demonstrated a number of risks. The municipality has declined from 98% to 80% in one year in terms of the functionality of its public participation structures. CoJ also has 81 vacancies in its ward committees. Actions to improve functionality include monitoring and the provision of support towards the re-establishment of ward committees; continued training support for ward committees; ensuring proper sectoral representation in all ward committee structures; and putting systems in place to ensure that ward committee members receive and provide regular feedback to their respective sectors.

Municipalities in the province have adopted different approaches with regards to the amounts paid to the members of the ward committees for their out of pocket expenses. For instance, Ekurhuleni metro pays R350.00 as a monthly stipend, and reimburses ward committee members for all their out of pocket expenses. The City of Tshwane, on the other hand, pays an all-inclusive amount of R1 000.00, which is intended to cover all expenses for its ward committee members. Typical out of pocket expenses in this regard include transport costs, stationery, costs for telephone calls, and catering for Ward Committee members.

This difference in approach has already created some level of unhappiness among Ward Committee members in some of the municipalities. Those that receive a smaller amount,
with their out of pocket expenses covered by their municipality, feel disadvantaged and hard done by, notwithstanding the fact that their out-of-pocket expenses are covered by the municipality. They also wish to receive the bigger amount, and yet continue to have other expenses covered by the municipality. The Department of CoGTA in the province is therefore working on a system that would ensure that a uniform approach is adopted by all municipalities in the province in order to end this discontentment.

Public participation processes are generally going well in the province. This is despite the high number of community protests as reported elsewhere in this report. The latter has been recognised by the provincial cabinet to be a result of certain systemic challenges with the public participation legislative framework, which the Department is working on together with SALGA-Gauteng and National DCoG to find a solution.

On community satisfaction surveys, not all municipalities carry out the annual surveys. However, the biennial Quality of Life Surveys (QoL) carried out by the Gauteng City Region Observatory (GCRO) assist in filling the gap, and they do so adequately.

According to the latest GCRO survey conducted in 2013 and published in 2014, Westonaria and Emfuleni local municipalities are the worst performing municipalities on community satisfaction. The two municipalities recorded satisfaction levels of 55% and 59%, respectively, followed by Randfontein and Midvaal Locals at 61% and 63%, respectively. The three metros and Lesedi LM recorded overall satisfaction levels of between 70% and 71% during the same period. Going forward, the provincial department of CoGTA will explore the possibility that all municipalities establish partnerships with the GCRO if they are unable to fund their own customer satisfaction surveys.

Gauteng municipalities are not doing very well with regards to dealing with petitions, an issue that the provincial legislature has on a number of occasions raised with the department. The extent to which municipalities deal with, and respond to, petitions from community members is not at the level that it should be, with many of the petitions remaining unattended to. The situation is however different with the Mayoral izimbizo, where municipalities are demonstrating a positive trend.

The situation with the Community Development Workers (CDW) Programme is not a positive one. The CDWs are present in only 373 of the 508 wards across the province. This state of affairs is straining the resources of the programme as some CDWs have to cover more than a single ward. The Department is also faced with a challenge of inadequate budget to appoint more CDWs in order to ensure speedy resolution of community concerns. The affected wards are as per the table below:
<table>
<thead>
<tr>
<th>MUNICIPALITY</th>
<th>NUMBER OF VACANT WARDS</th>
<th>WARD NUMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Johannesburg</td>
<td>41</td>
<td>5, 6, 8, 21, 22, 23, 25, 26, 31, 34, 36, 37, 44, 45, 48, 50, 54, 61, 68, 71, 73, 84, 86, 87, 88, 89, 90, 93, 94, 97, 98, 100, 101, 102, 104, 106, 112, 115, 117, 118, 119</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>28</td>
<td>1, 5, 13, 18, 19, 20, 21, 34, 39, 41, 42, 44, 45, 46, 47, 48, 50, 52, 56, 65, 69, 70, 78, 79, 82, 83, 85 &amp; 95</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>23</td>
<td>2, 7, 10, 11, 18, 21, 22, 23, 27, 31, 37, 46, 54, 62, 74, 85, 90, 91, 92, 96, 97, 103, 103</td>
</tr>
<tr>
<td>Randfontein</td>
<td>8</td>
<td>3, 4, 5, 7, 11, 12, 14, 22</td>
</tr>
<tr>
<td>Mogale City</td>
<td>7</td>
<td>2, 9, 14, 18, 21, 28, 32</td>
</tr>
<tr>
<td>Merafong</td>
<td>10</td>
<td>4, 8, 12, 13, 14, 15, 16, 18, 21, 28</td>
</tr>
<tr>
<td>Westonaria</td>
<td>2</td>
<td>3, 15</td>
</tr>
<tr>
<td>Emfuleni</td>
<td>14</td>
<td>2, 3, 8, 13, 19, 20, 21, 22, 30, 37, 42, 43, 44, 45</td>
</tr>
<tr>
<td>Lesedi</td>
<td>2</td>
<td>8, 9</td>
</tr>
<tr>
<td>Midvaal</td>
<td>8</td>
<td>2, 3, 6, 9, 10, 11, 13, 14</td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>143</td>
</tr>
</tbody>
</table>

Table 3: Gauteng wards without CDWs

In December 2014, the MEC for CoGTA held a conference with the CDWs in order to jointly define the new role of the CDW programme in support of the Service Delivery War Room launched by the Premier on 11 November 2014. The outcome of the Conference found amongst others, that:

a) The relationships between the CDWs and some Ward Councillors vary, most of which are unhealthy, due to personal issues;
b) There is lack of transparency and trust, poor feedback mechanism, poor communication and coordination of work, as well as a lack of understanding regarding the role of the CDWP; and
c) There is a need to re-configure the CDW Programme with the view to provide it with more capacity.

Work towards capacitating the CDW Programme is already underway in the province. For example, on 07 March 2015, one hundred (100) Community Development Workers (CDWs) graduated from a Senior Programme at the University of the Witwatersrand. These CDWs are now equipped to undergo a degree or diploma training at any institution of higher learning. The Department will continue to support this programme, and more CDWs will be enrolled to intensify the state capacity to engage communities on matters of service delivery.
After the 2016 elections, the number of the CDWs will be reviewed in line with the revised number of wards. This will ensure that the CDWs continue to act as a dedicated channel between state apparatus and communities. They will ensure that the information gathered from communities is relayed to the relevant state organs for redress. Notwithstanding the above, it must be noted, however, that matters raised through the CDWs are not always attended to speedily, thus creating a sense of despondency among community members, and therefore leading to the emergence of sporadic violent community protests.

To address this and other ills, the work of the CDWs is currently in the process of integration into the Service Delivery War Room and the work of the provincial Rapid Response Team (RRT). At the moment, reporting on the work of the CDWs is not done optimally; hence, a more integrated approach is being explored.

As highlighted earlier in this document, the challenge of increasing violent community protests is more pronounced in the province than it is in other provinces. This is despite the public participation regime that is in place and at the centre of key programmes of government of the day. The increase in violent community protests despite the existence of legislated structures is partially due to the prevailing nature of engagement with communities, which requires urgent review. This matter was raised sharply in the Premier's maiden State of the Province Address (SOPA) in 2014, where the Premier mandated provincial CoGTA to review the regime. Plans to undertake the review of the Ward Committee system and ensure that the organs of people’s power are recognised are underway. It is the considered view of the provincial and municipal government in Gauteng that citizens should not be transported to halls and community centres in order for public participation to take place. Instead, the view held is that communities and community structures must be engaged directly in their chosen and preferred areas, closer to their homes. Work on this programme has already begun, and the (ruling party in) Ekurhuleni metro has taken the lead in this regard with the re-launch of the street committees at the start of the month of June 2015.
Westonaria Local Municipality has for a while been the worst affected by violent community protests, and some of the municipal property was completely destroyed by fire in the process. Members of the community established what is called Greater Westonaria Concerned Residents Association (GWCRA) in order to engage government on matters of service delivery. As part of the demands made, the residents wanted the municipality to be subjected to Section 139 intervention (Sect. 139 of the Constitution of South Africa) and a forensic investigation undertaken against the municipal administration. The provincial CoGTA Department responded by introducing key service delivery programmes, which included the following:

a) Partnership with Sibanye Gold Mine to build a school in Bekkersdal;
b) Cleaning and Waste Management campaigns in partnership with Pikitup - an agency of the neighbouring City of Johannesburg metro; and
c) Installation of high mast solar-powered lights and provision of basic sanitation services in informal settlements in the area.
d) Upgrading of the Sewer infrastructure in Bekkersdal (by Makgotamishe).
e) Formalisation and Electrification of Afghanistan informal settlement.

Over and above addressing key service delivery challenges, these projects have also already had positive spinoffs in that they have created a number of job opportunities for the local community. The following job opportunities have been created through provincial intervention:

a) Bekkersdal cleaning project: 83 job opportunities;
b) Sewer project: 60 job opportunities; and
c) Sanitation project: 10 job opportunities.

The cooperation that resulted between the municipality and the GWCRA in delivering on these projects brought peace and calm in Greater Westonaria. As a result, the area is no longer considered a hotspot. The situation is, however, constantly monitored, and there are regular meetings that take place to make sure that government is always up to date with the developments in the area.

The demand for Section 139 intervention was not acceded to. Instead, the Auditor General was tasked with the responsibility to undertake investigation in the municipality and report back to the stakeholders, i.e., Gauteng CoGTA, the municipality and the GWCRA, in May/June 2015. As per plan, the Auditor General reported back on 08 June 2015 in a session attended by all the stakeholders. The report back session was followed by a media release by the MEC for CoGTA, in which the MEC welcomed the release of the
Auditor General's forensic report on allegations of corruption and maladministration in Westonaria Local Municipality.

In the main, the forensic investigation centred on six allegations of corruption and maladministration in (a) the procurement of waste management service provider; (b) procurement of lie detector; (c) procurement of service provider for clean-up campaign; (d) procurement of service provider for construction of houses; (e) payment to a fictitious security company; and (e) payments of Executive Mayor’s private trip to the Eastern Cape.

The Auditor General's findings were adverse on two of the six allegations. Firstly, in the procurement of waste management, it was found that the municipality did not comply with clause 2.2 of the Service Level Agreement on the empowerment of the Community Based Contractors. Secondly, it was found that the appointment of the service provider for clean-up campaign contravened section 32 (1) (d) of the Municipal Supply Chain Management regulations.

Notwithstanding the above remedial actions, the municipality is continuing to experience challenges with exerting its authority in communities and its legitimacy is always challenged by residents. The councillors are not able to call communities to meetings, and there is always a need for intervention by the provincial government.

Similarly to the Westonaria situation, Randfontein Local Municipality experienced a massive violent protest on 04 February 2015, led by one of the minority political parties in the area. The political party in question is currently not represented in Council, and the protest action was organised against poor service delivery and the municipality’s billing system, which is alleged to be biased against the poor in the area. The protest action in question degenerated into chaos and ultimately led to destruction of Council and private properties to the value of R10.25 million. Two vehicles and a house belonging to the Executive Mayor were burnt down in the process. Amongst the protesters arrested as a result were officials from Randfontein LM and the West Rand District Municipality.

The protesters further called on for the removal of the Executive Mayor. At the end of March 2015, Executive Mayor Sylvia Thebenare was removed and replaced by Cllr Mzi Khumalo. Calm has currently been restored in the municipality and the provincial government is monitoring the situation closely.

In the Sedibeng region, areas that have experienced protest action during this period include Boiketlong informal settlement in Emfuleni LM. The community of Boiketlong’s complaints include lack of basic services such as electricity and water. The municipality, however, argues that the protest action was about housing delivery, instead, which is a competency of the provincial government. The province has provided support to the
municipality by contracting Rand Water to supply water, and the process is underway to provide home solar lighting in the area.

The municipality is also upgrading the Sebokeng Sewer Core Works, and processing township establishment in order to improve service delivery. Both the province and the municipality are meeting the community regularly to normalise the situation on the ground.

The other community that has been in protest is Thembelihle, Lenasia, which is an informal settlement under the City of Johannesburg. At first the community was not willing to meet with the municipal leadership to resolve the service delivery issues amicably. Until recently, both the Department of Human Settlement and CoJ have since resolved prevailing challenges and the situation is back to normal. The main concerns were electricity supply (or lack of) and housing. The situation is closely monitored, regardless.

The province has also experienced a spate of violent attacks on foreign nationals. The most affected were the metropolitan areas of Ekurhuleni and Johannesburg, particularly areas such as Cleveland, Tembisa, Makause and Angelo informal settlements, parts of Soweto, Brakpan, Alberton, Kempton Park, Boksburg, Springs, Benoni, Nigel, Edenvale, Bramley and Jeppestown. Joint operations centres were activated as a result and camps were established in Primrose, Elsburg and Mayfair to provide shelter for the displaced foreign nationals. As at April 2015, 688 foreign nationals were accommodated in shelters around Primrose, 218 displaced persons in Elsburg, and 145 in Mayfair. The provincial executive, working together with NGOs, religious formations and the United Nations, have managed to calm the situation. The security cluster in the province, together with the relevant metropolitan police, has maintained peace and order in the affected communities.

The province has resolved to undertake the following remedial actions to improve public participation:

a) Undertake the review of the legislative regime to recognise the organs of peoples’ power, while strengthening the existing structures. The legislative review committee will be seized with this task culminating in approval by Parliament;

b) Repositioning of CDWs to play a key role in the Service Delivery War Room;

c) Enhancement of the Rapid Response Teams to proactively intervene in the so-called “hotspots”;

d) Fully implement the Service Delivery War Room across spheres of government for a coordinated response to service delivery challenges; and

Multi-stakeholder governance structures have also been established to engage communities on the matters raised. As a result, there is calm in both Westonaria and Emfuleni, save for City of Johannesburg (CoJ), which has been experiencing sporadic public protests in Thembelihle recently.
e) Gauteng Human Settlements, working together with municipalities, to speed up the
building of houses and proclamation of township establishment in order to reduce
incidents of land invasion.

Gauteng municipalities are continuing to battle the challenge of community protests, some
violent and other generally peaceful in nature. From 06 December 2014 until 25 March
2015, there have been at least sixty-one (61) incidents of community protests within the
Gauteng province. The majority of these protests are due to, amongst others, lack of basic
service delivery (electricity, water, sanitation and refuse removal), and particularly in
informal settlements. Invasion of vacant land and protests relating to the allocation of low
cost housing has also been on the increase.

Beyond March 2015 and until the end of June 2015, the province continued to experience
further incidents of community protests. It is however worth noting that during this period,
the violence that previously accompanied these protests was absent. Many of the protests
were peaceful, although they may have involved street blockages and barricading with
rocks. Another important fact worthy of note is that the public protests were not only about
poor service delivery by government, but rather included several incidents of protest action
by workers in the private sector, such as MTN, the second largest cellular phone company
in the country, and others.

During the month of June 2015 in particular, the province experienced a significant number
of community demonstrations, and these were spread across the spectrum rather than just
protests against government’s “poor” performance. Incidents of picketing were recorded in
unusual centres such as Sandton central business district, particularly by members of the
various communities from as far and wide as Somalia, Cameroon and Zimbabwe. These
demonstrations were peaceful in nature, and particularly aimed at attracting the attention
of the African Union (AU) leaders who were gathered in South Africa, Gauteng, for the 25th
AU Summit from the 08th to the 15th of June 2015.

Further unusual demonstrations were recorded in areas such as Midrand, Fairlands,
Germiston, Alberton, Arcadia in Pretoria and Johannesburg central business districts.
These were mainly by employees of various private companies protesting against poor
working and/or salary conditions.

Protests against poor government performance, especially on issues such as load-
shedding, poor road conditions, frequent power outages, land invasion, housing and non-
issuance of title deeds, prepaid metering and overall poor delivery of services by
government were recorded in areas such as Soshanguve, Ga-Moima Village, Kameeldrift,
Mamelodi East, and Leeuwfontein in the Tshwane metro; Sebokeng and Evaton in
Emfuleni, Meyerton in Midvaal, Ivory Park, various parts of Soweto, Eldorado Park, and
Orange Farm in the City of Johannesburg; and Katlehong (Zonkezizwe) and Etwatwa in Ekurhuleni metro.

In the West Rand district, protest action was recorded in Bekkersdal, Westonaria LM, on 19 June 2015. The protesters were complaining about employment criteria used in some government funded projects.

As demonstrated above, some of the triggers for the recorded protests are factors falling outside of the municipalities’ span of control such as housing backlogs, which is an area of provincial and national competence. Proposed actions in this case are focused on efficient delivery of services and development of systems that would ensure that municipalities are able to detect failures in the system earlier rather than later, to enable a speedy resolution before communities resort to violent protests.

The provincial government has recognised the above challenges, and has therefore resolved to undertake the following actions:

- Strengthen communication and public participation systems between government, community and other stakeholders.
- Strengthen structured dialogue and citizen engagements through partnerships across the spheres of government
- Recognise alternative platforms of organs of peoples’ power for meaningful and constructive engagement with communities.
  - To review the current public participation structures with a view to recognise the organs of peoples power that are not legislated. This work will be undertaken during the first quarter.
  - Review of the Public Participation legislative framework, which will feed into the National DCoG’s LG General Laws Amendment process.
- Ensure adequate resourcing and capacitation of ward committees (capacity and funding).
- Introduce and implement ward-based planning and strengthen feedback mechanisms.
  - Develop guidelines to assist Municipalities to deal with petitions.
- Undertake Annual Community Satisfaction Surveys in collaboration with the GCRO.
- Strengthen IGR regarding planning, financing and implementation of key service delivery programmes.
- Formalisation of Informal Settlements.
- Development and Funding of key service delivery plans (Refuse Removal, Sanitation, Electricity)
- Establish an Ombudsman to address service delivery issues
- Establishment of integrated Early Warning and Response Systems.
o Continue to monitor the situation in the three (3) Municipalities most affected by the violent protests, namely: Westonaria, Emfuleni and the City of Johannesburg.

o Enhance the role of the Human Settlements Inter-Departmental Governance Structure, which has been established to support Human Settlements programmes and resolve associated challenges.

o Reconfiguration of the CDW programme to support public participation processes.

o Engage the services of the AG’s Office to investigate allegations of corruption in WLM – Investigation is underway, and the report is still awaited.

o The Service Delivery War Room has been established (early warning and response system) to effectively respond to service delivery challenges and protests.

### Impact of the interventions in Westonaria and Randfontein LMs:

**Putting People First**

Overall, a positive impact has been recorded in the two “at risk” municipalities of Westonaria and Randfontein with regards to the B2B objective of putting people first. In both these cases, the following improvements have been recorded since the implementation of the B2B approach:

- Municipal Councils and Ward Committee structures are fully functional and meet as prescribed. They also assist in the profiling of wards and the identification of indigent households in their wards, for the purposes updating indigent registers.

- The violent protest actions that were commonplace in both these municipalities have reduced significantly. Bekkersdal, which is the largest informal settlement falling under the Westonaria LM, is no longer a hotspot.

- Westonaria LM has resolved 83% of petitions, and Randfontein LM has also shown improvement from 16% to 82% of the petitions resolved as at August 2015. Although the performance is showing a steady improvement, this remains an area that the provincial government, in partnership with the all the affected municipalities in the province, is focusing effort on for a sustainable solution.

- There are multi-stakeholder governance structures that have been established to engage the affected communities and thereby resolve service delivery challenges. Among these is Gauteng’s *Ntirhisano Service Delivery War Room*, which has been established to ensure that socio-economic challenges that face different communities in the province are attended to speedily and sustainably.

- There is overall political stability in these two municipalities, and no political interference in the administration has been recorded.

- The political volatility that characterised the Randfontein LM earlier in the year (2015) was resolved by removing the then Executive Mayor and appointing a new Mayor, Councillor Mzi Khumalo, at the end of March 2015. This has since brought political stability in the municipality.
8.5.2 PILLAR 2 - DELIVER MUNICIPAL SERVICES

This Pillar is also referred to as *Basic Services - Creating Conditions for Decent Living*. It is primarily focused on ensuring that all municipalities develop service standards for each municipal service, and that they establish systems for monitoring adherence to the set standards. Municipalities are also required to report on ward-level service delivery plans. It is further expected that municipalities be able to perform certain basic activities such as the development of fundable, consolidated infrastructure plans, and ensuring that infrastructure development and maintenance, including reduction of losses with respect to water and electricity, are carried out. The action plan will assist the municipalities in this regard.

The Gauteng Municipalities are performing well compared to the national performance. Indicated hereunder is the table showing the percentage of households with access to basic services at year 2014.

<table>
<thead>
<tr>
<th></th>
<th>Energy (% of households connected to the mains electricity supply)</th>
<th>Water (% of households with access to piped or tap water)</th>
<th>Sanitation (% of households that have access to improved sanitation)</th>
<th>Refuse Removal (removed at least once a week)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>80%</td>
<td>90%</td>
<td>79.5%</td>
<td>63.8%</td>
</tr>
<tr>
<td>Gauteng</td>
<td>83.8%</td>
<td>96.4%</td>
<td>90.9%</td>
<td>89.1%</td>
</tr>
</tbody>
</table>

*Table 4: Percentage of households with access to basic services - 2014*

Notwithstanding the overall positive performance in this area, Gauteng Municipalities are still experiencing service delivery challenges such as:

- Inadequate water and electricity supply;
- Poor billing;
- Excessive water losses;
- Poor infrastructure maintenance; and
- Lack of adequate housing.

In terms of the B2B diagnostics, there are serious concerns with regard to the development and update of infrastructure plans. Although most municipalities have Integrated Transport Plans (ITPs), further action is still required to guide transport infrastructure roll-out, as well as updating the existing Road and Transport plans. The plans are also not adequately funded, which highlights the need to find and source more funding streams for the plans.
According to the B2B diagnostic exercise carried out in February 2015, Randfontein and Westonaria Local Municipalities were either without integrated infrastructure plans, or some of their plans were dated and required review/update. For the Randfontein LM, both the Water Services Development Plan and the Integrated Waste Management Plan required review, and initiatives are place with the provincial Department of Agriculture and Rural Development (GDARD) as well as the national Department of Environmental Affairs to support the municipality in the revision process. Westonaria LM, on the hand, has a challenge with the Integrated Energy Plan in addition to the two stated above, and similar arrangements are in place for review purposes.

Most of the municipalities are yet to develop their electricity master plans. Among the metros, Ekurhuleni and Johannesburg do not have integrated electricity master plans. Furthermore, although majority of the municipalities have made progress in waste management, a lot still has to be done to develop integrated waste management plans. A similar situation was recorded with water services. While municipalities have begun to make strides regarding water services development plans, both Johannesburg and Ekurhuleni metros are yet to update their water management development plans.

Roads and storm water plans are of concern, especially. Most municipalities are at high risk of experiencing flood-related disasters and must therefore develop and/or update these plans. Ekurhuleni does not have a storm water management plan in place.

Water and electricity losses are at an alarming rate across the province, more especially in the three metros of Johannesburg, Ekurhuleni and Tshwane. The Water and Sanitation Management Plan for the Gauteng City Region developed by the Department of CoGTA at the beginning of 2015 indicates that 37% of the system input for water is lost annually, equating to 1 580m$^3$ of water lost per year. Although the plans to reduce water and electricity losses are in place in some of the municipalities, the extent of losses is alarming.

In the Sedibeng District, both Midvaal and Emfuleni Local Municipalities experience considerable amounts of water losses through leaks in their respective reticulation systems. Unbilled and unrecorded consumption is also a major concern in these municipalities. For Midvaal LM, the rate of non-revenue water loss was at 24%, and 34.1% in Emfuleni during the month of January 2015. Emfuleni LM has, however, partnered with Sasol to implement a Water Conservation Water Demand Management (WC/WDM) Programme, which has already begun to yield positive results in reducing water losses. Merafong City and Mogale City LMs also have a challenge of extremely high water losses, at 41.8% and 46.8%, respectively. This has direct implications on these municipalities’ revenue base. Remedial action to mitigate water losses include measures to reduce water losses by 15%, promoting rain water harvesting, and the implementation of the AMD Action Plan as per SOPA 2015.
Merafong City Local Municipality has a different challenge concerning water supply. Most recently, there was a lack of water supply in a mining village known as Blyvooruitzicht and the municipality was accused of failing on its constitutional mandate in so far as basic water supply is concerned. According the Municipal Manager for Merafong City LM, the municipality was owed an estimated R700 million for water that was previously supplied to the village. The mine is facing liquidation and the liquidator has been implored to settle the outstanding account in order for water supply to be restored.

Gauteng CoGTA, in consultation with the Departments of Justice and Minerals, successfully intervened in the areas and a workable solution for the problem was found. Part of the solution was to secure investors to rescue the Mine and revitalise the economy, which is still in process. The other intervention included amicable resolution of court application lodged by SAHRC against the Municipality for failure to provide water to the mining village. Generally, available evidence suggests that mine operations have adverse impact on water reticulation infrastructure in the West Rand. Gauteng cabinet has as a result taken a decision that Gauteng CoGTA, with support from other sector Departments, should continuously engage mining houses on this and other related issues.

Linked to the issue of water cut-offs and losses is the challenge of sanitation. Recently it has been reported that Emfuleni Local Municipality and the province at large are facing a possibility of their fresh water resources contaminated by effluent discharge directly into the Vaal River system. The Metsimaholo Local Municipality in the Free State province is reportedly working on completing a pipeline that would pump raw sewerage from an area called Refengkgotso into the Vaal Dam in a bid to alleviate pressure on the town’s overflowing sewerage plant.

This project is currently halted by the national Department of Water Affairs (DWA) because due process was not followed by the municipality. In the event DWA allows the project to proceed, its consequences will be dire for the people of Gauteng who mostly rely on the Vaal River System for fresh water. To remedy the situation, Gauteng CoGTA is also engaging the parties involved for a resolution.

On electricity outages and losses, the highest rates of loss are reported in Westonaria (25%), Emfuleni (20.4%), and Merafong City (18.16%). Illegal electricity connections and tampering with electricity meters are the main factors behind electricity losses in these municipalities.

Incidents of electricity outages are becoming commonplace in many of the Gauteng municipalities. While the obvious reason may be the rolling load shedding incidents, there could be other reasons that may require further investigation. There is no doubt that businesses and productivity in general, are impacted negatively by these outages. For example, Midvaal LM reported a total of 37 electricity outages for the month of April 2015.
For other municipalities, the number of outages was in excess of 300, which suggests that they may have reported on the number of settlements affected by the rolling electricity outages.

Of major concern is also the amount of time it takes on average to fix outages in the system. For municipalities such as the City of Johannesburg, Lesedi LM and Westonaria LM, the average time it takes to fix electricity outages is in the region of 6-9 hours as per the April 2015 Back-to-Basics report.

According to Statistics South Africa, General Survey (2013), Gauteng province had 58 bucket toilets in Ratanda Extension 8, which falls within the jurisdiction of Lesedi Local Municipality. On 02 June 2015, a public participation event on the eradication of bucket system was held in Ratanda Township, and the residents have since been allocated new houses at Obed Nkosi settlement. Currently, no bucket system exists in the informal settlement. Both the MEC for CoGTA, Honourable Mamabolo, and the Executive Mayor of Lesedi Local Municipality, Honourable Lerato Maloka presided over the ceremony. All the bucket toilets in the area were physically removed.

Merafong City Local Municipality is also experiencing problems of sinkholes because of the dolomitic nature of the area. This condition impacts negatively on the stability of housing structures in the municipality. The department is considering the request from the municipality to fund the introduction of remedial plans. The Provincial Treasury will also be engaged for support.

Infrastructure plans for maintenance and repairs (operations and management) require further scrutiny. Tshwane, Johannesburg and Ekurhuleni metros have outlined their plans for improving infrastructure development and maintenance. However, the same has not been reported by the locals. It is by addressing these challenges that municipalities throughout the province will be in a position to focus more on the quality of service rather than simply access to a service. There is also a need to take the following into consideration when planning for infrastructure development and maintenance: rate of migration in the province; long term strategic plans; sufficient budget allocation for Operations and Management (O&M); more capital expenditure; and deliberately focus on housing, electricity and waste management.

Gauteng municipalities are doing very well with regards to the provision of free basic services and the maintenance of indigent registers. Across all municipalities, a minimum of 6kl of water and 50kWh of electricity is provided to the registered indigents every month. Approved and registered indigent households are fully subsidised for property rates as well as refuse removal charges. There is, however, a concern that some of the municipalities are extending the free basic services to consumers that are not on the indigent register.
In these municipalities, all consumers of municipal services receive 6kl of water and 50kWh of electricity free of charge.

The provincial department of CoGTA is attending to this matter as it impacts on the financial sustainability of the municipalities that are providing universal access to free basic services.

Gauteng municipalities further have challenges of inadequate tariff models for key municipal services, high level of debt on purchase of bulk services, misalignment of key service delivery policies, insufficient funding for maintenance, refurbishment and replacement of key infrastructure and under-expenditure on CAPEX.

The municipalities of Westonaria and Randfontein are among the top 20 municipalities that owe Eskom, and the problem of tariff models that are not cost-reflective remains a key challenge. A combined amount of R141 582 715.70 is owed by these two municipalities, and they have since agreed on and signed the payment schedule with Eskom, which will see the two municipalities settle their outstanding debt by March 2016. To address these challenges, the province has contracted a service provider to develop cost-reflective tariff models for all the local municipalities.

Emfuleni LM is particularly experiencing challenges with replacement of aging infrastructure. Currently, there are discussions between the Planning Division, Provincial Treasury, Gauteng CoGTA and the municipality on funding necessary for the replacement of aging infrastructure. A Provincial Infrastructure Master Plan has also been developed by the Gauteng Planning Division (GPD) to address the challenges of aging infrastructure in municipalities, including large scale roll-out of new infrastructure. Furthermore, the Gauteng Infrastructure Coordinating Council (GICC), led by the Premier, has been established to coordinate the implementation of infrastructure programmes in the province.
For the two municipalities of Westonaria and Randfontein LMs, projects aimed at turning the situation around are already showing improvement. As at August 2015, 15 illegal dumping hotspots at Kgomeahlaba Street, 38 illegal dumping hotspots in the formalised areas, and 12 hotspots in the informal settlements have been cleaned up. Furthermore, a total of 2158 wheelie bins were delivered to Bekkersdal’s formal households in order to alleviate the challenge of illegal dumping. Over and above refuse removal projects, sanitation and sewer upgrade, formalisation of an informal settlement (Afghanistan), electricity connections, erection of high mast lights and allocation of 1079 houses to beneficiaries was done.

Further details of the action plan towards the resolution of these and other similar challenges will include the strategic interventions identified on the basis of the prevailing challenges in each municipality.

These include:

- Integrated Planning and Funding of Infrastructure Master Plans in line with key national, provincial and municipal plans (Corridors of Development, Revitalisation of Distressed Mining Towns, and so forth);
- Ring-fencing of infrastructure maintenance (minimum 8% of budget);
- Civic education against theft and malicious damage to government property;
- Launch the Know Your Asset Campaigns;
- Technical interventions (fix leaking valves, installation of water pressure reduction valves);
- Campaign to promote Water Conservations and prevent water leakages - no drop campaign);
- Reduction of Water Loss by 15%, in line with the SOPA 2015 Premier’s commitment;
- Undertake awareness campaign on water harvesting across the province in line with the Department’s Water and Sanitation Strategy approved in 2015;
- Support the development and implementation of the energy mix strategies by the Department of Infrastructure Development (DID) to ensure sustainable electricity supply to Gauteng citizens;
- Community education and awareness campaigns;
- Introduction of Provincial guidelines on ensuring uniformity in the provision of a basket of Basic Service by Municipalities (water, sanitation, refuse removal, electricity);
- Strengthening of coordination between debt collection and indigent management;
- Carry out geo-technical investigations in order to inform infrastructure maintenance and expansion;
- Undertake audit on the backlogs, and mobilise alternative funding options for infrastructure maintenance, refurbishment and replacement;
- Implementation of targeted campaigns such as “Know and Maintain your Assets, Greening and Cleaning (Prevention of Illegal Dumping); Road Maintenance, with specific focus on filling of potholes; and Maintenance of Sanitation Infrastructure (Prevention of Sewer Spillages and Bucket Eradication);
- Develop and implement cost reflective tariff models;
To address challenges of housing and stands, the Department of Human Settlements, in partnership with CoGTA, has resolved the following:

(a) Introduction of housing security service (Biometric) to regulate allocation of houses to the intended beneficiaries.

(b) Streamline beneficiation list process, which include thorough screening and verification of applicants through an independent agent.

(c) Partner with Municipalities in reconciliation of beneficiation list to obviate corruption in the whole process of housing allocation.

(d) Conducting site visits and community meetings to receive complaints from affected communities and, also give feedback on commitments made by government.
Impact of interventions in Westonaria and Randfontein LMs: Basic Services

Both Westonaria and Randfontein LMs are situated in the West Rand Region, which is experiencing severe economic decline. The region is dependent on mining activity for economic sustainability and growth, which is currently on a steep decline. The commodity prices are at the lowest currently, resulting in massive retrenchments and job losses. This leads to an increase in the size of indigent population in the municipalities situated in this region.

The increase in the size of the indigent population due to retrenchments has put a burden on Westonaria and Randfontein local municipalities to provide free basic services to the ever growing number of people who are without income.

Notwithstanding the above, the municipalities have managed to meet their service delivery obligations to communities, including the servicing of Eskom account that was in arrears. The provincial administration played an important role in ensuring that these municipalities deliver services without interruptions.

8.5.3 PILLAR 3 - SOUND FINANCIAL MANAGEMENT AND ACCOUNTING

Across all institutions of government in the country, prudent financial management and sound accounting practices is an area that is top of the priority list. It is through financial prudence and good accounting practices that community services can be delivered optimally and sustainably even with limited financial resources at the disposal of government. Reduction in the number of disclaimers, and possibly eliminating them, coupled with increasing the percentage of revenue collection, development of cash-backed budgets, servicing of municipal debts and the efficiency of Supply Chain Management (SCM) are among the most critical areas of focus under this B2B Pillar.

(a) Government debt owed to Municipalities

Gauteng municipalities face the ever increasing challenge of high municipal debt levels and a culture of non-payment for municipal services, poor liquidity (budgets that are not cash-backed), and non-compliance with SCM policies, either due to lack of capacity or the requisite skills.

The table below illustrates consolidated levels of debt per department owed to each of the Gauteng municipalities as at end of May 2015, particularly the Top-7 departments:
Table 5: Municipal Debt per Department – May 2015

<table>
<thead>
<tr>
<th>Department</th>
<th>DoE</th>
<th>DID</th>
<th>NPW</th>
<th>DRT</th>
<th>DoH</th>
<th>DSD</th>
<th>DHS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoJ</td>
<td>23,841,453.06</td>
<td>119,587,687.40</td>
<td>43,462,878.08</td>
<td>671,704.12</td>
<td>9,503,162.73</td>
<td>-</td>
<td>512,428.69</td>
<td>197,669,314.08</td>
</tr>
<tr>
<td>Ekurhuleni</td>
<td>77,293,099.21</td>
<td>153,070,027.05</td>
<td>27,490,643.15</td>
<td>443,358.97</td>
<td>20,185,360.00</td>
<td>-</td>
<td>86,281,331.08</td>
<td>317,165,793.06</td>
</tr>
<tr>
<td>CoT</td>
<td>18,830,853.63</td>
<td>102,605,449.37</td>
<td>7,219,208.24</td>
<td>4,414,000.37</td>
<td>3,202,462.40</td>
<td>1,835,406.10</td>
<td>-</td>
<td>36,207,087.27</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>22,435,025.61</td>
<td>39,332,040.28</td>
<td>14,079,515.91</td>
<td>1,764,404.02</td>
<td>14,926,549.90</td>
<td>-</td>
<td>10,514,577.05</td>
<td>103,661,912.83</td>
</tr>
<tr>
<td>Lesedi LM</td>
<td>526,570.26</td>
<td>3,171,008.75</td>
<td>3,229,329.54</td>
<td>58,706.15</td>
<td>671,015.89</td>
<td>394,480.06</td>
<td>-</td>
<td>8,152,189.65</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>2,121,850.97</td>
<td>5,323,794.17</td>
<td>874,469.73</td>
<td>-</td>
<td>637,358.15</td>
<td>-</td>
<td>-</td>
<td>8,957,508.02</td>
</tr>
<tr>
<td>Mogale City LM</td>
<td>570,447.60</td>
<td>3,690,181.57</td>
<td>2,869,489.64</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,130,098.81</td>
</tr>
<tr>
<td>Meredtong City LM</td>
<td>4,488,754.38</td>
<td>5,606,754.59</td>
<td>-</td>
<td>-</td>
<td>5,314,792.58</td>
<td>-</td>
<td>-</td>
<td>15,410,301.55</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>945,944.52</td>
<td>797,847.22</td>
<td>2,038,841.88</td>
<td>-</td>
<td>-1,103.34</td>
<td>-</td>
<td>-</td>
<td>3,773,333.28</td>
</tr>
<tr>
<td>Westonaria LM</td>
<td>563,945.24</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>563,945.24</td>
</tr>
<tr>
<td>TOTAL</td>
<td>162,019,914.48</td>
<td>433,190,671.00</td>
<td>101,969,178.17</td>
<td>7,352,253.63</td>
<td>60,623,638.37</td>
<td>2,229,888.16</td>
<td>133,515,424.69</td>
<td>890,790,864.50</td>
</tr>
</tbody>
</table>

Primarily, the table illustrates that the consolidated debt owed to Gauteng Municipalities by government Departments amounts to an estimated R890 million. The highest amount owed is by the Department of Infrastructure Development (DID), constituting R433 million of the total debt owed to Municipalities, trailed by the Department of Education (DoE) at R152 million.

The key contributing factor to the high amount of debt owed by the Department of Infrastructure Development is the ever increasing number of properties that are added to the schedule per year by the Municipalities, for which the Department has not projected and budgeted for. For the Department of Education (DoE), the contributing factor for is the Section 21 Schools, for which the Department does not have full budgetary control.

Notwithstanding the challenge, the municipalities have been able to collect significantly during the same period. A total debt collection of about R220 million was recorded across all municipalities at the end of May 2015. The table below illustrates that all government departments, in exception of the National Public Works (NPW) and the Department of Social Development (DSD) have been able to make payments on the debt owed to municipalities. Most noticeably, the Department of Health (DOH) has been make payment to all the municipalities, besides the Midvaal LM.
To address problems of poor financial management and accounting, and to build on the good performance demonstrated in the table above on improved collection, the province has resolved to embark on the following steps to address the problem:

(a) Establishment of the Debt Management Committee (DMC) aimed at resolving and facilitating payment of government debt, and intervene where required.
(b) To develop a special dispensation for Non-Profit Organisations (NPOs) and Section 21 schools, and
(c) That all GPG departments should settle their debt to municipalities. The performance of these departments to be monitored by the DMC on a monthly basis.

Two of the ten municipalities (this excludes District municipalities as they do not make any collection) in Gauteng are performing poorly in terms of debt collection rate. These are Westonaria (56.9%) and Emfuleni LMs (61.1%). Randfontein LM, which used to be among those poor performing municipalities has turned the corner and collection rates has improved significantly to 85% as at the end of the municipal financial year in June 2015. Midvaal (74.8%) and Mogale City (77.6%) each have a collection rate comparable to the provincial average of 75%.

The rest of the municipalities are above the 80% mark. However, it is of concern that they remain below the 95% requirement. The Gauteng Provincial Government has therefore started with the development and implementation of revenue enhancement and debtor management strategies, which include data cleansing and the establishment of Revenue Enhancement Committees, among others.

The collection rates by municipalities are as presented in the bar graph below:
(b) Municipal Finance Analysis: Liquidity ratio, MIG expenditure and 30-day payment period

Figure 5 below illustrates that municipal liquidity ratios are an area of concern. Both Randfontein and Westonaria LMs, which are amongst the municipalities that are experiencing collection challenges, have serious liquidity problems. Similarly, Sedibeng District Municipality has liquidity problems. On the other hand, Ekurhuleni metro and Midvaal LM are within the financial liquidity norm range of between 1.5 to 2:1. City of Johannesburg, Merafong City and West Rand District have also demonstrated that their assets are more their liabilities, therefore financially sustainable.

The City of Tshwane has peculiar circumstances. For this municipality, the challenge of poor liquidity (budget not cash-backed) is particularly attributable to the 2011 merger with Metsweding District and its constituent locals. The municipality is considering a legal action against the provincial government to recover an amount estimated at R1.5 billion, which was incurred by the municipality as a result of the merger. This matter was also raised at the recent extended national Budget Committee Meeting for consideration. As part of resolution of this liquidity problem, the provincial government has agreed to the establishment of a multi-stakeholder committee, which will comprise of municipalities, Gauteng CoGTA, Gauteng Treasury, national DCoG and FFC, to develop a province-wide coordinated response to the problem. The matter involving the City of Tshwane will therefore not be dealt with in isolation, regardless of its peculiarity.
Figure 6 below is an illustration of Municipal Infrastructure Grant (MIG) expenditure as at the end of May 2015. During the period under review, provincial expenditure was at an average of 74.63%. It is anticipated that majority of the municipalities will have registered more than 90% spending at the end of the financial year in June 2015, especially municipalities such as Emfuleni, Midvaal and Merafong City LMs, which are at 80% or more currently.

For those below the 80% mark, there is a concern that they may not be able to spend their total MIG allocation, and the provincial government has begun intensifying the work of the War Room on MIG Expenditure to ensure that these municipalities improve on their spending of the MIG funds.

On property valuations, there is currently a valuation appeal judgment by the Valuation Appeals Board (VAB) against Merafong City LM. The municipality has resolved to take the
matter on review and therefore remains sub judice. A similar case involving the City of Johannesburg was recently resolved by the Supreme Court of Appeal, in favour of the municipality.

The implications of the current Merafong City judgment and current valuation disputes with the mining houses in the area may lead to a total collapse of the affected municipalities. It is therefore for this reason that the provincial government is working on strategies to respond to the challenges associated with the application and implementation of the Municipal Property Rates Act, as amended.

As it concerns the grading of municipalities and the determination of Upper Limits for municipal councillors, Emfuleni LM has despite its poor collection performance been upgraded to a Grade 6 municipality. The West Rand District Municipality has, on the other hand, been downgraded to Grade 4.

In terms of Section 65 (e) of the Municipal Finance Management Act (MFMA), 2000, all money owing by municipality must be paid within 30 days of receiving the relevant invoice or statement.

Table 7 illustrates that in Gauteng, all municipalities except for the City of Tshwane, Ekurhuleni metro, Midvaal LM and Sedibeng DM, are failing to comply with this provision. The City of Johannesburg accounts for the largest amount, estimated at R163 million. This constitutes more than 41% of the provincial total of R396 million.

Randfontein and Westonaria LMs are in second and third places, respectively, and it is understood that these are mainly related to the debt owed to Eskom that the two municipalities are currently servicing it terms of the individual settlement agreements reached with Eskom during the month of April 2015.

<table>
<thead>
<tr>
<th>MUNICIPALITIES</th>
<th>31 - 60 Days (R'000)</th>
<th>61 - 90 Days (R'000)</th>
<th>Over 90 Days (R'000)</th>
<th>TOTAL (R'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Johannesburg</td>
<td>48,422</td>
<td>1,865</td>
<td>112,654</td>
<td>162,941</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ekurhuleni Metro</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>6,669</td>
<td>4,346</td>
<td>8,393</td>
<td>19,408</td>
</tr>
<tr>
<td>Lesedi LM</td>
<td>18,181</td>
<td>1,573</td>
<td>448</td>
<td>20,202</td>
</tr>
<tr>
<td>Merafong City LM</td>
<td>10,730</td>
<td>0</td>
<td>7,683</td>
<td>18,413</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mogale City LM</td>
<td>33,236</td>
<td>624</td>
<td>0</td>
<td>33,860</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>30,115</td>
<td>0</td>
<td>52,557</td>
<td>82,672</td>
</tr>
<tr>
<td>Westonaria LM</td>
<td>161</td>
<td>(117)</td>
<td>58,535</td>
<td>58,579</td>
</tr>
</tbody>
</table>
Figures for Mogale City and Lesedi LMs show a steady increase over a 90 day period, which may be an indication that the two municipalities could possibly be experiencing cash flow problems. To deal with this and other municipal finance-related challenges, the provincial government has adopted a coordinated approach to addressing municipal financial matters in the form of a multi-stakeholder committee, which will comprise of municipalities, Gauteng CoGTA, Gauteng Treasury, national DCoG and FFC, whose main focus is to develop a province-wide coordinated response to the problem.

(c) Bulk Purchases (Water and Electricity)

Table 8 (below) illustrates that during the third quarter of 2014/15 Financial Year, an aggregate of R25.7 billion (74%) was spent on bulk purchases by Gauteng municipalities, against a total budget of R34.9 billion for the quarter under review. Municipalities collected R51.3 billion revenue on bulk purchases, recording a net profit of R25.6 billion.

Randfontein LM performed above the 75% norm, incurring expenditure of 89%, followed by the City of Johannesburg at 75% performance. Westonaria LM was the lowest at 61%. In June 2015, a National Treasury report indicated that Gauteng Municipalities owed Eskom and Rand Water a combined total of R2.8 billion as at April 2015 (See Table 9
below). During this period, the arrears have also increased by R33.4 million (14%) from the period ending December 2014 to April 2015. Randfontein LM and Westonaria LM are the two municipalities in the province with persistent arrears to Eskom. Westonaria LM has a financial recovery plan in place, and both municipalities have made payment arrangements with the institutions in order to address the shortfalls, as reported elsewhere in this report.

<table>
<thead>
<tr>
<th>Debt owed by Gauteng Municipalities to Eskom and Rand Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Eskom</td>
</tr>
<tr>
<td>Rand Water</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Table 9: Outstanding Debt on Bulk purchases – Quarter 3 of 2014/15

(d) Employee Related Costs

Across all Gauteng municipalities, employee-related costs amounted to R17.5 billion (73%) at the end of Quarter 3 of the 2014/15 FY. This was against a budgeted amount of R24.2 billion.

<table>
<thead>
<tr>
<th>Employee Related Costs – March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality</td>
</tr>
<tr>
<td>City of Johannesburg MM</td>
</tr>
<tr>
<td>City of Tshwane MM</td>
</tr>
<tr>
<td>Ekurhuleni MM</td>
</tr>
<tr>
<td>West Rand DM</td>
</tr>
<tr>
<td>Randfontein LM</td>
</tr>
<tr>
<td>Westonaria LM</td>
</tr>
<tr>
<td>Mofokeng City LM</td>
</tr>
<tr>
<td>Mogale City LM</td>
</tr>
<tr>
<td>Sedibeng DM</td>
</tr>
<tr>
<td>Emfuleni LM</td>
</tr>
<tr>
<td>Midvaal LM</td>
</tr>
<tr>
<td>Lesedi LM</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Table 10: Employee Related Costs – Quarter 3 of 2014/15

Lesedi LM, West Rand DM and Westonaria LM were the lowest spending municipalities on the line item at 42%, 44% and 47%, respectively. This may adversely affect ultimate spending at the end of the financial year should the municipalities in question not improve spending on employee compensation (See Table 10 above).
(e) Approval of Municipal Budgets

Table 11 (below) illustrates that 100% of Gauteng Municipalities complied with Section 16 (2) of the MFMA, which requires the mayor of a municipality to table the annual budget at a council meeting at least 90 days before the start of the start of the new budget year.

However, only 72% of the municipalities complied with other related regulations such as submission of the tabled budget to both the National and Provincial Treasuries (Sec. 22 (b)), the publication of the tabled budget, and the tabling of the budget in a format prescribed in Regulation 14(a). The non-compliant municipalities in this regard include Sedibeng DM, Emfuleni, Lesedi, Randfontein, Merafong City LMs and the Tshwane metro.

<table>
<thead>
<tr>
<th>Code</th>
<th>Municipality</th>
<th>Date tabled in Council i.t.o Sec. 16(2) of the MFMA &amp; Reg. 14(1) of MBBR (31-Mar-2015)</th>
<th>Date Draft Budget &amp; Council Resolution Submitted i.t.o Sec. 22(b) of the MFMA Reg.15(3)(4) of the MBBR MFMA Circular 75 Hard Copy (10-Apr-2015)</th>
<th>Date Draft SDBIP Submitted to GPT inline with Reg. 15(3b) (10-Apr-2015)</th>
<th>Draft Budget Made Public i.t.o Sec. 22(a) &amp; 75 of the MFMA &amp; 22A of the MSA</th>
<th>Budget Format i.t.o Sec. 22A of the MFMA &amp; Reg. 14 (a)</th>
<th>Level of Compliance per Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC42</td>
<td>Sedibeng D.M.</td>
<td>31-Mar-2015</td>
<td>8-Apr-2015</td>
<td>16-Apr-2015</td>
<td>Yes</td>
<td>Yes</td>
<td>3 50%</td>
</tr>
<tr>
<td>GT421</td>
<td>Emfuleni L.M.</td>
<td>31-Mar-2015</td>
<td>8-Apr-2015</td>
<td>Not submitted</td>
<td>No</td>
<td>Yes</td>
<td>3 50%</td>
</tr>
<tr>
<td>GT423</td>
<td>Lesedi L.M</td>
<td>31-Mar-2015</td>
<td>1-Apr-2015</td>
<td>Not submitted</td>
<td>No</td>
<td>Yes</td>
<td>3 50%</td>
</tr>
<tr>
<td>GT481</td>
<td>Mogale City L.M.</td>
<td>31-Mar-2015</td>
<td>1-Apr-2015</td>
<td>1-Apr-2015</td>
<td>Yes</td>
<td>Yes</td>
<td>6 100%</td>
</tr>
<tr>
<td>GT483</td>
<td>Westonaria L.M.</td>
<td>31-Mar-2015</td>
<td>1-Apr-2015</td>
<td>Not submitted</td>
<td>Yes</td>
<td>No</td>
<td>4 67%</td>
</tr>
<tr>
<td>NW408</td>
<td>Merafong City L.M.</td>
<td>31-Mar-2015</td>
<td>31-Mar-2015</td>
<td>Not submitted</td>
<td>No</td>
<td>Yes</td>
<td>3 50%</td>
</tr>
</tbody>
</table>

Table 11: Compliance with Section 16(2) of the MFMA: Development of draft annual budgets for 2015/16

As illustrated in Table 12 below, all Gauteng municipalities approved their 2015/16 budgets on time. The Westonaria and Randfontein LMs, which are the two municipalities...
in the province that are at risk, are laudably amongst those municipalities that approved budgets on time. However, only 96% of the municipalities demonstrated compliance with all other regulations. Those that failed to comply were the City of Johannesburg, Westonaria LM, Merafong City LM and Sedibeng DM, which failed to submit the final approved budgets to the Department within the stipulated time.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Date Approved 30 June 2015</th>
<th>Submissions</th>
<th>Signed Council Resolution</th>
<th>Date submitted to the Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoJ MM</td>
<td>28-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>10-Jun-15</td>
</tr>
<tr>
<td>Ekurhuleni MM</td>
<td>28-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>1-Jun-15</td>
</tr>
<tr>
<td>CoT MM</td>
<td>28-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>3-Jun-15</td>
</tr>
<tr>
<td>West Rand DM</td>
<td>28-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>28-Mar-15</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>27-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>27-May-15</td>
</tr>
<tr>
<td>Westonaria LM</td>
<td>28-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>06-Jun-15</td>
</tr>
<tr>
<td>Merafong City LM</td>
<td>28-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>11-Jun-15</td>
</tr>
<tr>
<td>Mogale City LM</td>
<td>19-Jun-15</td>
<td>Yes</td>
<td>Yes</td>
<td>23-Jun-15</td>
</tr>
<tr>
<td>Sedibeng DM</td>
<td>25-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>9-Jun-15</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>23-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>3-Jun-15</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>25-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>04-Jun-15</td>
</tr>
<tr>
<td>Lesedi LM</td>
<td>27-May-15</td>
<td>Yes</td>
<td>Yes</td>
<td>3-Jun-15</td>
</tr>
</tbody>
</table>

Level of Compliance: 12

All Gauteng municipalities published their 2015/16 approved annual budgets on their websites as per section 75 of the MFMA as illustrated in Table 13 (below). This includes even those municipalities that are at risk in terms of the B2B Diagnosis, i.e., Randfontein and Westonaria LMs.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Website Reviews conducted on 23 June 2015</th>
<th>Level of Compliance per Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>IDP</td>
</tr>
<tr>
<td>CoJ MM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ekurhuleni MM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>CoT MM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>West Rand DM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Westonaria LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Merafong City LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mogale City LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sedibeng DM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Lesedi LM</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Level of Compliance: 12
Overall, Gauteng municipalities were compliant when it comes to the approval and publication of municipal budgets, save for a selected few municipalities on a selected number of variables. Those Municipalities that have failed to comply with certain provisions of the law have been directed to do so in the following financial year, and they will be closely monitored. Necessary support will also be provided by the provincial government to ensure that their compliance.

(f) Supply chain management and municipal audits

Regarding the efficiency and functionality of Supply Chain Management (SCM), overall municipalities are doing well and have reasonable functionality within the SCM environment. However, Merafong City is considered dysfunctional given its audit report which cited an irregular expenditure for three consecutive years. Randfontein LM, although reasonably functional in its SCM, had unauthorised expenditure for 2012/13 FY (amounting to R31 million), and 2013/14 FY (amounting to R80 000). The municipality also had fruitless and wasteful expenditure for 2012/13 FY amounting to R17 million. There was a slight decrease to R14 million in 2013/14 FY.

Actions to improve SCM functionality include the following: completing the review of SCM Policy; strengthening of current municipal processes that are intended at addressing SCM issues; ongoing interaction with GPG SCM Forum; and to conduct follow-ups on challenges and provision of support.

The proposed action plan for Gauteng Municipalities focuses on the commitment to strengthen Revenue Management Value Chain (20/80 principle), Cash Flow Management and Planning, the implementation of revenue enhancement and debtor management strategies, and SCM capacity building, among others. Other activities and programmes of action include:

- Ensuring correctness and completeness of Data on Billing System and Receipting;
- Updated and accurate property valuation roll;
- Customer care and communication;
- Effective credit control and debt collections;
- Address water and electricity fraud through partnerships with law enforcement agencies;
- Training and development of revenue management personnel;
- Installation and management of smart meters;
- By-Laws and Policy review and development;
- Government Debt Strategy implementation;
- Cost-reflective tariff models;
• Politically-driven initiatives to curb the growing culture of non-payment for services, and addressing the problem of “no-go areas”;
• Drive more effective Communications and Customer Relations;
• Income projections that are informed by realistic sources of revenue;
• Establish liquidity policy, borrowing funds and reserves policy;
• Development of long term financial plans;
• Strengthen contract and project management processes;
• Capacity building and training on SCM and ethics;
• Implement consequence management for non-compliance, fraud and corruption; and
• Strengthen and integrate IT system (payment, SCM).

On audit outcomes, there is evidence to suggest that the implementation of Operation Clean Audit (OPCA) Programme has had a positive impact in Gauteng. Positive trends have emerged in the province over the last five years, with the exception of Randfontein and Westonaria LMs, which had qualified audit outcomes in the last two years. Further to Westonaria Local Municipality’s challenges, the municipality only submitted its Annual Financial Statement (AFS) at the end of March 2015 due to challenges with its asset register, a problem which was eventually resolved after the intervention of the provincial Department of CoGTA. While majority of the municipalities received unqualified audit opinions, with a sizeable number receiving clean audit outcomes, Westonaria LM received an adverse audit opinion.

The Auditor General’s (AG) report has indicated that municipalities in the province need extensive support to comply with GRAP 17 standards on the updating and maintenance of Infrastructure Asset registers. Expenditure of Capital Budgets is however showing positive trends in the province, except in the cases of Randfontein, Westonaria and Emfuleni local municipalities.

For both Randfontein and Westonaria LMs, the provincial government has moved swiftly to appoint a consulting company to immediately provide Asset Management support services. Another service provider was also appointed to provide support with regards to complying with the GRAP Standards. In addition, Project Managers were appointed for each of Westonaria and Randfontein LMs to assist with the implementation of the Revenue Enhancement Strategy, which covers improvements in terms of collection rates.

### Impact of interventions in Westonaria and Randfontein LMs: Sound Financial Management

The Westonaria and Randfontein local municipalities are not doing very well in this regard, and have a challenge of low collection rate. As at the end of May 2015, both municipalities recorded a collection rate of 57% and 85%, respectively. In this case RLM performed exceptionally well. The two municipalities have also registered poor financial liquidity of 0.45:1 and 0.5:1, respectively.
8.5.4 PILLAR 4 - GOOD GOVERNANCE

In the Back-to-Basics context, the Good Governance Pillar determines the extent to which municipalities are fully transparent, accountable, and regularly engage with communities that they serve and the stakeholders they conduct business with. The pillar emphasises the functionality of municipal council structures, regular sitting of council (at least quarterly as per applicable legislation - s18 of the Municipal Structures Act, 1998), functional portfolio and oversight committees of council that sit and process items for council decisions, as well as clear delineation of roles and responsibilities between key leadership structures. Ability to develop and enforce quality municipal by-laws is also at the core of the good governance pillar.

According to the B2B Diagnostic exercise, Gauteng municipalities face the challenges of inadequate or poor enforcement of municipal by-laws, poor implementation of anti-fraud and corruption policies, and poor performance and risk management systems. To address these challenges, the provincial government has embarked on the following:

- Review, update and alignment of municipal by-laws across Gauteng; and
- Review and update of anti-fraud and corruption policies, including efforts to build a culture of ethical behaviour and accountability. To this effect, a partnership has been established with SALGA, DCoG and Ethics Institute of South Africa (EthicsSA) to institutionalise culture of ethical conduct and integrity in the province. The province will be piloting ethics during the third quarter of the 2015/16 Financial Year.

Gauteng municipalities are performing well in the area of municipal council sittings. The level of performance is the same with regards to the functionality of oversight structures. Having pioneered and implemented the Section 79 Oversight Model across the three metros, these municipalities have positive and valuable lessons to share in this regard.

The table below provides an analysis of Corruption Cases that have been reported to the National Anti-Corruption Hotline (NACH) as at June 2014.
<table>
<thead>
<tr>
<th>Municipality</th>
<th>Number as at June</th>
<th>NACH Cases Outstanding 28/02/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Johannesburg</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Ekurhuleni Metro</td>
<td>22</td>
<td>11</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>West Rand District</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Mogale LM</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

As at 28 February 2015, Sedibeng DM, Lesedi LM, Merafong LM, Westonaria LM did not have outstanding NACH cases.

Table 14: Reported Corruption cases per Municipality – National Anti-Corruption Hotline, Feb 2015

On the existence and efficiency of anti-fraud and anti-corruption measures, most of the municipalities in the province are doing well and have functional structures in this regard. Some of the municipalities have been more effective at finalising disciplinary cases than others. The City of Ekurhuleni is among those considered efficient.

The following progress has been made with regards to anti-fraud and anti-corruption measures:

- At as the end of March 2015, all 12 Gauteng municipalities’ Fraud and Corruption Strategies were evaluated to ensure alignment with the Local Government Anti-Corruption Strategy;
- All the three metropolitan municipalities had fully-fledged Anti-Corruption Units, however, local municipalities are particularly under-capacitated;
- The functionality of Ethics Committees in the Ekurhuleni, Tshwane, Johannesburg, Merafong, and Emfuleni municipalities were evaluated; and
- Five (5) ethics workshops were held for councillors in City of Johannesburg, City of Tshwane, Ekurhuleni Metro, Sedibeng District Municipality and its locals, and West Rand District Municipality and its locals.

Furthermore, the following activities are planned for the 2015/16 financial year:

- One Ethics Officer Certification Programme;
- One training session for municipal councillors;
- Ethics Risk Assessment in 7 municipalities; and
- Review of ethics policies and anti-corruption strategies.
Regarding fraud and corruption strategies, in partnership with EthicsSA, the Department will implement a 5-Year Project focused on three elements:

a) The Gauteng anti-corruption working group;
b) Municipal-specific interventions targeting seven municipalities; and
c) Anti-competitive behaviour in the construction industry.

There are allegations of fraud and corruption in the City of Tshwane, involving the alleged illegal sale of land on plots 123, 124 and 125 in Leeuwfontein. Investigation into these allegations is jointly undertaken by the municipality and the Department, with effect from the beginning of July 2015.

The issue of political-administrative interface is not a concern in the province. Generally, there are healthy working relationships between the politicians and the administrators and this is largely demonstrated by the fact that most of the Municipal Managers and the senior administrative staff have been in their positions since the start of the term of office in 2011. Often, suspension and dismissal of senior administrators in municipalities is a result of unhealthy relationship between the politicians and the administration, and Gauteng municipalities have not experienced many of these. Where there have been dismissals, these were due to acts of misconduct. For example in the City of Tshwane (CoT), the Chief Financial Officer\(^2\) and Senior Manager in the City Manager’s office have been dismissed for acts of impropriety.

Proposed plan of action includes the review and update of anti-fraud and anti-corruption policies, building a culture of ethical behaviour and accountability (including civic education), building investigative capacity and strengthening co-ordination and co-operation between municipalities and law enforcement agencies and other Chapter 9 institutions. Additional activities include the following:

- Review, update and alignment of Municipal By-Laws across Gauteng;
- Strengthen the enforcement of By-Laws through capacity building and community education;
- Build and strengthen intergovernmental relationships with the Department of Justice concerning Municipal Courts;
- Strengthen whistle-blower protection system;
- Strengthen compliance with applicable legislation and policies (delegations, separation of roles);
- Build capacity on key legislation and policies; and
- Enhance performance review and implementation of the Provincial Risk Management initiatives across the province.

\(^2\) The Chief Financial Officer took the matter to court and has successfully won against the municipality.
(a) Preparedness for 2016 Local Government Elections

Preparations for the 2016 Local Government Elections are underway in the province, with the provincial government finalising a Voter Education and Election Support Strategy. The former is the responsibility of Gauteng CoGTA in conjunction with municipalities, and the latter is a multi-stakeholder responsibility involving Gauteng CoGTA (lead organisation), Gauteng Treasury, Office of the Premier and all the municipalities in Gauteng.

Matters relating to municipal boundary redeterminations could, however, have devastating implications on the province’s readiness to smoothly hold the 2016 elections. Firstly, the Midvaal LM instituted a legal challenge (court case) against the Municipal Demarcation Board’s (MDB) decision to establish a metropolitan municipality in the area of Sedibeng District. Secondly, the Municipal Demarcation Board (MDB) has had to deal with a case of Section 22 (2) request by the Minister responsible for CoGTA on the possible establishment of a metropolitan municipality in the West Rand District. The biggest challenge with the former is that the legal process could potentially drag for a long time before arriving at a final settlement. With the latter, the challenge is that lengthy consultation processes may need to be embarked upon before a final decision is made, or in preparation for the metro establishment if an affirmative conclusion is reached by the MDB.

As at the middle of August 2015, the final settlement on the establishment of a Metro in the Sedibeng area is still awaited, but it is anticipated that some kind of an amicable out-of-court settlement will be reached. With regards to the West Rand District, the MDB has issued a written communique (Circular 13/2015) indicating that the Board would not proceed with the process to redetermine the municipal outer boundaries for the West Rand District until after the 2016 Local Government Elections. This effectively means that the only two municipalities affected by the merger process are Westonaria and Randfontein LMs.

While the latest developments provide some kind of relief, or certainty in some aspects, both these processes have direct implications on the ultimate drawing of municipal boundaries in the province, and delays in resolving them could have a worrying effect. A proposal for out-of-court settlement on the Midvaal-MDB matter is under discussion through the various intergovernmental systems. Depending on the final settlement, the establishment of a metro in Sedibeng District could be postponed to a later date, possibly the 2021 election.

It is, however, critical to note that in terms of the provincial government’s blueprint for economic and social advancement, captured in the Corridors of Development agenda, the creation of metropolitan municipalities in both the West Rand and Sedibeng Districts is a critical catalyst. The successes of both the Western and Southern Corridors of
Development partly hinge on the spatial and organisational reconfiguration of the two districts.

**Impact of interventions in Westonaria and Randfontein LMs: Good Governance and Sound Administration**

In Westonaria and Randfontein local municipalities, councils and council committees are functioning optimally. The oversight committees established by council, such as the Municipal Public Accounts Committees (MPACs), are fully operational.

Furthermore, the extent of fraud and corruption as measured by the number of cases reported to the National Anti-Corruption Hotline (NACH) is among the lowest. In Randfontein LM, one of the two cases reported to the Hotline were resolved by February 2015, leaving only one case unresolved. In Westonaria LM, on the other hand, there were no outstanding or unresolved cases during the same period.

The two municipalities also have fully established and functional anti-fraud and anti-corruptions structures. The biggest challenge is however with regards to the management of By-Laws, ranging from the development, to review and enforcement. The provincial government is devising a programme aimed to ensuring efficiency in the management of municipal By-Laws, which will cater for both these municipalities and others in the province.

8.5.5 **PILLAR 5 - BUILDING INSTITUTIONAL AND ADMINISTRATIVE CAPABILITIES**

Enforcement of competency standards for managers and appointment of persons with the requisite skills, expertise and qualifications is at the centre of well-run and competitive municipalities. This enforcement, coupled with unwavering implementation and application of core human resources management principles, such as timely signing of performance agreements, maintenance of performance management systems, and regular engagements with labour through Local Labour Forums (LLFs), are guarantees that a municipality is institutionally and administratively viable.

The Gauteng B2B Diagnostic exercise revealed that there are municipalities in the province that lack in some of the critical aspects of this pillar. For example,

Across Gauteng, high vacancy rates are experienced in the following municipalities:
- West Rand District;
- Sedibeng District;
- Randfontein LM
- Emfuleni LM; and
- Ekurhuleni Metro.
there are municipalities with vacancies in some of the critical posts (i.e., Top 6) with other municipalities demonstrating a gap in the area of critical and scarce skills. High staff turnover and inability to attract and retain officials in the Top 6 positions and other critical and scarce skills is another challenge. In recent times, the National Treasury has issued regulations that seek to determine the highest salary level for municipalities in different categories. This development has inadvertently led to more challenges in the recruitment process than to address the anomalies in the remuneration system for municipal senior managers. The draft regulations have instead made it rather difficult for municipalities to attract and/or retain officials with rare and scarce skills.

Randfontein LM, which is one of the two municipalities at risk, has during the month of August 2015, implemented a strategy that significantly reduced its vacancy rate in the senior management level from a leading 44.4% vacancy rate to an average 16.7%. The municipality has collapsed the two posts of Public Safety and Social Services into one, to create a new portfolio referred to as Community Services. Furthermore, the directorates on Waste Management and Local Economic Development have since been disestablished. Currently, the only unfilled vacancy in Randfontein LM is that of the Municipal Manager, which may not be filled until the impending local government elections in 2016.

The City of Johannesburg metro, Midvaal and Mogale City LMs are doing well with 0% vacancy rate in the Top 6 positions. Westonaria LM, which is the other municipality at risk, has a 0% vacancy rate. The performance of the latter is commendable.

<table>
<thead>
<tr>
<th>MUNICIPALITY</th>
<th>APPOINTED</th>
<th>ACTING</th>
<th>VACANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Johannesburg MM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Ekurhuleni MM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>City of Tshwane MM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>West Rand DM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Mogale City LM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>Acting</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Merafong City LM</td>
<td>Acting</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Westonaria LM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Sedibeng DM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Lesedi LM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>Appointed</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 15: Municipal Manager Vacancies across Gauteng municipalities
### Table 16: Senior Management vacancies across Gauteng municipalities

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Total no. of posts</th>
<th>No. Of approved posts</th>
<th>Filled</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>16</td>
<td>16</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>City of Joburg</td>
<td>21</td>
<td>21</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>Ekurhuleni metro</td>
<td>29</td>
<td>29</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>West Rand DM</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Randfontein LM</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Westonaria LM</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Mogale City LM</td>
<td>12</td>
<td>12</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Midvaal LM</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Merafong LM</td>
<td>10</td>
<td>10</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Sedibeng DM</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Lesedi LM</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Emfuleni LM</td>
<td>11</td>
<td>11</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>144</td>
<td>144</td>
<td>95</td>
<td>33</td>
</tr>
</tbody>
</table>

Vacancy rates are thus reasonably low across Gauteng municipalities, particularly at the senior level. Two municipalities have Acting Municipal Managers, namely: Randfontein and Merafong City Local Municipalities. Randfontein Local Municipality has previously made attempts to fill the Municipal Manager post, and interviews were held on 27 November 2014. No appointment has been made, owing to DCoG’s directive on the filing of vacancies in view of the forthcoming 2016 local government elections.

In Merafong City Local Municipality, on the other hand, interviews were held and a candidate was appointed. However, the appointment was challenged by the South African Municipal Workers Union (SAMWU). The current Acting Municipal Manager’s appointment has therefore been extended sine die.
Ekurhuleni metro, City of Tshwane metro and Emfuleni LM also have two or more vacancies in the senior level that must be filled to ensure that the municipality has adequate capacity.

Overall, most of the municipalities are doing well in the area of Human Resource Development and Management Programmes, again in exception of Randfontein LM. Critical Human Resource policies and strategies are not always in place, or fully implemented in this municipality. Furthermore there are municipalities that have not submitted plans on the filling of vacant senior management positions, due to the upcoming Local Government Elections in 2016. However, Gauteng CoGTA has engaged national DCoG on the matter, and DCoG has since advised that such municipalities should appoint officials in acting capacities until the election is held. In the event qualified officials are not available within the municipality, the MEC should second an official with relevant qualification to act in the vacant position, or the Minister be approached for this purpose.

On the issue of regular engagements with labour, there are challenges in Sedibeng DM, where the status of the current SAMWU Local Office bearers is challenged due to internal contestations. Emfuleni LM has reported a similar challenge. The rest of the municipalities are doing well.

In view of the forgoing, proposed actions range from expediting the filling of critical posts to reviewing the national policies on remuneration and incentives for officials in the public sector. The plan of action also proposes the establishment of structured province-wide scarce skills training programmes in conjunction with relevant Sector Training Authorities (Seta’s), institutions of higher learning and other professional bodies. Additional aspects include the following:

- Strengthen the Recruitment, Development and Retention strategy of critical posts (Municipality becomes an employer of choice);
- Introduce a new municipal grading formula and an Occupational Specific Dispensation;
- Develop more structured mentoring and coaching programmes;
- Revitalise relationships with key professional bodies;
- Accelerate the professionalisation of Local Government; and
- Strengthen Local Labour Forums (LLFs)

Gauteng municipalities are also experiencing challenges of engineers that are not registered with professional bodies. To address this, the Department will be entering into a partnership with the South African Institute of Civil Engineers (SAICE) to facilitate the registration of the engineers and professionalisation thereof. The verification of qualifications of staff has not been undertaken in some municipalities over years. The focus has been on skills audits rather. This matter is receiving attention.
8.5.6 TRADITIONAL LEADERSHIP AND BACK TO BASICS APPROACH

The Back to Basics approach recognises the position and the significant role played by institutions of traditional leadership in local governance. The role of traditional leaders in municipal affairs includes their responsibility to facilitate the participation of traditional communities in any municipal activities in order to enhance public participation. In keeping with the Back to Basics approach, municipal and traditional structures in Gauteng are supported to establish strong collaborative working relationships to create decent living conditions and improve delivery of services to rural traditional communities. This collaborative relationship has been able to bring about a number of positive results, including ensuring the following:

- Traditional structures participate in municipal council sittings, particularly in the City of Tshwane metro where there are two legally recognised traditional communities;
- Traditional leaders participate in Integrated Development Planning processes of the municipality, including related community consultation processes;
- Traditional leaders facilitate access and release of land for development purposes;
- Traditional leaders align release of land with spatial development plans of municipalities (e.g., demarcation of plots); and
- The municipality continuously involve traditional structures in programmes impacting directly on the traditional communities.

In order to commemorate and demonstrate the significance of the traditional communities in the province, the Gauteng Provincial Government (GPG) has during the 2015/16 budget year allocated an amount of R6.4 million towards the development of a Heritage Site for the AmaNdebele Sokhulumi Ndzundza Traditional Community. This is a multi-stakeholder project that stretches beyond the provincial borders to include Limpopo and Mpumalanga.
provincial governments. Other stakeholders involved are the City of Tshwane Metro and the Nkangala District Municipality. Engagements are underway to include the South African Heritage Resources Agency (SAHRA) in the project that has been planned to be implemented over a three-year period.

The provincial government is further attending to the challenge of illegal initiation schools with utmost urgency. A multi-stakeholder team comprising Gauteng CoGTA, Social Development, Education and Community Safety Departments, the South African Police Service (SAPS), local communities, and the Congress of Traditional Leaders of South Africa (CONTRALESA) is engaged in ensuring that emergence of illegal initiation schools is inhibited and that such schools are closed as soon as they are discovered. The role played by local communities in this regard is very important as the communities are usually the first to notice and report on the emergence of such schools.

During the months of May and June 2015, a total of 77 initiates were rescued from illegal initiation schools across the province, majority of which were in the City of Johannesburg (64). A total of 18 illegal initiation schools were also closed down during this period.

For the month of July 2015 alone, a total of 22 initiates were rescued from one illegal initiation school during the first 7 days of the month. The school was situated on the mine dumps in an area falling within the jurisdiction of the City of Johannesburg, which demonstrates the gravity of the situation, not only for the province, but for the City of Johannesburg as well. Typical challenges associated with this phenomenon include the abduction of children from one part of the province to another, usually across municipal borders. Areas falling within the jurisdiction of municipalities such as the City of Johannesburg, which are without by-laws to regulate the practice, are often targeted.

The provincial action to discourage and prevent this phenomenon includes a process towards developing a generic by-law or by-law framework that would regulate the practice of initiation schools, and encourage those qualified to run such schools to apply to their municipalities for approval. A multi-stakeholder team mentioned above will also be convened by Gauteng CoGTA to discuss and develop a coordinated input into CONTRALESAs’s draft traditional affairs bill dealing with traditional initiation schools and other related matters.

Other initiatives that are also aimed at preventing deaths of young initiates include the following:

- Development of Gauteng-specific initiation school policy framework in line with the national directive;
- Facilitation of awareness campaigns to ensure uniformity and compliance with the law;
- Establishment of a database where municipalities can capture data and register all
  initiation schools in their area of jurisdiction; and
- Together with the Departments of Health, Social Development and Education, conduct
  workshops on the new Gauteng strategy on initiation schools. The strategy is currently
  under development.

9. IMPLEMENTATION OF THE BACK-TO-BASICS ACTION PLAN FOR
GAUTENG MUNICIPALITIES

Effective intergovernmental relations (IGR) mechanisms are at the centre of successful
implementation of the Back-to-Basics Action Plan and other related projects and
programmes herein proposed. In particular, for the B2B Approach to succeed,
stakeholders have to be cognisant of the elements, roles and functions of the IGR
structures responsible for coordination of service delivery programmes. As identified and
emphasised by the Minister responsible for CoGTA at the launch of the Back-to-Basics
Approach, key among these roles and structures are those outlined below:

- **Intergovernmental Delivery Coordination:** Coordinated planning and delivery is
  necessary to create decent living and working conditions. Strong coordinated planning
  and implementation are therefore necessary elements across the spheres of
governance. Such successful coordination includes the IDPs becoming National,
Provincial and Local Government action plans, and national programmes must fit into
local plans.

- **Service Delivery Inter-Ministerial Committee (IMC):** The inter-ministerial task team
  on service delivery established by the President and led by Minister responsible for
CoGTA will serve to fast-track service delivery in areas where there are bottlenecks,
and quickly respond to areas where there are service delivery problems. This will
ensure that that general service delivery is improved.

- **Traditional Leaders:** The role of CoGTA regarding traditional leadership and the B2B
  Approach is to continue promoting a harmonious relationship between traditional
leadership and local government; participate in IDPs and community consultation
processes – including land use management; and facilitate access to land for
development purposes.

- **Provincial Back-to-Basics Steering Committee:** The purpose of the Steering
Committee 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.
In the main, the national and provincial spheres of government must play a particular role with regards to the provision of support to municipalities, ensuring constant monitoring and evaluation of local government programmes, enforce adherence to the norms and standards, as well as intervene where all other measures have failed.

To this end, multi-sectoral, intra- and inter-spherical teams have been established in the province of Gauteng and convened by the province’s Department of CoGTA. These teams mainly support and monitor the implementation of the B2B Action Plan and ensure that service delivery bottlenecks are addressed, where identified. The greatest challenge that lies ahead is ensuring that actions identified per action plan are part of the Integrated Development Plans (IDPs) and the Service Delivery Budget and Implementation Plans (SDBIPs) of the different municipalities, as well as the Annual Performance Plans (APP) and Programmes of Action (POA) of the various sector departments in the province.

The Department of CoGTA in the province has identified a number of programmes for immediate implementation with the launch of the Back-to-Basics Action Plan for Gauteng municipalities. The programmes in question include the below-mentioned, and will be rolled out in the various communities as soon as the B2B Action Plan is launched in the province:

**GAUTENG CoGTA's BACK-TO-BASICS LAUNCH PROGRAMMES**

- Greening and cleaning project.
- Know your assets campaign.
- No drop campaign.
- Access to sanitation and eradication of bucket toilets.
- Free basic services and indigent benefits.
- Revenue general programme: "Pay for your Services".
- Growing township economy: "Youth Vukuzenzele Usesemncane".

10. **CONCLUSION**

Local government is a primary site for the delivery of services since 1994 and progress in delivering water, electricity, refuse removal and sanitation at the local level is at unprecedented levels in global terms. This level of progress, however, does not preclude the existence of more complex challenges that face the democratic state in South Africa. More specifically, the fact that within provinces such as Gauteng there are municipalities that are doing extremely well, and others that are not doing so well, points to the existence of systemic challenges that must be addressed as a matter of priority. The Back-to-Basics assessment sought to systematically identify the areas of failure, while also working towards finding solutions in the form of an Action Plan to address the anomalies described. In his commitment to addressing this challenge, thus setting the tone for the Gauteng
Back-to-Basics programme, the Premier of the Province, Mr David Makhura, highlighted in the 2015 State of the Province Address (SOPA) that:

“Gone are the days when some regions and municipalities will be neglected as the Cinderella’s on the periphery of the provincial economy. We need deliberate and conscious action by the entire City region leadership to reverse spatial injustice and economic marginalisation of Sedibeng and the West Rand.” (Gauteng Premier David Makhura, SOPA, 2015).

Against this commitment made by the Premier on behalf of the entire leadership of the province, the Gauteng Back-to-Basics Action Plan will serve as one of the many intra- and inter-sphere plans and programmes towards the turnaround of the municipalities in the province. This is a plan that will contribute towards the realisation of a globally competitive Gauteng City Region.

Faced with a peculiar challenge of declining economy in the mining towns situated in the West Rand District, the provincial government has already identified the major task of developing an intervention programme that would ensure the sustainability of the municipalities in this region. A provincial plan to address the challenges facing these municipalities is currently under development, led jointly by the Departments of CoGTA and Treasury. The plan will support all other initiatives currently underway to deal with the challenges of distressed mining towns, especially the Presidential Programme on Distressed Mining Towns, which has already gained traction and has covered significant ground. It is the Gauteng Provincial Government’s commitment that a holistic rather than piecemeal approach is taken in this regard, hence the direct involvement of both the Departments responsible for Treasury, Economic Development, CoGTA and the Office of the Premier.