



A BETTER LIFE FOR ALL



AFRICAN NATIONAL CONGRESS
**LOCAL GOVERNMENT
BAROMETER 2021**

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**BUILDING BETTER
COMMUNITIES TOGETHER**



I INTRODUCTION

The 1 November 2021 local government elections will take place against the background of the most testing period in the brief history of our democratic dispensation. Post 1994, local government inherited 11 administrations that had to be integrated and transformed into a single public service, with a single tax base. The founding 1995/6 local government elections ushered in 843 transitional local authorities from a fragmented 1 262 apartheid era municipalities. The first democratic local elections in 2000 resulted in wall-to-wall democratic local government structures with 284 municipalities, and after some amalgamations today there are 257 municipalities.

The overarching vision of our constitutional democratic dispensation is to improve the quality of life of the people of South Africa, combined with the restoration of the dignity of all. The White Paper on Local Government (1998) and the Structures and Systems Acts, set the requirements and framework for a new developmental local government system. This contributed to the provision of a decent quality of life for all citizens and aimed to meet the social, economic, and material needs of communities in a holistic way. The emphasis was on delivering services and promoting development at local level.

The 1998 White Paper further assumed that service tariffs would be set at levels that will be affordable for all households and that sufficient revenue would be generated to ensure financially sustainable municipalities. The main municipal services, namely electricity, water, sanitation, and waste removal, were a tool to assist in reducing poverty and racial and income inequality, raise living standard and facilitate economic opportunities. In 2000, a programme of Free Basic services for indigent (poor) households was introduced to guarantee a minimum package of tariff-free essential services. Free houses for those who qualify, was also part of this developmental package or social wage.

Working together with residents and social partners, the ANC's leadership in all spheres of government has resulted in substantial gains towards these goals. At the same time, the ANC recognises that significant challenges remain at a local government level.

Our manifesto states that as the ANC, we have embarked upon a path of renewal, rebuilding and revitalisation of our party and society. This includes the turnaround of local government. We have made our selection of candidates more democratic and accountable through the involvement of communities, improving consultation and oversight in the process. Mayors, their executives, and all councillors must be dedicated and committed to improving communities, serving the people and forging social cohesion. Staff must be qualified and competent with a caring attitude. There will be a strong emphasis at ward and community level in practicing participatory democracy.

We recognise too that more must be done to communicate regularly with the public on the actions we are taking to address the challenges and we must show more leadership and act without fear and favour in ridding our society of corruption, in particular.



In the democratic era, the ANC has been unwavering in its commitment to improve the lives of the people, with an emphasis on the poor. The ANC remains committed to making local government and society a better place to work, play and live in our beloved South Africa as we move forward to building better communities together in the next five-year period as we continue to create a better life for all.

As part of our strategy of renewal and in ensuring that communities are regularly informed of what actions we are taking to improve service delivery in local government, we are today launching the ANC Barometer which will become a quarterly public report by the ANC. We recognise the important work done by COGTA, National Treasury, SALGA, the Auditor-General and others, working in partnership to address the challenges facing local government. At the same time as the leading political force in South Africa, it is important that our voice is heard on what actions are being taken to continue to advance the local governmental development project.

The quarterly ANC Barometers will therefore provide:

- An update on the degree to which as the ANC we are keeping our commitments made in our Manifesto;
- A summary of the local government monitoring and support work done by various spheres of government, including SALGA, on the progress (or lack thereof) in addressing challenges in governance, financial management, service delivery and other key areas of local government;
- Specific actions being taken on what the ANC (as a party and government) is doing to address these challenges.

This first version of our **ANC Barometer** provides an initial reflection on how far we have come in this local government journey and maps out what still needs to be done.

I LOCAL GOVERNANCE SUCCESSES

The Most progressive Democratic Legislative Environment and Proportional Representation System

- South Africa is internationally recognised for having a progressive democratic governance system, which works collaboratively with local government.
- The representativity of women in political structures in local government is high and is between 30% and 40%. 46% of ANC candidates are women for the 1 November local elections, the highest percentage for any party.
- The past four elections have become highly contested. In the 2000 elections some 67 parties won seats out of 87 contesting elections, and by the 2016 elections, some 90 parties won seats out of 205 contesting elections. 504 political parties are currently registered with the IEC, with 325 of these contesting the 2021 elections. There are over 900 independent candidates contesting nationally. There are over 60 000 candidates vying for 9 000 seats, and many parties are putting up candidates who do not even reside in the ward for which they are standing as ward councillors.



- Of concern is the diminishing youth participation vote with voter turnout among 18- to 19-year-olds dropping from 33% in 2014 to just 19% in 2019. 25% of ANC candidates for 1 November are from the youth.
- South Africa is one of the few countries that has engaged seriously around enhancing the role of traditional authorities and traditional communities in a democratic context.

The legislative context promotes strong community participation in budget formulation, planning processes, etc. There is strong financing and supporting of Ward committees to improve participatory governance. Equally, the funding of Community Development Workers, Community Health workers, EDC practitioners, etc assist with support services.

Creation of an Integrated Administrative System

- From 2000, municipal employment has only increased slightly, despite increasing demand and now stands at just over 260 000 full-time and part-time staff members. This has impacted on the ability of local governments to be more developmental.
- The professionalisation of the public services is ongoing to realise a single and effective Public Service.
- Metros dominate in terms of having the 8 metros having 57% of all municipal staff. An estimated 202 (78%) of municipalities have little technical capacity; in particular, there is a lack of engineering capacity. The eight metros have more civil engineers (1201) than the districts and locals combined (1186).
- The proportion of women serving in senior management positions has increased since 1996 to levels above 30% as a result of the ANC's gender policies. This is still below full equality levels.
- Despite numerous capacity building initiatives, many municipalities face serious capacity challenges.
- There are difficulties in attracting and retaining skilled staff, vacancy rates of over 10% for funded senior management positions at any point in time.

Infrastructure Delivery

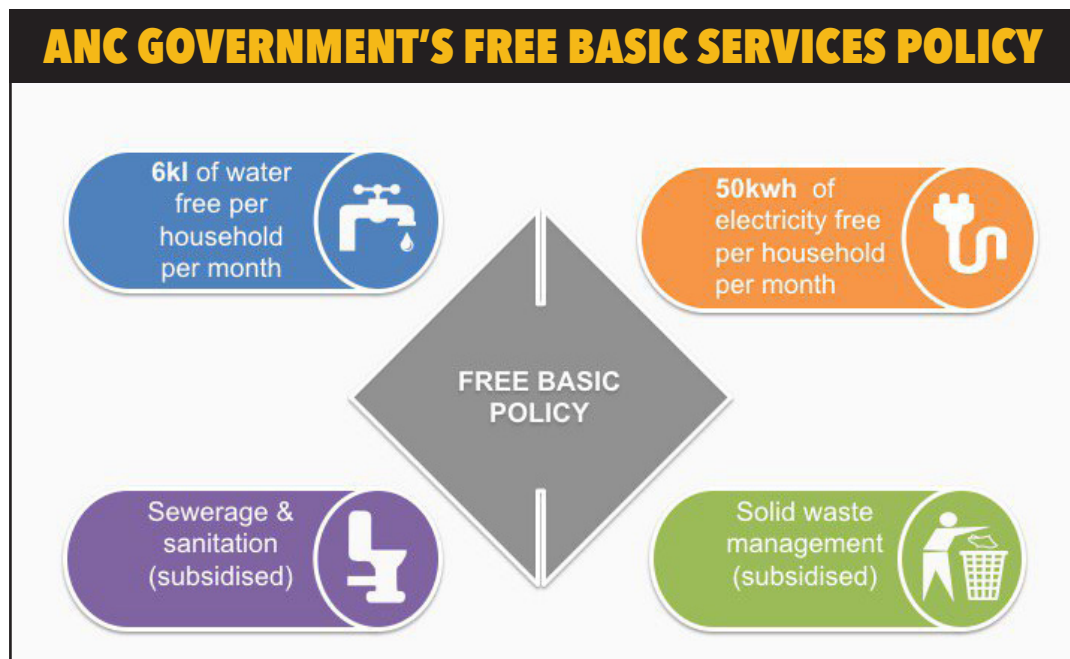
Infrastructure delivery is critical for the efficient functioning of municipal life and well-being of its residents.

- On public infrastructure spend, excluding the SOEs, municipalities have consistently delivered over 20% of all infrastructure, which is more than provincial and national government combined.
- Households with access to **water** was 88.2% in 2018, up from 84.4% in 2002 (*StatsSA, 2019*). The proportion of households being invoiced for water grew by 8,4% between 2016 and 2019;





- Households with access to **sanitation** was 82.1% in 2018, up from 61.7% in 2002. The proportion of households being invoiced for sanitation grew 12,5% between 2016 and 2019.
- Households with access to **electricity** 85% in 2018, up from 76.7% in 2002. The proportion of households being invoiced for electricity grew by 10% between 2016 and 2019.
- Municipalities have been actively involved in over 15 major disasters in the past 5 years, some across all provinces, including addressing droughts, floods, fires, etc



Financial Management

In spite of claims to the contrary, we have made significant progress over the past 20 years in improving financial management in municipalities. For example, the majority of municipal audit of 20 years ago, were not able to be completed on time. This has now changed, even though we still have a challenge with non-compliance in terms of submission of financial statements on time. More importantly, though, for the 1999/2000 year, only 20% of the municipal audits were unqualified, yet for the 2019/20 year over 45% of municipal audits were unqualified. In addition, the proportion of municipalities receiving disclaimers has reduced from some 40% (2008/9) to about 14% (2018/19) of the total number of municipalities; this is still too many.

As the ANC, we will continue to focus our attention on municipalities with audits that are qualified or worse, and will demand of our municipal leadership that they report quarterly to their Councils on what achievements they are making in their audit plans to overcome the qualifications and findings.

At the same time, we also recognise that there is no direct relationship between corruption and the state of audits and that is why as the ANC we believe that we must have an all of society approach to rid ourselves of the scourge of corruption.



- Municipalities face serious financial management challenges, mostly due to the diminishing revenue base of municipalities. The hardships caused by the lockdown measures of the Covid-19 pandemic has worsened the situation over the last two years.
- The majority of our municipalities receive unqualified audits, but there remain challenges with financial management at many municipalities.
- In 2020, 257 municipalities generated 71% of their income from their own sources and the remaining share (29%) was from government grants & subsidies. However, 60% of this income in metros, cities, and larger towns.
- There is inequity in the fiscal split, in that local government receives only around 17% of the equitable share compared to provinces receiving 83%. Yet, local government is responsible for 46% of the constitutional functions and it gets about 9.1% from the national fiscus.

Integrated Planning

- One of the greatest challenges we face is changing the apartheid spatial reality which resulted in black South Africans being forcibly removed to places far from economic and other social opportunities. This needs to be addressed as a matter of urgency.
- The need for spatial justice lies at the heart of the Integrated Development Planning processes and the implementation of the District Development Model (DDM) is focused on integrating and synchronizing the plans and implementation programmes of all three spheres of government.
- By 2021, nine final DDM One Plans, and 40 draft DDM One Plans were developed and submitted to the Department of Cooperative Governance.
- Through the DDM, political and administrative champions as well as some District Forums have been appointed for each of the districts enabling joint planning and a quicker resolution of local challenges which often require direct national and provincial interventions.

Building Ethical Governance

- Corruption, maladministration, and under-performance is one of the greatest challenges at local government level. We cannot continue to waste the resources meant for the delivery of services and improvement of the quality of life at local government level. Active steps have been taken to turn the situation around and root out corruption and fraud. Reports suggest that corruption is mostly prevalent in procurement and in areas like licensing and property sectors. Municipalities are actively involved in building more ethical government, including courses on ethics and good governance across all municipalities. Steps have been taken to deal with corruption and instill ethical practices, namely;
- A Pledge from councillors to spare no effort in rooting out corruption and all forms of nepotism and malfeasance in the ANC and government.
- Improving consultation and oversight by involving communities in the selection of ANC ward candidates.
- Ensuring that the municipal staff that are appointed have the necessary competence, experience, and support.



- Thoroughly interviewing all Mayoral candidates and ensure the best candidates are selected.
- Requiring mayors and councillors to sign performance agreements with agreed targets against which they will be measured.
- Strengthening monitoring capacity to intervene early in municipalities when problems occur.
- The introduction of the step-side clause in the ANC for those charged with acts of malfeasance.
- The amendments to the Structures Act have further strengthened the fight against misgovernance and corruption.

Most of the power to deal with corruption resides at national level, however, there are many mechanisms for the detection of corruption at municipal level, e.g. fraud hotlines, internal oversight, risk management systems, the protection of whistle-blowers, etc. The law compels staff like the municipal manager to report incidents of corruption and fraud to the criminal justice system.

The fight against corruption, fraud, etc is ongoing in municipalities and there are a number of cases under way. Staff have been fired due to disciplinary charges and monies have been recovered as per the direction of the Auditor-General for example. The Local Government Anti-Corruption Forum (LGACF) was established in 2020 under the Chairmanship of the SIU, supported by DCoG as the Secretariat. The aim is to foster collaboration amongst the stakeholders (Government, Business and Civil society) at the local government level in the anti-corruption fight and coordinate efforts amongst law enforcement agencies and stakeholders. The establishment of the forum is in line with pillar six of the National Anti-Corruption Strategy (NACS) which focuses on the protection of vulnerable sectors and directs strategic interventions to be implemented.

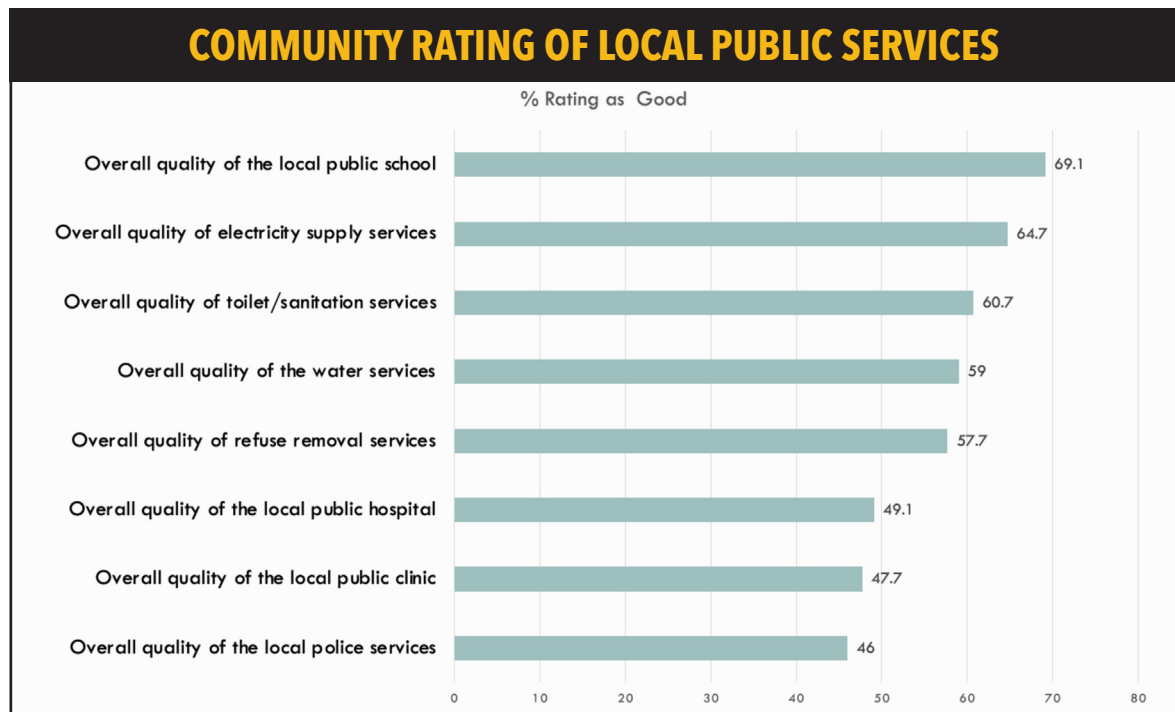
Yet gaps, inconsistencies and overlaps exist in the system that require attention. There must be far greater cooperative processes across the criminal justice system. Workers must conclude tasks in allocated timeframes. Services must be paid for. Communities have a key role to play in eliminating collusion with officials and to report corrupt practices. A culture of caring for one another (ubuntu through active citizenry) must be restored in building a caring and ethical society.

I PUBLIC PERCEPTIONS OF LOCAL GOVERNMENT

- The Community Survey of 2016 is the most recent and reliable survey of households that reflect the greatest service delivery challenges facing municipalities.
- Provision of safe and reliable drinkable water, the high cost of electricity, insufficient or poorly maintained sewerage and waste removal rank very highly.
- Unemployment ranks very highly and remains possibly the greatest challenge facing households in South Africa today.
- In the metros, especially, crime ranks highly as a concern as does corruption, maladministration and underperformance at local level.



Households were also asked about how they would rate their local public services: as good or average or poor. In the following table these results are indicated, and it shows that the quality of services provided by municipalities are all rated by over 57% as good.



- Addressing crime needs the combined efforts of all sectors of society in a partnership with law enforcement agencies, prosecution authorities, etc. Too many residents feel unsafe in their homes, communities, and society.
- The mandate of municipalities to promote community safety is not sufficiently spelled out. As a result, community safety has failed to attract the required political buy-in and prioritization.
- Consequently, municipalities struggle to secure adequate (and sustained, long-term) funding, capacity development, etc to effectively contribute to community safety.
- We must strengthen an integrated approach amongst the social partners, SAPS, municipal police and private security, to work in an integrated way to rid ourselves of the scourge of GBV and all forms of criminality and anti-social behaviour.
- The criminal justice system must be resolute in crime prevention and must affect meaningful prosecutions and convictions

I MUNICIPAL AND SERVICE DELIVERY CHALLENGES

Great strides have been made in the provision of services like water, electricity, sanitation, roads, transport and waste collections since 1994, including over the last five-year term. We recognise that many households still remain without easy access to basic services. At the same time, the significant delivery of services has resulted in an increase in the number of residents receiving and paying for these services. In other words, municipalities are servicing more paying consumers than before.



- Expenditure on infrastructure shows an overall trend of growth in new capital and infrastructure investment until 2016, but an unfortunate decline since. This is a worrying trend, that has been further negatively impacted by the Covid-19 pandemic.
- Across South Africa, municipalities need to reverse the apartheid spatial legacy. This means focussing on addressing the challenges of former townships, homelands and growing informal settlements, where the highest levels of poverty are found.
- These spatial disparities are increased by the absence of an affordable, integrated public transport system. Ongoing taxi feuds must be quelled.
- The maintenance and repairs of the aging infrastructure has resulted in financial leakages with significant water and energy losses.
- Also, local businesses cannot prosper as a result of poor roads, potholes, poor lightning and inadequate transport infrastructure.
- Most municipalities spend on average about 2% of total capital expenditure on repairs and maintenance, which is way below the recommended 8%. This must be urgently addressed.
- Political instability and weaknesses in governance (financial management, human resource management and supply chain management) are the primary causes of poor service delivery at municipal level.
- Citizen engagements are generally weak in those municipalities categorised as 'dysfunctional' and 'at risk'; and
- Municipalities generally have weak technical capacity in planning, project management, and the roll-out and maintenance of infrastructure.

I ANC PERFORMANCE

- As the majority party, the ANC will build on the progress made, whilst directly confronting the challenges at local government level.
- Over the past four elections the ANC has won majority support (50% plus 1) in over 75% of all local and metropolitan municipalities in the country.
- Yet, it must be recognised that we still live in a differentiated country where the apartheid inequalities persist, and it continues to impact negatively on the lives and livelihoods of people.
- There are many institutional challenges at local government level, courtesy of past divide and lingering inequities. The development challenges in South Africa are immense against the backdrop of resource constraints, especially for towns and rural areas, most are not financially self-sufficient. Ongoing migration further deplete the skills and tax base of these areas.
- This is linked chronic lack of capacity in the non-metro and urban centres. 16.4% of positions were vacant in 2019 in municipalities. By comparison, around a quarter of positions (24%) were vacant in intermediate city municipalities (ICMs), (BER).
- The structure of government also complicates accountability, with service delivery responsibilities split between government at local, provincial, and national levels. With so many levels dealing with service delivery, the lines of authority are often blurred and challenging to align and coordinate.
- For example, the realities that one finds in ANC majority municipalities compared with DA-majority municipalities is stark in that ANC municipalities have significantly higher levels



of inequality, poverty and unemployment to deal with as evidenced by the fact that ANC-run municipalities:

- Their average GDPs are only 40% those of DA municipalities,
- The average personal taxation in the ANC municipalities is only 26% of that in DA municipalities; and
- The municipal budgets in ANC municipalities are only 30% of the DA municipalities.

THE FOLLOWING TABLE SHOWS THE SIGNIFICANT DIFFERENCES BETWEEN AN "AVERAGE" ANC MUNICIPALITY COMPARED WITH AN "AVERAGE" DA MUNICIPALITY

Characteristic	ANC	DA
# Majority municipalities in 2016	163	19
Average GDP (2015)	R11,5 bn	R28,4 bn
Average 2018/19 Taxable Income	R3,7 bn	R14,0 bn
Average 2021 Budget	R1,2 bn	R3,9 bn

These inequalities at a municipal level remain stark, with apartheid spatial developmental patterns remaining intact in many parts of South Africa. By way of illustration, municipalities show a national average of 4561 citizens per municipal staff (full-time). At the two extremes, North-West has a ratio of 10246 citizens per municipal staff, compared to 1175 municipal staff per citizens in the Western Cape. The North-West province also has the highest percentage of vacancies and acting positions in key position like finance and development planning. Overstrand municipality in the Western Cape spends R14 134 per capita, while Nongoma municipality in Kwazulu-Natal spends R1 136 per capita. These structural factors, coupled with the lack of skills capacity and political dynamics, explains why some municipalities are so dissimilar, resulting in dysfunctionality.

- The ANC has a consistent and significant record of providing access to basic services to the poorest South Africans.
- At the same time, with some of the largest municipalities now under non-ANC coalition governments, one finds that access to basic services have been seriously compromised.
- In addition, using Johannesburg as a case in point, such DA-led coalitions raised debt levels under Mashaba without improving access.



I ANC ONGOING ACTIONS

- The ANC will continue to work in all spheres to:
 - Reduce the duplication of structures and functions between different spheres and types of local government;
 - Address underfunded mandates;
 - Address the fiscal split to improve financial resources available to local government;
 - Further improve the architecture of the state through enhancing the DDM process and explore the increase in the number of single-tier municipalities;
 - Enhance the capacities of the local sphere through a shared service delivery model and a single public service;
 - Attracting and retaining the right skills in the most remote and needy municipalities;
- As a party the ANC commits itself to enhancing an ethical and capable state by ensuring that;
 - Councillors and senior management must be competent, committed, caring and ethical;
 - Mayors and managers must know and demonstrate their separate and collective responsibilities;
 - Local administrations must become more professionalised and improve interaction with communities;
 - The Governance system be more flexible and simplified;
 - Local economies grow in ways that are resilient and sustainable;
 - The equitable share in terms of the fiscus becomes more fairer and target the places of most need;
 - There is more focused and integrated planning as it pertains to ICT, integrated transport and sustainable energy with the requisite emphasis on repairs and maintenance of infrastructure;
 - There must be immediate and firm consequence management in rooting out corruption, mismanagement and under-performance;
 - The municipal system is reconfigured with those municipalities with the necessary capacity, becoming Category A municipalities, thereby freeing them up for growth;
 - Housing and local public transport are decentralised with requisite funding; and
 - Building active communities where residents also take responsibility for development and fighting crime and corruption in partnership with the ANC and other relevant role-players.



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1 NOV 2021

VOTE ANC



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