



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA

Vol. 679

12

January
Januarie

2022

No. 45737

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ISSN 1682-5845



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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

NO. 1670

12 January 2022



Province of the
EASTERN CAPE
COOPERATIVE GOVERNANCE
& TRADITIONAL AFFAIRS

Member of the Executive Council

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PROVINCIAL NOTICE

PROVINCE OF THE EASTERN CAPE

Department of Cooperative Governance & Traditional Affairs

Provincial Notice Issued in Terms of Section 47 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)**PUBLICATION OF A CONSOLIDATED REPORT ON PERFORMANCE OF MUNICIPALITIES IN THE PROVINCE FOR 2019/20 FINANCIAL YEAR**

I, **Xolile Edmund Nqatha**, in my capacity as a Member of the Executive Council responsible for Cooperative Governance and Traditional Affairs in the Province of the Eastern Cape, under the powers vested in me in terms of Section 47 (2) (c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), hereby call for the report to be published in Provincial Gazette and set **06 January 2022** as a date for the report to be published.

MR. XOLILE EDMUND NQATHA
MEMBER OF THE EXECUTIVE COUNCIL
COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

DATE: 20 / 12 / 2021

SERVING OUR COMMUNITIES BETTER

B·B
BACK TO BASICS
SERVING OUR COMMUNITIES BETTER

Foreword

BY MEC FOR COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS IN THE PROVINCE OF THE EASTERN CAPE,
HONOURABLE XOLILE E. NQATHA

This report on the performance of municipalities in the Province of the Eastern Cape in respect of the 2019/20 Financial Year has been compiled in accordance with the provisions of s.47 of the Local Government: Municipal Systems Act No. 32 of 2000). It is a consolidated report that is, to a large extent, based on the performance report prepared by individual municipalities in terms of s.46 of the Municipal Systems Act and submitted to the department. The report further attempts to measure the progress made by local government in the province in the year under review.

I am presenting this report though with a concern that the report has been finalised without the submission of reports of OR Tambo and Joe Gqabi Districts thus giving only a picture of thirty- seven (37) (95%) municipalities out of thirty-nine (39) municipalities in the Province of the Eastern Cape.

The results of the analysis of these reports will to a large extent, determine how resources will be allocated to municipalities in order to ensure a "better life for all". The failure by a municipality to provide good and accurate information in their annual performance reports or not to submit a report at as all will severely hamper the ability of my department to correctly allocate resources (financial, human and other) in carrying out its constitutional mandate to support, build and strengthen the capacity of municipalities. I also wish to remind municipalities that the compilation of s.46 reports is a statutory requirement.

The report further highlights areas of weakness and strength in the various municipalities per each Key Performance Indicator (KPI) and proposes remedial actions to be taken. Remedial actions proposed are premised on the need to prepare municipalities for the new paradigm shift that is associated with the development of One Plan (DDM).

The department has prioritised to improve the working relations



MR X.E. NQATHA
MEMBER OF THE EXECUTIVE COUNCIL

with key stakeholders viz. Office of the Premier (OTP), Provincial Treasury, Department of Cooperative Governance (DCOG), SALGA and other support providers to strengthen intergovernmental relations (IGR) and improve municipal capacity.

In conclusion, I wish to extend my sincere gratitude to all municipalities who submitted their s.46 reports but in the same vain wish to encourage them to provide the information in accordance with the provincial format presented to them for easy diagnosis of challenges and appropriate remedial actions.

I also wish to thank all departmental officials who made it possible to come up with a consolidated report under difficult circumstances due to Covid 19 pandemic period.

MR. X.E NQATHA
MEMBER OF THE EXECUTIVE COUNCIL
DEPARTMENT OF COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

DATE: 11/10/2021

Message and Overview of Performance

FROM THE HEAD OF DEPARTMENT (HOD) OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MR ANDILE FANI



Mr A.A. FANI
HEAD OF DEPARTMENT

It is that time of the year that we have to once again reflect on the performance of our municipalities for the 2019/20 financial year. This is done in compliance with the provisions of section 47 of the Local Government Systems Act (Act 32 of 2000). The department has recorded 95% submission with the exception being OR Tambo and Joe Gqabi Districts which did not submit their reports.

The department develop this report mindful of the fact that the reflection of performance is very crucial for accountability to our communities. The local government sphere is the sphere of government which is the closest to the people on the ground and as such sphere of government charged to provide the most basic service needs of communities. It is therefore essential that municipalities are strong and viable institutions which are able to meet the service delivery needs of their communities.

The importance of understanding the prevailing status of municipal performance in the province cannot be over-emphasised. This understanding is crucial to the creation of strong and sustainable local government institutions that can assume the role of enabling an integrated approach to government planning, coordination of support, sound intergovernmental relations, effective accountability and good and clean governance.

Achieving this the department has provided support to municipalities in various areas including secondment of qualified and competent senior officials to respond to identified administrative weaknesses. In most instances these municipalities did not have municipal managers for various reasons ranging from suspensions, resignations or prolonged pending court cases.

Preparation of this report required the gathering of information from diverse sources as well as in-depth and close analysis thereof. In collating this information, the knowledge and understanding of the department in respect of the areas of strength and weaknesses in municipalities will be continuously used to provide support in collaboration with strategic partners to municipalities. Our goal is to improve the functionality of municipalities to better serve communities by getting the basics right.

It is therefore important to understand where we are, where we could be and what needs to be done moving forward.

Despite the above, the department noted that there are still municipalities that performed far below the required standard (especially on service delivery issues) due to under-reporting, not meeting set targets, non-provision of information about the

state of their performance and scanty information thus resulting in under performance.

The Consolidated Report on the performance overview of municipalities is presented per key performance areas which are:

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Municipal Transformation and Organisational development is the foundation of a sound administration and preparedness of any institution to deliver on its mandate. Therefore, this KPA 1 is a key performance area that plays an integral part across all other KPAs.

The report for 2019/20 reflects 37 municipalities with the exception of Joe Gqabi and O.R. Tambo districts that did not submit their annual reports. It has been noted that an overall performance per district has declined with regard to this KPA, with Nelson Mandela Metro performed at (48%) taking over as the best performing and followed by Sarah Baartman District (45%) and Amathole District (43%) at third place. The worst performing municipalities on average are Joe Gqabi and Alfred Nzo districts.

KPA 2: BASIC SERVICE DELIVERY

The provision of sustainable services is what will assist us as government to address imbalances/ inequalities of the past and alleviate poverty hence delivery of basic services constitutes the core business of local government. Without the necessary provision of the infrastructure, attempts to deliver on this mandate will be futile.

Furthermore, municipalities are required to use the public funds entrusted to them to respond to basic services and must play a championing role in improving service delivery within the respective areas.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No improvement in terms of performance almost in all eight key performance indicators can be reported on for this KPA.

Existence of Monitoring Mechanisms for CDWs, most municipalities provided limited or no information in this KPI.

Development of IGR Strategy in municipalities remains a challenge due to the fact that they did not provide the required information that define this KPI.

Regarding communication strategy, the use of various media formations in order to give feedback to people was noted. It is unfortunate that municipalities fail to provide relevant information in as far as this KPI is concerned.

Mayoral Imbizos is one of the most critical KPIs and all municipalities are required to report on the number of Mayoral Imbizos during the financial year, yet some municipalities did not report on this key performance indicator although it is generally known that Mayors do hold these outreaches but unfortunately officials fail to report making it impossible to compare whether there has been an improvement as compared with the previous year. This has

become a custom as the same challenge was experienced in the previous report.

The overall performance for the districts and metros has declined compared to the two previous financial years as not even one district/metro performed above 50%. The top performing metro is Buffalo City Metro 47% in 2019/20 compared to 53% in 2018/19. Nelson Mandela Metro performed 44% slightly improved from 34% in the previous current financial year. Alfred Nzo district moved from 39% to 42% in the year under review, followed by Amathole district 40% slight increase from 39% in the last financial year and Sarah Baartman district obtaining 32% with an improvement from 26% in the previous financial year. Chris Hani district remains the lowest performing with 20% in 2019/20 a slight decrease from 26% in 2018/19.

In conclusion, the department therefore humbly requests municipal political leadership and management echelons to take the annual reporting processes seriously so as not to paint a distorted picture on the overall state of service delivery within the province. Executive Mayors/ Mayors and Municipal Managers are further requested to sign the reports to ensure that the information provided in the reports is a true reflection of the municipal performance.



MR A.A. FANI
HEAD OF DEPARTMENT
DEPARTMENT OF COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

DATE: _____

11/10/2021

Conclusion

This report clearly shows the performance of all municipalities in the Province of the Eastern Cape in 2019/20 Financial Year though it is developed under difficult circumstances of Covid 19 however, officials in the department managed to complete the assessment of 37 municipalities, within the guidelines of Covid 19 regulations. Consequently, there is clear demonstration of areas of weakness and areas of strength.

The department does, however, note with great concern that the performance of municipalities in respect of KPA 1 - Organisational Transformation and Development, KPA 3 - Local Economic Development, KPA 4 Financial Management and Viability and KPA 5 - Good Governance and Public Participation have in general regressed. The performance improvement in Service Delivery (KPA 2) in the current financial year is a good sign for municipalities.

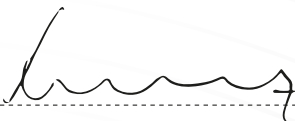
The department is positioning itself to claim and own the municipal space so that all development initiatives that are going to be implemented are coordinated and are fairly distributed in all municipalities. Through the interaction with the Office of the Premier, Department of Cooperative Governance and Traditional Affairs has initiated actions to ensure that all sector departments' development initiative in the municipalities are channelled through

coordinated efforts. The objective is to obtain commitment from everyone who provides support to our municipalities to direct resources to where they are needed most.

The department has developed and adopted the Municipal Support and Intervention Framework (MSIF) all municipalities that have obtained a very weak or weak performance will receive intensive support in specific areas. Those that have obtained good performance will receive medium support with the last category of very good or excellent performance receiving light support. The department will continue to provide support in those areas where this report has identified performance to be less than satisfactory.

It should be noted that whilst the department still waiting for promulgation/gazetting of the new developed indicators as per MFMA Circular 88, municipalities are urged to also make use of the assessment indicators as requested by the department.

Finally, the department wishes to acknowledge and congratulate all those municipalities that have, despite the challenges they are faced with, continue to perform at the accepted levels and standards. Those falling below, the department together with other stakeholders will continue to provide support guidance where needed.



MR X.E. NQATHA
MEMBER OF THE EXECUTIVE COUNCIL
DEPARTMENT OF COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

DATE: 11/10/2021

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001
Contact Centre Tel: 012-748 6200. eMail: info.egazette@gpw.gov.za
Publications: Tel: (012) 748 6053, 748 6061, 748 6065