



2.2 MAKANA LOCAL MUNICIPALITY

PILLAR 1: PUBLIC PARTICIPATION – PUTTING PEOPLE FIRST

Challenges:

- Too many hotspots that turn to violent service delivery protests, and in some cases become xenophobic attacks.
- The municipality does not deal effectively with complaints raised by communities and in providing feedback.
- Too many emerging Civil Society groupings need the attention of the municipality. This disturbs the day to day functioning of the municipality.
- Communities are very disgruntled with the municipality for the poor delivery of services and deterioration of the infrastructure, e.g. residents, business, taxi associations, Rhodes University and others.

PROPOSED ACTIONS:

- National and Provincial Cogta departments to assist the municipality develop an effective and responsive complaints management system;
- The Makana municipality to enhance existing mobile communication between the Municipality and citizens i.e. Mobi-Sam to deal with all complaints as it was reported it is only used for water and roads complaints;
- The Municipality to make use of the Govchat platform that was launched on April 24, 2018;
- The municipality to develop a database of civil society groups and have continuous engagements with them in a structured manner for better coordination; and
- The Speaker and Executive Mayor supported by the Acting MM to develop a comprehensive Community Outreach Programme that address complaints and rebuild the confidence of the people in the municipality.

PILLAR 2: DELIVERING BASIC SERVICES (INFRASTRUCTURE RELATED ISSUES)

Since 2014/15 financial year, the funds of Makana LM have been re-gazetted to the Sarah Baartman District Municipality for the administration of the funds by the district. This is due to capacity and cash flow challenges experienced by the municipality. The municipality has made little progress on the implementation of projects since 2013/14 financial year.

Key challenges related to this pillar are water, roads, electricity and sewerage. In addition, the municipality has inadequate drainage systems and incomplete community projects. Repairs and Maintenance is below the norm of 8 per cent, at Mid-year 2017/18 it was at 0.97 per cent of PPE. The municipality does not have an Asset management plan in place

Challenge 1: Water Infrastructure

The municipality has been overburdened with the responsibility of transporting water to farms. Other challenges include; regular water cuts, no planned maintenance, average of approximately 200 leaks need attention. Taps in townships are broken or vandalised. Some infrastructure projects are on- hold, especially projects involving DWS counter funding approach to municipal infrastructure development and maintenance. Due to

DWS's failure to fulfil its commitment, some municipal projects are forced to be put on hold.

Challenge 2: Sewerage

Sewerage spillages due to the ageing infrastructure that requires replacement.

Prevalent bucket system.

- 150 in formal areas
- 300 in informal areas

Mayfield and Belmont are over capacitated.

Challenges 3: Roads

- The municipality is currently faced with a huge pothole crisis.
- The paved road network does not conform to the minimum accepted norms.
- Roads in black and coloured areas are in a horrendous state.
- The municipality is currently faced with replacement costs of the paved road network amounting to approximately R1.2 billion.

Challenges 4: Electricity

- Overhead feeder lines not performing.
- No infrastructural master plan.
- Notified demand is 20MVA; the municipality is using 23-24 MVA.

The municipality is marred with poor planning, implementation and monitoring of projects and this has lead the municipality to sit with huge backlogs around all sectoral infrastructure. Lack of, and/or inadequate maintenance of existing infrastructure leads to further deterioration of services. The municipality appoints service providers who are not capable of carrying out their contractual obligations.

Municipality has little or no revenue collection, there is a high dependency on grant funding. Service delivery: The municipality has serious challenges on bulk Water, sanitation and electricity. Bulk infrastructure provision which is at full capacity is hindering

the development of required additional settlements. Little or no priority is given to infrastructure maintenance of existing infrastructure like roads and water and waste treatment plants. This has a negative effect to attracting investors and growing the economy in the area. In 2016/17, the municipality applied for a roll-over of R22 million and only R18 million of the funds were rolled over by the National Treasury.

The 2017/18 funds were regazetted to Sarah Baartman DM, the municipality has reported 11percent of the R24 074million of the allocation.

PROPOSED ACTIONS:

- MISA to assist the municipality by deploying resources in terms of engineering skills and advisory to address immediate basic services, such as roads, water pressure management, water and electricity losses; .
- MISA to assist the municipality review its infrastructure master plan (long-term planning);
- The Minister of CoGTA to engage the Minister of Water and Sanitation in an effort to get DWS to fulfil its promises to the municipality on counter-funding projects;
- The Provincial Treasury to assist the municipality develop a budget accordingly for maintenance and repairs, as well as develop and asset management plan;
- The municipality must install boreholes, especially in farming areas, acquire resources such as vehicles, water tankers and engineers;
- The municipality to develop concrete plans on the water conservation and demand management;
- The District to play a more critical role to support the municipality on technical and procurement issues.
- National Cogta – MIG unit to liaise with the National Treasury to support the municipality with the projects reprioritisation and projects preparation for 2018/19;
- Utilise offers and partnership with business and Rhodes University in the delivery of services and skills development;

DISASTER MANAGEMENT CHALLENGES:

- Poor planning and lack of capacity to deliver services to communities

NATIONAL ACTION:

- Provide support package for both fire services and disaster management;
- Consult MISA to provide project management to ensure that drought interventions are implemented within 3 months;
- Monitor and evaluate the impact of intervention measures implemented to address the drought situation;
- Conduct onsite verification;
- South African Weather Services, DWS and NDMC to assist with early warning alerts;
- The NDMC Education, Training and Research Unit will conduct a DRM awareness working session with the Portfolio Committee (Disaster Management); NGOs; selected Ward Committee Members and CBOs in July 2018 with OR Tambo District and its municipalities.
- Training need analysis to be conducted in partnership with the PDMC; and
- Provide fire safety and prevention training during 2018/19 FY in partnership with the PDMC.

PROVINCIAL ACTION:

- Monitor the implementation of drought projects;
- Submit reports to NDMC on the intervention measures put in place;
- Assist with the preparation and organization of the fire services training;
- Second human resources to assist the municipality in building Disaster Management and fire services capacity;
- Assist with the planning and implementation of DRM public advocacy and awareness programme within the municipalities; and
- Develop drought contingency plan

MUNICIPAL ACTION:

- Implement the drought intervention measures;
- Develop an assets register for all the infrastructure especially the water infrastructure;
- Develop a plan to replace the aged water infrastructure;
- Develop fire services bylaws;
- Enforce the bylaws and inspect all buildings to ensure compliance;
- Ensure logistical arrangements for fire services training; and
- Develop drought contingency plan.

PILLAR 3: GOVERNANCE

Makana Local Municipality has 6 Senior Manager's positions namely: Municipal Manager, Chief Financial Officer, Directors: Corporate Services, Technical & Infrastructure, Local Economic Development and Community & Social Services. The position of the Municipal Manager and Director: Community and Social Services are currently vacant. The position of Municipal Manager has been vacant since 1 April 2014 and that of a Director: Community & Social Services has been vacant since 31 October 2014.

According to the Acting Municipal Manager, who has been seconded from Sarah Baartman District Municipality, the Municipal Council will appoint the Municipal Manager at the next Council Meeting scheduled for June 2018 and will consider the appointment of Director: Community & Social Services at its next meeting.

Root causes:

- The structure of the municipality is bloated.
- The municipality has 700 employees.
- High salary wage bill.
- 30 Managers
- Some Sections are under-staffed and other sections overstaffed
- Poor Supervision
- Low staff Morale

PROPOSED ACTIONS:

- National Cogta to support Makana Local Municipality on the review of staff establishment to provide for critical positions (Development of proto-type staff establishments). The development of prototype staff establishment according to the functions and powers of different categories of Municipalities is currently underway by the Department and is aimed at:-
 - aligning staff compliment to where real service delivery takes place & avoid fragmentation across functions;

- Optimised shared services & optimal ratios for core and support services;
 - Aligning service delivery model & staff establishment to the IDPs thus ensuring consistent service delivery;
 - Efficient & effective utilisation of resources; and
 - Reduction of duplication of roles & top heavy structures.
- Provincial Cogta to support Makana Local Municipality to finalise the recruitment and selection processes of the appointment of the Municipal Manager (turn-around time) by utilising support packages provided by DCoG.

PILLAR 4: FINANCIAL MANAGEMENT

Revenue Management challenges

Escalating debt is a major threat to the financial sustainability of Makana Local municipality and resulting on failure to effectively deliver services. There is generally a culture of non-payment by consumers for services rendered which affects and results to inability of the municipality to service its creditors (Eskom and Water Boards).

Outstanding debtors are increasing and that is evident by the debtor's books to the tune of R414 million as at March 2018. The biggest contributor to the debtors book are household which are accounted for by R222 million or 54% of the debtors and businesses owing R38, 4 million. Billing accuracy and integrity of data on the billing system is one of the reasons triggering challenges relating to increase on debtor's book, as customers are not getting correct bills, incorrect classification accounts on the billing system.

PROPOSED ACTIONS:

Intervention by DCOG to support sound financial management challenges (revenue management)

DCoG has identified Makana Local municipality for support on development and implementation of simplified revenue plan in 2018/19 financial year. Once these plan are

correctly implemented would contribute to reducing municipal consumer debt and enhancing revenue collection and this is in line with the processes by the municipality to improve on financial management aspects.

The department have initiated the process of assessing and identifying the deficiencies that are hindering the municipality from billing all that is due to them and collecting the revenue. Although the process of assessing the challenges is ongoing, the following are the revenue cycle deficiencies identified on the draft “As is Assessment” and can have the most impact if the municipality in collaboration with the department effects corrective measures.

Billing and customer data is inaccurate and needs to be purified

Billing accuracy have been identified as the primary focus to ensure that customers get correct bills and all bills are delivered to the correct customer and the following have been identified and need to be corrected:

- Of the **49,870 accounts on the billing, system** only 25,850 had valid customer ID numbers and **2,000 ID** numbers were duplicated on different accounts. More importantly, 49% of the accounts does not have valid ID numbers. This needs to be updated as it directly affect debt collection and credit control;
- Deceased debtors also another area of a concern, of the **25,850** valid and unique ID numbers **5,646** of these ID numbers are associated with deceased people. This is 23% of the customer base and is associated with **R102 million debt**. Dedicated capacity needs to be trained to deal with deceased debtors and proper verification in terms of the consumer getting the services also need to be undertaken.
- Another cause of concern in terms of the municipal billing system are 13,357 accounts with a total debt of **R81 million** classified as “Not Defined” on the billing system. This debt category needs further investigation to establish which customers owe this debt and who is the municipality billing for this category;

- Government debtor's customer classification is also a challenge, which results in government accounts sent to wrong departments and delays the recovery of outstanding debt. The municipality will be assisted with data authentication and verification, which amongst others focus on correcting customer classification on the billing system; and
- The billing system will be aligned with the valuation roll and the deeds register office to ensure that all properties within the municipality are billed;

Indigent Management

Focus on process of qualifying indigents to ensure that data is complete (any customer qualifying for indigent subsidy is flagged on the FMS) and correct on the FMS and subsidized as per the municipal policies.

The indigent register is understated with very few indigents registering or the system has not been suitably updated with all the indigents and has last been updated in 2015/16 financial.

Tariffs charged for services are not cost reflective and the municipality will be assisted with a tariff setting.

IMPLEMENTATION APPROACH

1. Presidential Coordinating Council and Local Government MinMec to receive quarterly reports on progress regarding implementation of the B2B support and interventions actions;
2. Technical Committees of the PCC and LG MinMec to monitor and prepare reports for tabling at the Political Committees of the PCC and MinMec
3. B2B Municipal Steering Committee's constituted by officials from the National Departments, Provincial Departments and the municipal officials will be responsible for implementation of the agreed B2B action plan
4. Mobilise critical sector departments, SOE's and partner with entities outside of government to support the B2B Action Plans