Municipal Demarcation Board

State Municipal Capacity Assessment 2010/2011
National Trends in Municipal Capacity

Final National Report on Trends in Municipal Capacity for the 2010/11 Municipal Financial Year

30 September 2012

Executive summary

Introduction

Twelve years into the implementation of the newly designed, legislated and demarcated system of developmental local government, there continues to be a need to better understand the performance of our municipalities.

Underlying local government performance are three key, interdependent but distinct, sets of issues:

- the context in which a municipality finds itself representative of the socio-geographic and legacy factors that constrain the ability of a municipality to perform,
- the capacity that it employs which includes resources such as staffing and financial resources, skills and competencies, systems and processes, and
- the leadership behaviours of councillors and heads of the executive, which play a less measurable and ethereal but very significant role in determining the ability of a municipal to perform well.

In its chapter on Building a Capable State, the National Development Plan Vision 2030 puts forward the need to stabilise the political-administrative interface by focusing on skills and professionalism, making local government a career of choice by emphasising experience and expertise in recruitment of senior managers and ensuring that we equip local government with the technical and specialist skills necessary.

This is the first Municipal Demarcation Board (MDB) Municipal Capacity Assessment (hereafter referred to as the capacity assessment) to be conducted in the light of these stated priorities. It is based on an assessment of capacity in the 2010/11 municipal financial year.

The MDB has been conducting municipal capacity assessments annually since 2001/2. This process was primarily designed to allow the MDB to fulfil the role required of it in the Municipal Structures Act of 1998 to make recommendations on the adjustment of appropriate functions to the provincial MEC empowered to make such adjustments between district and local municipalities. While the merits of this role of the MDB, and that of MEC adjustments, can be debated the municipal capacity assessments have increasingly become a nationally important strategic information resource on capacity in local government, however they have yet to realise the potential impact that could be made.

It is the only widely known and published assessment of capacity, of any of the three spheres of government in South Africa.

This year's conceptualisation of the capacity assessment arises from significant improvements to the methodology and the analytical tools used, suggested in a review of the MDB's capacity assessment model undertaken in 2010. The methodology is further elaborated in the next chapter.

Purpose of the national analytical report

The purpose of the national analytical report on municipal capacity is to draw out an analysis of trends in municipal capacity across different categories of municipalities, municipalities in different provinces, and over time where the data is comparable. Analysis of municipal capacity and performance in relation to a municipality's context is also undertaken where appropriate.

The intended readers for this report are analysts, policy makers and national government officials needing an analysis across all municipalities in the country.

This report is also accompanied by a comprehensive user-friendly database, hosted on the internet, that provides a resource for officials, councillors and researchers in the local government sector to run customised queries and analysis.

A suite of other reports are also available that reflect other purposes and audiences:

- **A municipal comparison report:** this is intended for use by a municipality to compare their capacity trends, in general and for each function, with municipalities in the same category. This is generated for each municipality independently.
- **A district level report card:** this is intended for any reader wanting an analysis of the distribution of capacity within a district, amongst all local municipalities and the district municipality. The is automatically generated for each district family.
- **An in-depth qualitative assessment report for nine districts:** Nine districts, one in each province, were selected for an in-depth analysis of the application of capacity to three prioritised functions. The reports for each of these districts reflects on the current arrangements for delivering fire services, roads and solid waste services and assesses the merits of considering MEC adjustments.

Sources of information

As a marked difference from past methodologies, this year's capacity assessment relied on a range of already-collected information on municipalities held by national departments, as well as collecting data from municipalities.

Table 1: Sources of information

Type of Information	Source	Year	Custodian	Coverage
Financial information	Local Government Budget and Expenditure Database (pre-audit)	2010/11	National Treasury	All municipalities
Water services performance	Blue Drop and Green Reports for Water Services Authorities	2010/11	Department of Water Affairs	All Water Services Authorities & others
Audit information	Municipal Audit Findings	2010/11	Office of the Auditor General	All municipalities
Staffing	Completed MDB Municipal Capacity Assessment Questionnaires	2010/11	Municipal Demarcation Board	All but seven municipalities participated
Demographic information	Community Survey	2007	Statistics South Africa	All municipalities

Municipal Infrastructure Investment Framework categories

The purpose of the report is mainly to analyse trends in capacity across provinces, categories.

The categories developed for the Municipal Infrastructure Investment Framework (MIIF) are utilised here purely for analytical purposes. These categories will hereafter be referred to as municipal categories. The table below provides a description of the categories, and the total number of municipalities within each category.

Table 2: MIIF category description

MIIF category	Description
A	Metropolitan municipalities (metros)
B1	Secondary cities, local municipalities with the largest budgets
B2	Local municipalities with a large town as core
B3	Local municipalities with small towns, with relatively small population and significant proportion of urban population but with no large town as core
B4	Local municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in their area
C1	District municipalities which are not water services authorities
C2	District municipalities which are water services authorities

Conclusion

It must be noted that in concluding, the findings regarding capacity in local government, are by no means viewed as unique to local government. They firstly reflect significant variance in municipalities depending on context and geographical location. Findings are also likely to be reflective of similar trends in national and provincial government. If similar studies are being conducted in relation to national and provincial departments, their findings too, should be published so that local government capacity is assessed in an intergovernmental context.

Staffing

Overall municipal staff attrition is not high

The analysis of staffing trends conducted in this research shows highly volatile organisations. While the overall attrition rate of municipal staff is not particularly high, alluding arguably to competitive conditions of service, vacancies remain substantial.

8.8% of exits in the 2011 MFY were due to dismissals. Dismissals accounted for more than one out of ten exits in the Eastern Cape, KZN, the Free State and were highest in the Western Cape, with more than 13% of exits being the result of dismissals.

Appropriateness of Organisational design is questionable in some contexts

Only 72% of municipal posts were filled nationally in this financial year, with the lowest in Limpopo with 61.5% filled. 76.4% of posts in municipalities' organograms were funded (budgeted for), with this figure being much lower for B4 municipalities and their C2 partners. This alludes to potentially overdesigned organisations, in rural spaces, that municipalities cannot provide the financial resources for and fill.

Posts are difficult to fill in rural spaces

Of the funded posts, where municipalities can afford to fill these posts, 32.5% remain vacant. It is significant that almost 1 in 3 budgeted posts nationally are vacant. If municipalities have budgeted appropriately, with the intention of filling these posts, this then indicates that there are municipalities that struggle to attract appropriate staffing. Funded posts are significantly vacant in B4 municipalities (almost 50%) and their C2 district partners (36%). This problem is much less significant for metros and secondary cities, indicating a significant urban / rural distinction in the ability to fill funded posts.

Management trends

Recent institutional memory and experience

Municipal managers (MMs) have been in their position for on average 3.3 years. In metros and secondary cities this figure is even lower; there has been a higher turnover in MMs. It is worth noting that metropolitan municipal managers have on average (9.3 years) of relevant work experience, the least length of relevant work experience when compared to that of other categories (10.3 years). CFOs have generally more experience at 11.24 years, but have been in their current position for four years on average.

Years of relevant work experience is consistently lowest for Section 57 managers in the Free State. Municipalities in the Western Cape have the most experienced municipal managers, CFOs and technical services managers, and Gauteng has the most experienced corporate services and IDP managers. Municipal managers in the Western Cape have on average 14.62 years experience, when compared with an average of, 10.58 years nationally and 5.17 years in Free State. CFOs have on average 20 years relevant experience in the Western Cape, 11.24 years nationally and in extreme contrast 4.1 years in the Free State (one fifth of the experience of a CFO in the Western Cape). Similarly for technical services, managers have on average 17 years relevant experience in the Western Cape, 10.82 years nationally and only 6.6 in the Free State, but followed closely by North West and Limpopo.

The North West, Gauteng and the Free State's municipal managers are on average very new to their positions as compared to other provinces.

High management turnover

It is a very significant finding that 25% of Section 57 posts (1 in 4) was vacant for more than three months in the 2010/11 financial year, with the problem being more prominent in B1 and B3 municipalities and provincially more prominent in Mpumalanga, the North West, the Free State and highest (42.6% or 2 out of every 5 managers) in the Northern Cape.

Almost one out of six Section 57 managers exited their municipality in the course of the year. This was more than one out of five in B2, C2 and to a lesser extent B4 municipalities. Provincially, KZN, Limpopo and Mpumalanga had higher than average exit rates, with Free State's rates the highest at almost one in four managers exited in the year.

Exits are due largely to resignations and dismissals

A significant proportion of exits are due to dismissals. Nationally 13.1% of Section 57 exits were dismissals, mostly in B1 and C2 municipalities. Provincially, dismissals accounted for 28.2% of exits in Mpumalanga, 23.6% in the North West and 16.7% in

the Western Cape. Dismissals themselves cannot be perceived negatively, if they represent the willingness to act in the face of problems.

As Section 57 managers are employed on contract; contract closure should be a prominent reason for exist. However resignations account for 63.8% of all exits, most prominently in C1 (66.7%), B4 (76.8%) and C2 (85.7%) municipalities.

Municipal Managers have the highest qualification levels

On average municipal manager qualifications exceed that of their management peers. Almost 50% of MMs have a post-graduate degree and almost 1 in 3 have a Masters Degree or Phd.

Corporate services managers, too, follow in having similar high levels of academic qualification.

The assessment of academic qualifications does not as yet distinguish the institutions from which these qualifications have been obtained and there are some arguments to do that in future years.

Qualifications of technical services managers

While municipal managers and corporate services managers have high levels of tertiary qualifications, this contrasts strongly with technical services managers. Almost 50% of technical services managers do not have an undergraduate degree, yet are responsible for services that account for the highest proportion of municipal asset value and for functions that represent the bulk of municipal expenditure.

All qualifications of senior managers are improving

A comparison of the qualifications of all senior managers in this capacity assessment with the information obtained in 2008 capacity assessment showed, a significant increase in the academic qualifications of senior managers, including technical services managers.

Technical and specialist skills

The National Planning Commissions' Diagnostic Report and National Development Plan Vision 2030, points to the severe shortage of technical and specialist skills due to the inadequate generation of skills to fill the gap created by of ageing cohorts.

The findings of this study provide further evidence for these findings, particularly with regard to registered professional engineers, other engineering professionals, chartered accountants (however these are not an explicit requirement for local government), and spatial planners.

Chartered accountants, like other specialist skills are concentrated in metropolitan municipalities.

Engineering professionals

The data collected in the capacity assessment raises, or reiterates, a number of key points made in other studies:

1. There is a chronic shortage of municipal engineers in South Africa,
2. This shortage is most acute in B4 municipalities and C2 municipalities,

3. There is a large infrastructure asset value present in these municipalities, however they do not have the engineering capacity to manage these assets, and
4. The geographical distribution of engineers is uneven, with higher concentrations of engineering capacity in metros and secondary cities.

Spatial planners

More than 50% of the 468 planners surfaced through the survey are employed by metros and the majority in the City of Cape town alone. Elsewhere, like with engineering capacity there is a severe shortage.

This metropolitan concentration of planners means provincially much higher prevalence of planners in the Western Cape, Gauteng and KZN.

Despite C1 municipalities increasingly positioning themselves as development facilitators and a platform for sharing scarce skills, C1 municipalities, followed by other district municipalities (C2s) have the lowest numbers of planners. C1 municipalities average less than one planner for every district.

Two-tier local government

An analysis of staffing and expenditure trends for all municipalities firstly highlights the limited role played by C1 municipalities, which by definition are not responsible for the water services authority role and many other municipal services. C1 municipalities spend 48.4% of their budgets on governance and administration. Aside from the facilitation and coordination model embodied by Cacadu District Municipality and the Shared Services District model embodied by the West Coast District Municipality, there is limited relevance to the role played by C1 municipalities.

While B4 municipalities spend about 70% of their budgets on governance and administration, this proportion is also very high (41%) in their C2 partners. This indicates very significant duplication in the governance and administration costs in the two-tier system, where districts are most needed: in rural spaces.

These two findings allude to the most common critique of the two tier system; that district municipalities lack relevance in significant parts of the country and that, where they are relevant, better role clarification and efficiently designed governance and financing arrangements is needed, in relation to local municipalities.

Attributing performance

It is common knowledge that local government performance is highly divergent. Some municipalities perform poorly and warrant intervention and many consistently perform well and set best practice for others to emulate.

Important to any capacity assessment is what to attribute that performance to. It is unclear whether performance is about greater capacity, more resources such as staffing or budget, more experienced or qualified managers, or about context, the characteristics of the geographic spaces they serve and the historical legacy that institutions have inherited. Without being decisive on these issues, the sets of data that have been collected as part of this assessment contribute significantly to these necessary debates.

A significant limitation in attributing performance, is good performance information. In general most national and provincial departments with supervisory and regulatory responsibilities over municipalities, are not playing their role of specifying regulatory norms and standards, specifying processes for monitoring and supervision, collecting regular performance information and either recognising good performance or supporting and intervening with regard to inadequate performance.

National Treasury, with regard to financial performance, and the Department of Water Affairs are the main departments to date that are fulfilling aspects of this role. DCoG, the Department of Transport and the Department of Environmental Affairs (DEA) have much to do to realise their supervisory and regulatory role with respect to municipal performance.

This process has attempted to collect performance information for municipal services in the absence of performance information, indicators, and norms and standards from regulators. However, the capacity assessment cannot provide the level of effort anticipated by a regulator, in fully researching norms and standards, specifying collection of data, and auditing the validity of performance data collected. Where collected, performance information that has been deemed useful is analysed, but cannot be given the same status as that collected and published by regulatory departments.

It is for these reasons that much of the analysis successfully conducted has been based on water services performance and the audit outcomes assessed by the Office of the Auditor-General.

The findings below are an initial analysis of the relationship between capacity and performance, and must be seen as a start to those debates and not decisive conclusions. A more complex analysis and further research is warranted in this regard.

An analysis of water services in particular has shown us that there is no positive correlation and, if any, a negative correlation, between staffing levels and water quality performance. Performance on Blue and Green Drop showed municipalities with low staffing levels per 10 000 population performing well and those with higher staffing levels performing less well on these measures. Even professional staffing levels and numbers of registered engineers did not correlate with performance. Expenditure showed a mild relationship with water services performance, but there were equally many good performing WSAs that spent very little in comparison with others. Similarly, the length of water services managers' experience and qualifications had direct bearing on performance.

The water services performance indicators are the only performance indicators that show a direct relationship with context, as measured by DCoG's context index. Municipalities operating under more challenging contextual conditions perform more poorly than those operating in less challenging conditions.

This was, however, not the case for other performance indicators such as the AG Audit opinion for the 2010/11 financial year. Both the 2010/11 audit opinions and their movement from the previous year bore little relationship with MMs or CFOs' experience, qualifications or the context of their municipalities.

If all of these capacity factors, including a municipality's context, do not in general have a direct causal relationship with performance, then what does? Attributing

performance probably lies both in a combination of many of these factors and probably significantly in the less measurable and more ethereal realm of leadership and management behaviours. Possibly the way organisations are led and the quality of decisions made by leaders has more of a direct relationship on performance than numbers of staff, expenditure, even years of experience and compliance with qualifications requirements. Clearly, this is fruitful territory for further research and debate.

Implications for MEC Adjustments

The capacity assessment is undertaken in order to provide a strategic resource of data on municipal capacity and to assist the Municipal Demarcation Board in fulfilling its legal requirement to make recommendations to MECs on the adjustment of appropriate functions between district and local municipalities.

The data obtained and analysed, is very useful in understanding the comparative capacity and resources applied of each municipality to functions contained in schedules 4 and 5 of the Constitution, and in understanding the distribution of this capacity within a district family of municipalities.

While this data will certainly be useful to any process considering adjustment of functions, recommendations for adjustments are not made for the following two reasons:

A Quantitative View of Capacity is Insufficient

The data collected and analysed as part of this study presents a quantitative view of capacity distribution in municipalities and does not present the full picture. A qualitative and in-depth engagement to understand local perspectives, conditions, arrangements and dynamics is essential to coming to a view of capacity that complements the quantitative view.

A pilot process of conducting an in-depth qualitative assessment has been undertaken in 9 selected district families, covering 20% of the country's districts. This has created a useful analysis of arrangements and capacity application for delivering certain functions. This is a pilot process that must be strengthened and rolled out more widely in an accelerated way.

Capacity is insufficient criteria for functional adjustment

Capacity is at best, only one of the many criteria, that need to be considered in adjusting a function. These are some of the impotant considerations in adjusting or devolving a function:

- Principle of subsidiarity – constitutional imperative to devolve to lowest level the function can be delivered from.
- Technical logic of function – each function is defined by technical considerations of the scale at which it should be delivered.
- Function follows finance – it is important that the financing mechanisms for functions determine who is best responsible for it.
- Economies of scale – some functions are more economical delivered at larger (regional scales).
- Management efficiency – some functions realize better management efficiencies when delivered at regional scale.

- Integration of the service – there are arguments for certain services to be delivered as an integrated package with other services and thus should be delivered together.
- Impact on other services – what impact does adjusting this service have on other services.
- Capacity – who currently has the staffing, budgets and assets is an importnant factor.
- Implications of adjustments – what are the implications for moving staffing and assets.

In the criteria mentioned above, current capacity is merely one of the criteria that should be considered in adjusting a function. It is even held by some that it is not a fundamental criteria as the capacity (staffing, budgets and assets) should be built where it is ideal to have the function. While the key criteria, remain the technical logic of the function and the financing arrangements, a multi-criteria assessment process is required to determine the best location of a function.

Implications for Boundary Adjustments

In considering an adjustment, a range of spatial and socio-economic criteria should inform the adjustment of boundaries. The capacity of current institutions is arguably a factor for consideration, but alone is insufficient for boundary adjustment. The data obtained through this exercise and complemented with other data sources is an important resource and input into the process of boundary adjustments.

Recommendations

This has not been intended as a policy project. The process has produced a wealth of data and analysis that helps to describe the capacity of local government and its many successes and challenges. This report deliberately does not make recommendations, except for elements of a process that should follow:

Further Stakeholder Discussions

The research, analysis and debates surfaced in this report should be enriched by discussion within each stakeholder institution and in focused discussions between national stakeholders including SALGA, amongst the Governance and Administration Cluster, and intergovernmentally, with provinces and municipalities.

Development of National Capacity-Building Strategy

It is important that these findings feed into a process of designing an appropriate response, that is strategic and widely supported across stakeholders. Both the national capacity building framework and a national strategy that responds to these findings, should be developed under the leadership of DCOG.

It is difficult to separate a strategy for building the capacity of local government from that focusing on provincial government. Consideration should be given to an integrated approach.

National Summit on Municipal Capacity

In order to ensure consensus-building and a coherent and co-ordinated intergovernmental approach to addressing capacity issues in local government, a national summit on municipal capacity-building is proposed. Such an approach should leverages resources residing in academic institutions, business and civil society as critical partners to building municipal capacity.

Contents

1 Introduction

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- the context in which a municipality finds itself representative of the socio-geographic and legacy factors that constrain the ability of a municipality to perform,
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1.1 Purpose of the national analytical report

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1.2 Sources of information

As a marked difference from past methodologies, this year's capacity assessment relied on a range of already-collected information on municipalities held by national departments, as well as collecting data from municipalities.

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Type of Information	Source	Year	Custodian	Coverage
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Demographic information	Community Survey	2007	Statistics South Africa	All municipalities

1.3 How to use the report

The purpose of the report is mainly to analyse trends in capacity across provinces, categories and, where appropriate, context.

1.3.1 Municipal Infrastructure Investment Framework categories

The categories developed for the Municipal Infrastructure Investment Framework (MIIF) are utilised here purely for analytical purposes. These categories will hereafter be referred to as municipal categories. The table below provides a description of the categories, and the total number of municipalities within each category.

Table 2: MIIF category description

MIIF category	Description
A	Metropolitan municipalities (metros)
B1	Secondary cities, local municipalities with the largest budgets
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C2	District municipalities which are water services authorities

The sub-categorisation of local municipalities (LMs) from B1 to B4 was developed in recognition of the asymmetry in local government across a wide range of demographic, economic and settlement conditions. In the case of district municipalities (DMs), the two sub-categories are based on the fact that where the district municipality retains the authority to provide water services (water supply and sanitation) in terms of the Municipal Structures Act, it has the responsibility to deliver a service based on large scale reticulated infrastructure, something which comes with substantial transfers from the national fiscus. On the other hand, C1 district municipalities have a low level of service delivery responsibility and correspondingly low levels of access to finance, with transfers from the national fiscus being most relevant.

An appendix (Annexure A) provides a listing of all municipalities by these categories.

It should be noted that this categorisation has been widely used by DCoG and National Treasury for analytical purposes. These categorisations primarily serve to illustrate the structure of local government and assess the impact of policy decisions.

1.3.2 DCoG index for municipal context

As part of a barometer to enable better differentiation of municipalities for targeted support, DCoG, with the assistance of PDG, has developed a specific index that is used to describe the context that a municipality finds itself in. This index is in no way indicative of municipal performance, but is informed by the structural, socio-geographic conditions that make it either very challenging on the one extreme or very conducive on the other to a municipality performing well.

Table 3: DCoG context index

Factors for consideration	Indicator/measures	Data source
Scale	Number high income households	Census 2001
Revenue raising potential	Percentage of high income households	Census 2001
Migration	No suitable data available but migration remains and important indicator	No suitable data available
Population growth	Percentage increase in population (between 1996 and 2001)	Census 1996, 2001
Service backlogs	Percentage households without adequate access to (sum of the following): • Water • Sanitation • Electricity	Census 2001
Proportion of municipal population that live in informal settlements	Number of people in informal settlements as percentage of total municipal population	Census 2001
Proportion of municipal population that live in tribal settlements	Number of people in tribal settlements as percentage of total municipal population	Census 2001

This index is used for certain analyses in this report; when correlating capacity or performance with a municipality's context (the index is referred to as 'DBAR context scores' when used in correlation graphs).

1.4 Structure of the report

The structure of the report is as follows:

- The next chapter explains the methodology of the capacity assessment of 2010/11.
- Chapters 3 to 5 present the general findings of the capacity assessment. Attention is paid to overall staffing, management capacity, and technical and scarce skills.
- Chapters 6 to 19 present findings regarding groupings of functions from schedules 4 and 5 of the Constitution as well as provincial functions performed by municipalities. These chapters are largely intended for reference purposes.
- Chapter 20 provides a set of concluding statement relevant to the analysis of national trends in municipal capacity.
- Chapter 21 provides a set of recommendations for future rounds of the capacity assessments.

2 Methodology

Data collection for the MDB's capacity assessment process for the 2010/11 municipal financial year (MFY) commenced on the 14th October 2011. A web-based data collection approach was implemented for the first time this year, with municipalities inputting data using an online survey. The methodology applied is described below.

2.1 Preparation

2.1.1 Primary research

In preparing for the capacity assessment, primary research was undertaken, including consultation with key stakeholders in sector departments. The objective of this research was to:

- Gain an in-depth understanding of the powers and functions of municipalities to ensure that these are adequately covered in the questionnaire.
- Gain a sense of how sector departments and key national stakeholders such as National Treasury and Stats SA, which engage directly with municipalities, collect data, and measure and assess both performance and capacity.
- Gain access to existing data sources that can be used to supplement the capacity assessment data to be collected.

2.1.2 Collation of data from existing sources

An important part of the 2011 capacity assessment process was the gathering and collation of data from existing sources. The intention was to collect as much existing data as possible, so as not to duplicate the types of data being asked from municipalities. Through engagements with sector departments, the following data was gathered:

- financial data (operating budgets and expenditure for 2010/11) from National Treasury,
- audit opinions for 2010/11 from the Office of the Auditor-General,
- water sector regulatory and performance data from the Department of Water Affairs, and
- contextual data from Statistics South Africa (Community Survey 2007).

With access to the above data, the capacity assessment questionnaire could focus on gathering data that did not already exist for the 2010/11 MFY, ensuring the streamlining of the process.

2.1.3 Development of a revised questionnaire

A primary step in the process of data collection was the design for the revised questionnaire. This began with a review of the existing capacity assessment questionnaire, last used in 2008.

In developing the new questionnaire the following key considerations were made:

Alignment to legal powers and functions of municipalities

The questionnaire included the powers and functions assigned to municipalities as set out in Schedules 4 and 5 of the Constitution, as well as those stipulated in key local government legislation such as the Municipal Systems Act and the Municipal Structures Act.

Alignment to other functions performed by municipalities

In addition to performing their legal mandate many municipalities perform a host of other, delegated functions (such as libraries and museums) which were also included in the questionnaire.

It was also important to test functions which are not necessarily service related but which constitute a core part of what municipalities do, such as the governance and administration functions.

Appropriateness of questions in assessing capacity

The questionnaire was developed to ensure that it measured a nuanced understanding of capacity, inlcuding staffing numbers, skills, years of experience and qualifications.

Where relevant, service authority and service provider capacity measures were also included.

Streamlining the questionnaire

There was a strong emphasis on streamlining the questionnaire through grouping certain functions together where it made sense to do so, in light of how municipalities are typically structured.

A reliance on secondary data such as financial data from National Treasury meant that financial data did not have to be collected from municipalities through the capacity assessment.

Alignment with other data sources

The questionnaire structure was designed so as to align to secondary data and, where possible, questions from the previous capacity assessment questionnaire were retained so as to ensure some potential for time series data analysis.

2.1.4 Functional areas covered

The table below lists all the functional areas covered in the questionnaire, as well as a decription of what is included in each.

Table 4: Grouping of functions

Functional Area	*Description*
Governance and Administration Staff	Finance, Corporate services (HR, IT, legal etc), Council support & secretariat, Municipal buildings and workshops
Function A: Water Services – Water and Sanitation	Water supply services and sanitation services
Function B: Electricity and Gas Reticulation	Electricity and gas reticulation, Street lighting
Function C: Municipal Transport	Municipal public transport, Municipal airports, Pontoons, Ferries and harbours
Function D: Waste Management	Refuse removal, refuse dumps and solid waste disposal, Cleansing
Function E: Roads and Stormwater Systems	Municipal roads, Stormwater systems in built-up areas
Function F: Community and Social Services	Beaches and amusement facilities, Local amenities, Local sports facilities, Municipal parks and recreation, Public

	places, Cemeteries and crematoria, Child care facilities, Libraries, Museums
Function G: Planning and Development	Municipal planning, Building regulations, Land use management, Property development (non-municipal property)
Function H: Emergency Services	Fire fighting, Rescue services, Disaster management, Ambulance services
Function I: Municipal Health	Municipal health, Licensing and control of undertakings that sell food to the public, Noise pollution, Pounds, Accommodation, care and burial of animals, Licensing of dogs
Function J: Primary Health Care	Primary health care facilities (e.g. day hospitals and clinics etc)
Function K: Environmental Management	Environmental planning, Bio-diversity management, Climate change interventions, Alternative energy planning, Air pollution
Function L: Economic Development	Local tourism, Markets, Abattoirs, Trading regulations, Street trading, Billboards and the display of advertisements in public places, Control of undertakings that sell liquor to the public , Fences and fences, Local economic development
Function M: Housing	Housing facilitation (managing developers, housing lists etc), Acting as developer of housing projects, Landlord (owning and managing housing stock)
Function N: Traffic and Policing	Traffic and municipal police, Community Safety, Control of public nuisances, Driver licensing, Motor vehicle licensing

2.1.5 Consultation and testing phase

The draft questionnaire was presented for consultation to the MDB's steering committee for this project, which includes the provincial representatives. The content was also discussed with key sectoral stakeholders who make use of the capacity assessment's data.

The questionnaire was tested to ensure that its structure and flow was technically sound.

2.2 Primary data collection

Once the questionnaire was finalised, the primary data collection process commenced, using the online survey. The process entailed the following core components.

2.2.1 Online tool for data collection

A self-administered web-based questionnaire was designed and developed specifically for the purpose of collecting data for the 2011 MDB capacity assessment. Every effort was made to ensure that the website:

- was user-friendly and easily accessible,
- was simple and streamlined with fewer questions than in previous years, and

- accommodated the verification and sign-off of data by the municipal manager as the chief accounting officer.

2.2.2 Going live and getting municipalities started

Using the municipal contact database provided by the MDB, each municipality, through the municipal manager, was sent information on the process, key dates as well as how to use the website to complete and sign-off on the data.

The online questionnaire went live on the 14th October 2011 and municipalities were given a period of two months to complete and submit data.

2.2.3 Support to municipalities

Given the newness of the web-based approach to data collection, it was important to put measures in place to support municipalities. The following methods were used:

- Computer Assisted Telephone Interviews (CATI)
- Dedicated email contacts for municipalities to send queries and questions
- Provincial officials played an important role in supporting and assisting municipalities to submit their data.

2.2.4 Process of data verification

A one-month verification period followed the deadline for submission. During this time municipal managers of municipalities which had submitted data were each sent a verification report and asked to verify their data. The verification process was essential to ensure the integrity and quality of the data.

In addition municipalities were given further opportunities to verify, correct and sign-off their data over the course of a four-month period following the closing of the initial verification period.

2.3 Analysis and report – writing

A web-based database was developed for storing and analysing the municipal capacity assessment data and secondary data sources. Using the database the following reports were produced:

- *Comparative Analytical Report per municipality:* providing an analysis of each municipality's capacity compared to the average of all municipalities that fall within the same municipal category.
- *District-level Report per district*: providing an analysis of the the distribution of capacity for each function across the district and local municipalities within the district boundary. It therefore provides insight into the spread of human and financial resources within a district.

These reports were sent to municipalities that had signed off on their data and they were given a chance to verify and query their data.

The analysis for the National Report was undertaken using the web-based database.

2.4 Data completion levels

The graph below provides an illustration of municipalities' completion levels for the online questionnaire. The analysis below is by municipal category.

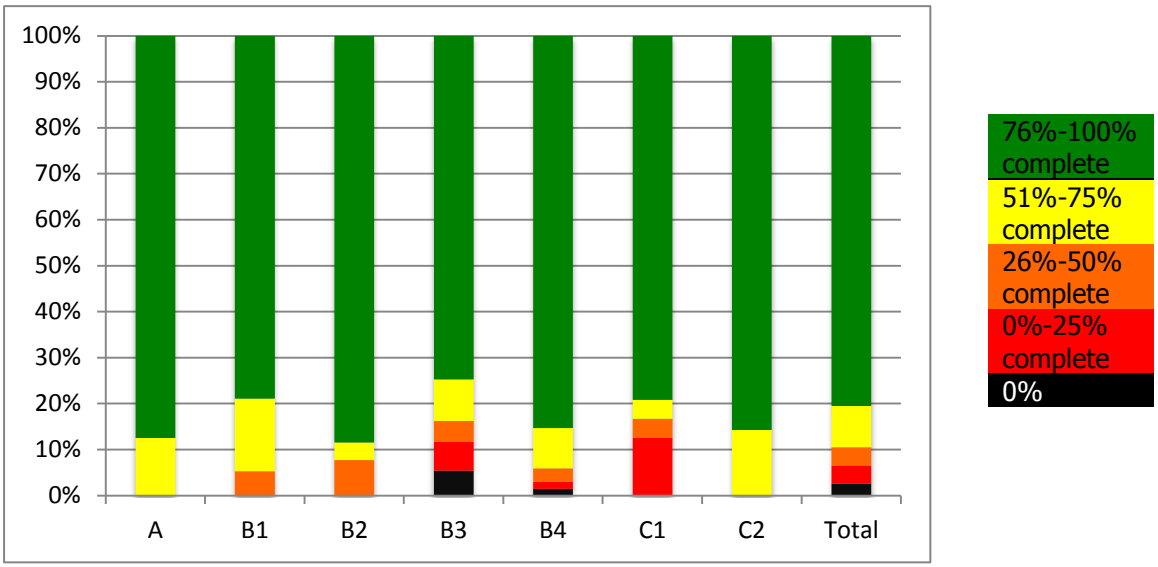


Figure 1: National completion levels by municipal category

Nationally, 96% of municipalities submitted data for the 2010/11 capacity assessment using the online questionnaire. More than 80% of municipalities submitted questionnaires that were between 76% and 100% complete, reflected in the green segments of the stacked bar chart above. Completion levels are highest in metros, C2 municipalities and B1 municipalities. Only seven municipalities nationally (or 4% of the total) did not submit data, and these fall within B3 and B4 municipal categories.

A provincial analysis of completion levels is shown in the graph below.

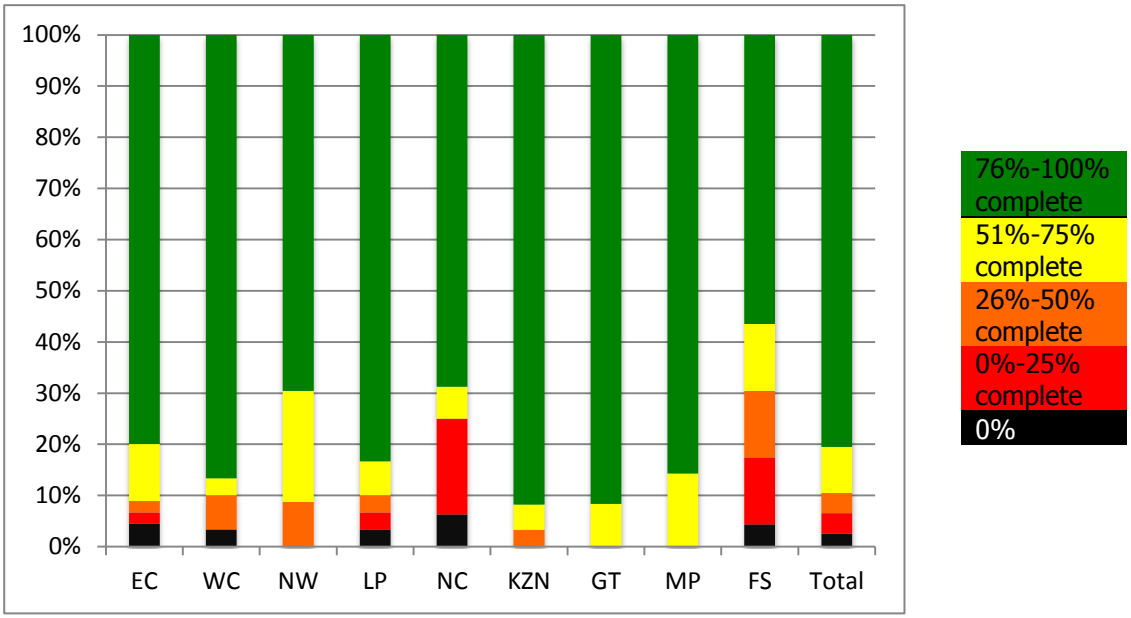


Figure 2: National completion levels by province

More than 90% of municipalities in KwaZulu-Natal (KZN) and Gauteng submitted data that is between 76% and 100% compete. This is particularly significant for KZN as it has more municipalities than any other province (61 in total). Completion levels are lowest in the Free State, the Northern Cape and the North West provinces.

3 Trends in municipal staffing

This section of the report provides an analysis of the staffing and financial resources of municipalities for the 2010/11 MFY.

3.1 Distribution of staff by function

A reflection of the distribution of staffing capacity within municipalities provides an indication of where human resources are largely being allocated. The graph and accompanying table below provides this analysis by municipal category.

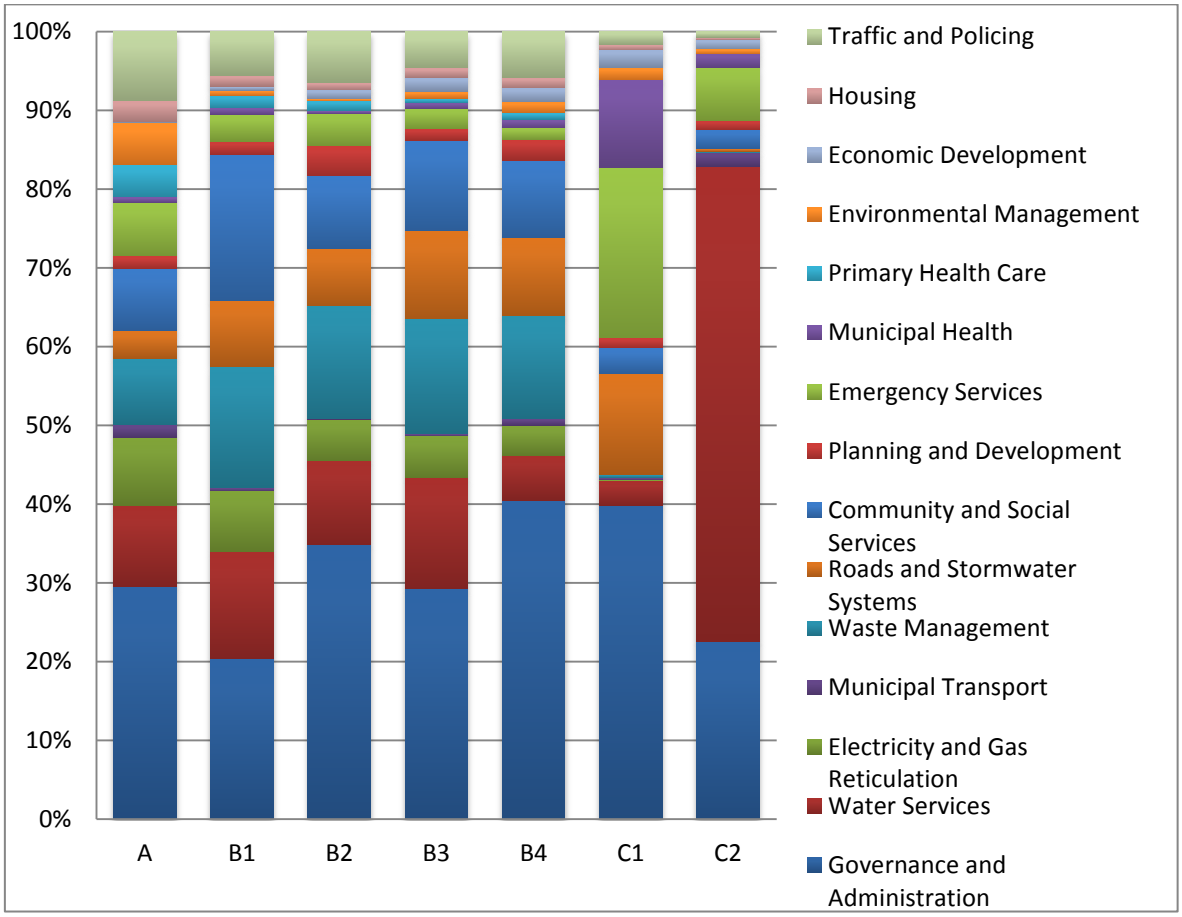


Figure 3: Distribution of staff by function, average for municipal category

Most evident in the graph above is the significance of governance and administration capacity (the departments which provide services internally such as Corporate Service, IT etc), in terms of staffing. Apart from C2 municipalities, where water services constitutes the major staffing allocation, governance and administration absorbs the highest proportion of staff across all categories. Water services and waste management are also major functions in terms of staffing across all categories, with the exception of C1 municipalities where significant numbers of staff are working in the

areas of roads and storm water systems as well as emergency services and municipal health.

The distribution of staff by function within each municipal category is demonstrated in the table below.

Table 5: Distribution of staff by function, average for municipal category

Function	A	B1	B2	B3	B4	C1	C2
Governance and Administration	29.6%	20.4%	34.9%	29.3%	40.5%	39.9%	22.6%
Water Services	10.2%	13.5%	10.6%	14.1%	5.7%	3.10%	60.3%
Electricity and Gas Reticulation	8.7%	7.7%	5.3%	5.3%	3.8%	0.10%	0.1%
Municipal Transport	1.6%	0.4%	0.1%	0.3%	0.9%	0.30%	1.7%
Waste Management	8.5%	15.4%	14.3%	14.6%	13.1%	0.40%	0.2%
Roads and Stormwater Systems	3.5%	8.3%	7.2%	11.2%	9.8%	12.8%	0.3%
Community and Social Services	7.9%	18.5%	9.3%	11.5%	9.9%	3.3%	2.4%
Planning and Development	1.6%	1.7%	3.9%	1.5%	2.6%	1.30%	1.2%
Emergency Services	6.8%	3.4%	4.0%	2.5%	1.5%	21.6%	6.8%
Municipal Health	0.7%	0.9%	0.4%	0.8%	1.1%	11.2%	1.7%
Primary Health Care	4.1%	1.5%	1.2%	0.5%	0.8%	No data	0.0%
Environmental Management	5.4%	0.7%	0.3%	0.9%	1.4%	1.60%	0.6%
Economic Development	0.1%	0.5%	1.1%	1.8%	1.8%	2.20%	1.2%
Housing	2.7%	1.4%	1.0%	1.2%	1.3%	0.70%	0.3%
Traffic and Policing	8.7%	5.5%	6.4%	4.6%	5.8%	1.60%	0.7%
	100%	100%	100%	100%	100%	100%	100%

3.2 Distribution of operating expenditure by function

The distribution of operating expenditure by function is shown below. Once again significant financial resources are channelled to governance and administration. Water services and electricity functions are also significant across all categories, except in the case of district municipalities and B4 municipalities.

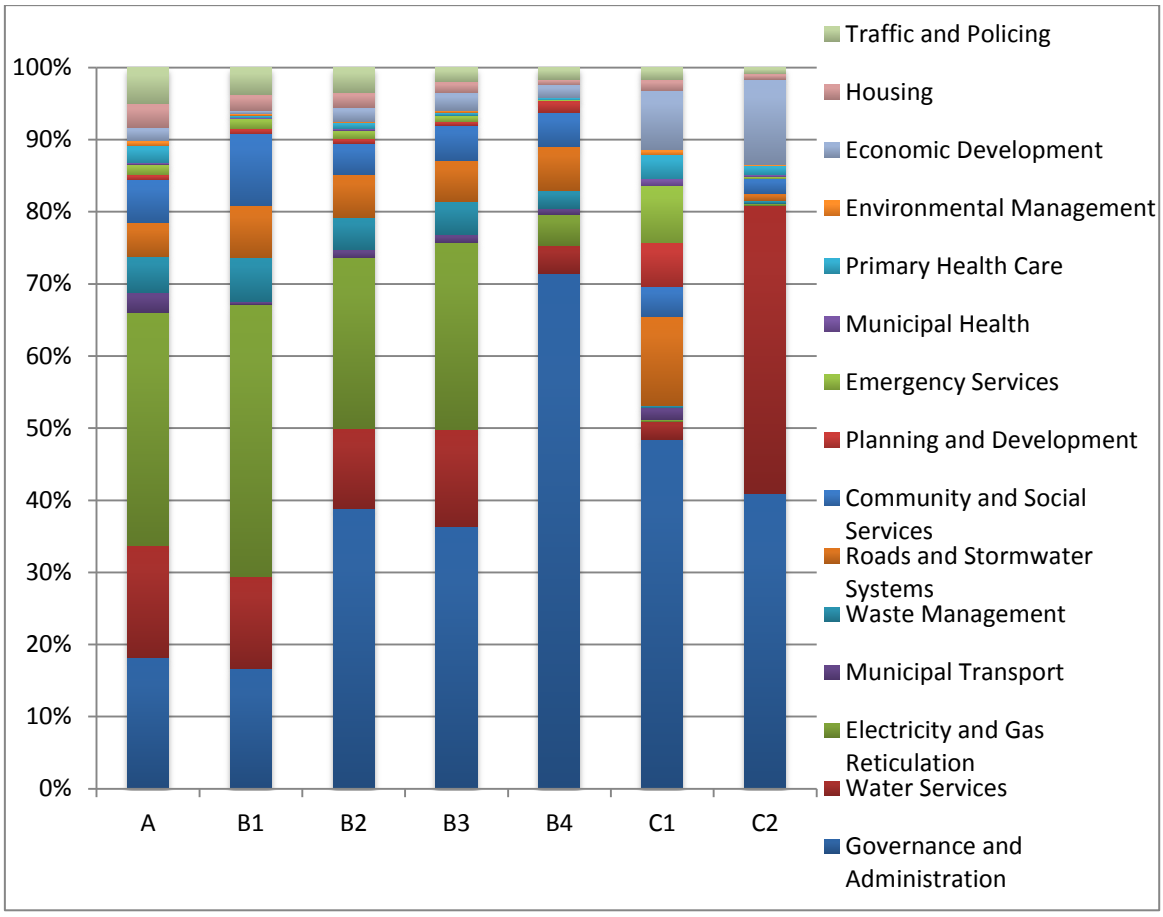


Figure 4: Distribution of operating expenditure by function, average for municipal category

Table 6: Distribution of operating expenditure by function, average for municipal category

Function	A	B1	B2	B3	B4	C1	C2
Governance and Administration	18.2%	16.7%	38.80%	36.3%	71.5%	48.4%	40.9%
Water Services	15.6%	12.7%	11.20%	13.4%	3.8%	2.5%	40.0%
Electricity and Gas Reticulation	32.3%	37.8%	23.60%	25.9%	4.3%	0.2%	0.2%
Municipal Transport	2.8%	0.3%	1.10%	1.1%	0.9%	1.7%	0.1%
Waste Management	4.9%	6.2%	4.50%	4.7%	2.5%	0.3%	0.3%
Roads and Stormwater Systems	4.8%	7.1%	5.90%	5.6%	6.0%	12.3%	1.0%
Community and Social Services	5.9%	10.0%	4.40%	4.9%	4.8%	4.2%	2.1%
Planning and Development	0.7%	0.7%	0.60%	0.5%	1.6%	6.1%	0.0%
Emergency Services	1.5%	1.4%	1.20%	0.8%	0.1%	7.8%	0.3%
Municipal Health	0.2%	0.1%	0.20%	0.1%	0.0%	1.0%	0.2%
Primary Health Care	2.4%	0.4%	0.90%	0.4%	0.3%	3.3%	1.3%
Environmental Management	0.6%	0.2%	0.10%	0.3%	0.0%	0.7%	0.1%
Economic Development	1.9%	0.5%	2.00%	2.4%	1.8%	8.20%	11.9%
Housing	3.3%	2.2%	2.10%	1.5%	0.8%	1.5%	0.7%
Traffic and Policing	5.0%	3.7%	3.40%	2.0%	1.6%	1.7%	0.9%
	100%	100%	100%	100%	100%	100%	100%

A striking feature of the graphs and tables above is the significance of governance and administration in B4 municipalities where the function constitutes 40% of staffing and

over 70% of operating expenditure. Similarly in C1 municipalities, governance and administration appears to be the core function of municipal institutions.

3.3 Percentage of total posts filled

The percentage of total posts filled provides an indication of the staffing levels of municipalities, which has an impact on institutional functioning and the ability of municipalities to deliver services.

Nationally, the average percentage of total posts filled is 72%. This suggests that, on average, vacancies in municipalities are in the region of 28%, which is significant as it implies that approximately one in every four posts is vacant. While this vacancy rate is relatively high, it compares favourably with the 'percentage of posts filled' result from the 2008 capacity assessments of 65%, suggesting possible improvements over time.[1]

The analysis by municipal category is shown below.

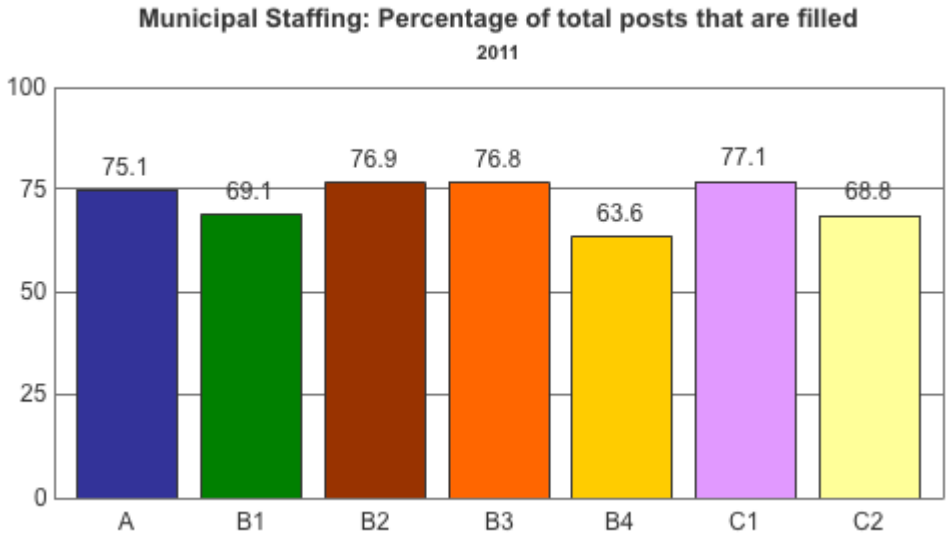


Figure 5: Percentage of total posts filled, by municipal category

The percentage of total posts filled tend to be fairly consistent across the municipal categories, as shown above. Vacancies are comparatively highest in the B4 and C2 municipalities, with the percentage of total posts filled averaging 63.6% and 68.8% respectively.

[1] As the 2008 and 2011 capacity asessments followed different methodologies these results are not neatly comparably, however they provide an indicative sense of the possible shift in staffing trends.

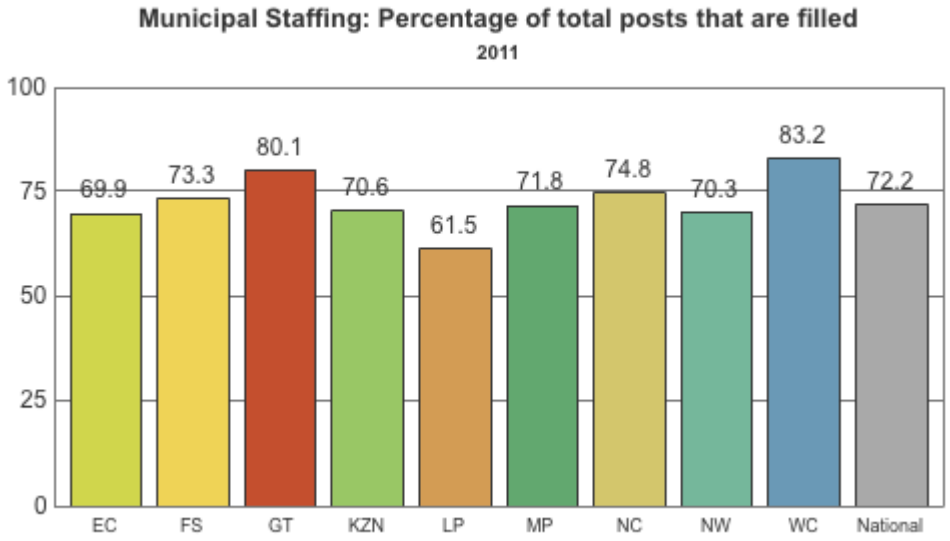


Figure 6: Percentage of total posts filled, by province

Provincially, the percentage of posts filled is highest in the Western Cape (83.2%) and Gauteng (80.1%). Limpopo municipalities on average had 61.5% of posts filled in 2010/11, significantly lower than the national average of 72%.

3.4 Percentage of funded posts vacant

Municipalities sometimes cite the lack of funds as a reason for not filling posts. However, some municipalities struggle to fill posts, even when funds are available. Where municipalities are not able to fill posts it could be indicative of challenges with respect to attracting and appointing staff or potentially, that municipalities are not budgeting appropriately.

The percentage of funded posts vacant is shown below with an analysis by municipal category.

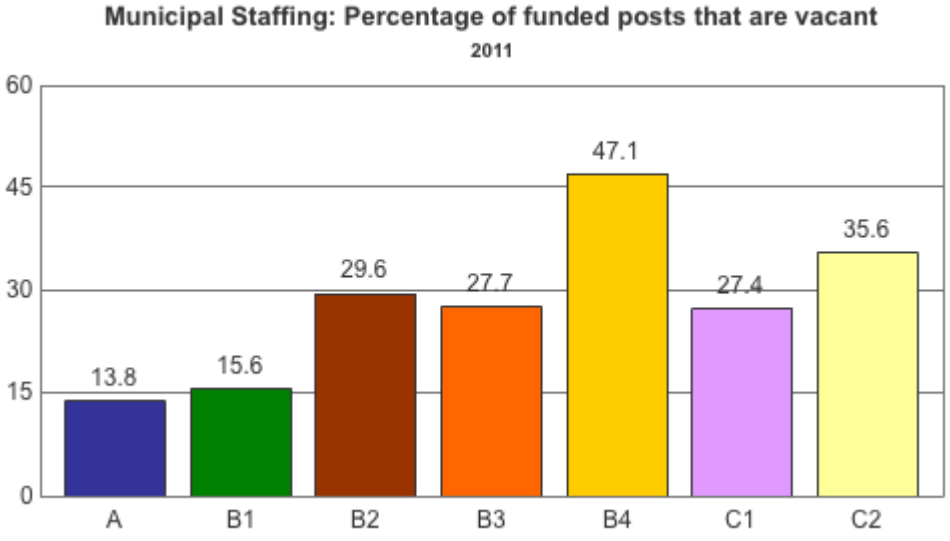


Figure 7: Percentage of funded posts vacant, by municipal category

Nationally, 32.5 % of funded posts are vacant, on average across all municipalities.

As shown above, the percentage of funded posts vacant is highest in B4 and C2 municipalities, 47.1% and 35.6% respectively. These municipalitie tend to be located in rural areas, which may suggest that socio-economic and geographic context influences the ability of municipaliies to attract staff. The percentage of funded posts vacant is above 20% in all categories except metros and B1 municipalities. This suggests that some municipalities are either unable to attract suitable recruits for posts they can afford to fill, or that they have not budgeted well.

An analysis of this indicator by province is shown below.

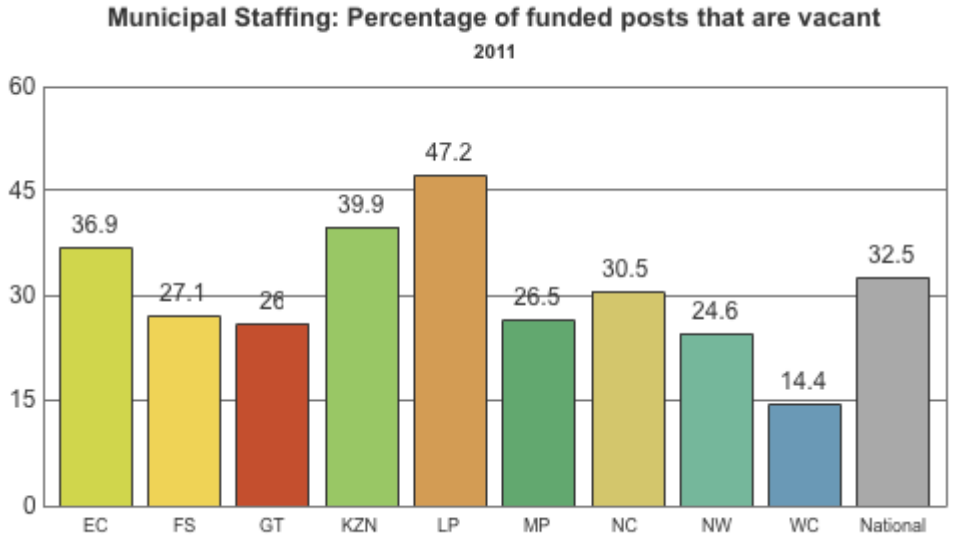


Figure 8: Percentage of funded posts vacant, by province

Across the provinces, the percentage of funded posts vacant is highest in Limpopo and KZN, as well as the Eastern Cape and Northern Cape, which exceed 30%. The Western Cape has the lowest percentage of funded posts vacant on average, with 14.4%.

3.5 Funded posts as a percentage of total posts

Funded posts as a percentage of total posts is shown below by municipal category. This indicator measures how well municipalities have designed their organograms in line with what they can afford.

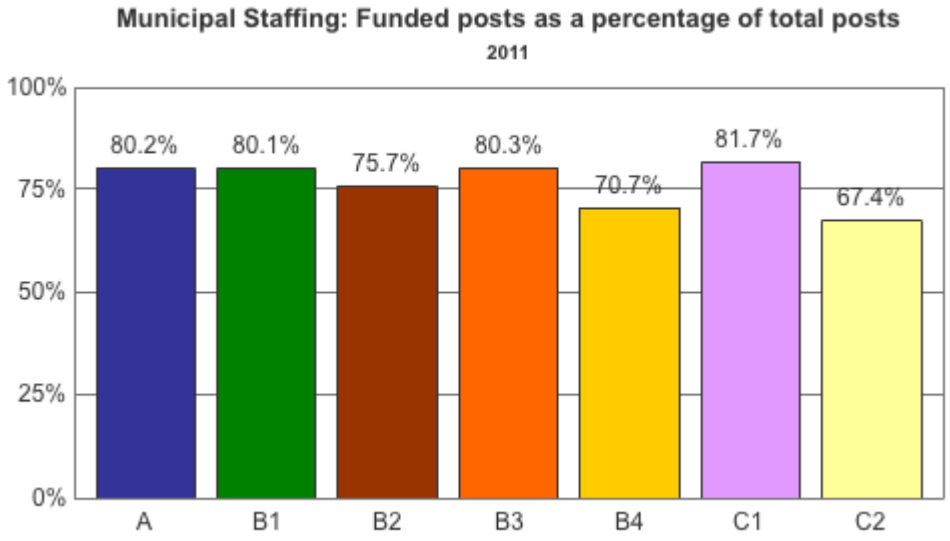


Figure 9: Funded posts as a percentage of total posts by municipal category

The graph above shows that the C1 municipalities, metros, B1 and B3 municipalities have allocated funds to more than 80% of their posts, meaning that approximately 20% of posts are unfunded. Comparatively, B4 and C2 municipalities have funds allocated for 71% and 68% of their posts, suggesting a higher proportion of unfunded posts.

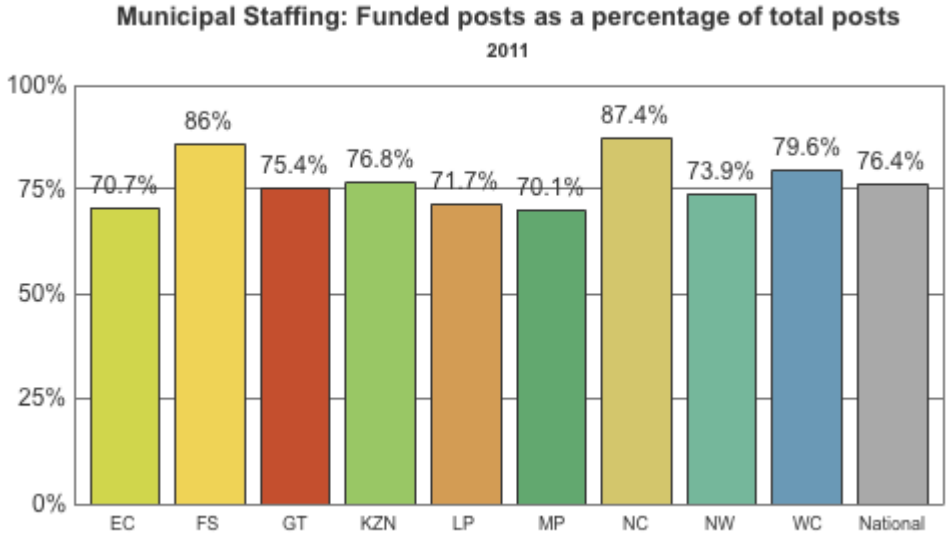


Figure 10: Funded posts as a percentage of total posts by Province

The graph above shows that on average 76% of posts in the organograms of municipalities are funded nationally, with the Free State and Northern Cape having the highest number of funded posts as a percentage of total posts.

The findings suggest that either municipalities are not adequately allocating funds to fill vacant posts or that they are not designing organograms appropriately as the organograms do not align with what municipalities can afford.

3.6 Staff exits

The exit of staff from a municipality impacts on service delivery as it affects organisational stability, the retention of knowledge and experience, and institutional memory.

The graph below shows the percentage of staff that left during the 2010/11 MFY, with an analysis by municipal categoyr.[2]

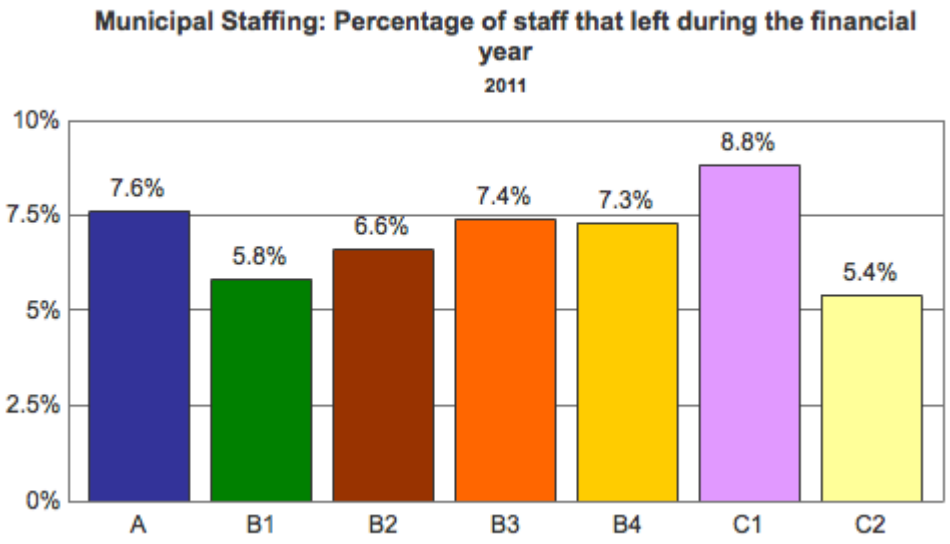


Figure 11: Percentage of staff that left during the financial year, by municipal category

When comparing results according to the municipal categories, the average percentage of staff exits is lowest in C2 and B1 municipalities, where less than 6% of staff employed left during the financial year. Staff exits are relatively high in C1 municipalities with 8.8% of staff leaving on average.

[2] The following municipalities were excluded from the analysis of this indicator due to data anomalies: City of Joburg, Abaqulusi LM, Indaka LM and Frances Baard DM, Eden DM and Overberg DM.

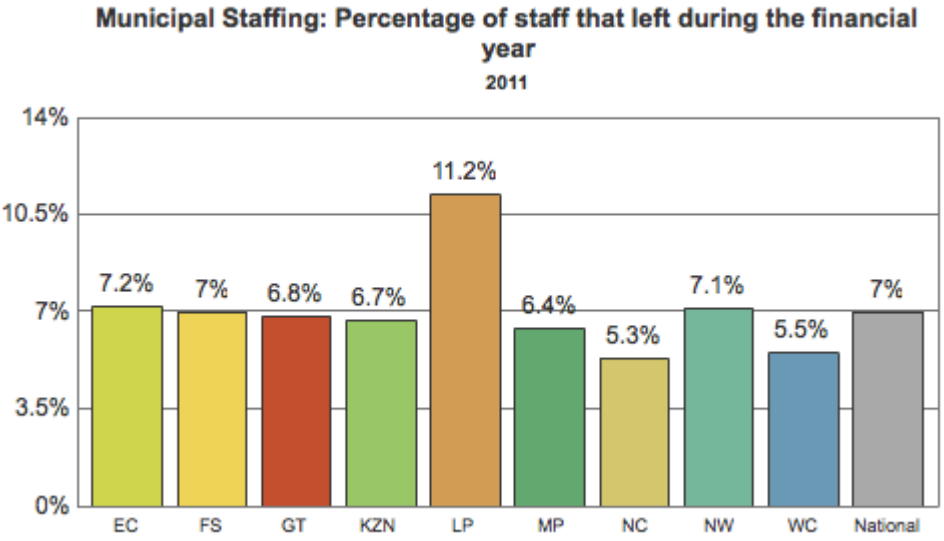


Figure 12: Percentage of staff that left during the financial year, by province

Provincially, staff exits tend to be highest in Limpopo and Eastern Cape, 11.2% and 7.1% on average. Staff exits are lowest on average in Northern Cape municipalities, at 5.3% for the year of review. This is below the national average of 7%.

As indicated, nationally 7% of municipal staff left during the 2010/11 MFY. This figure is not significantly high as one expects all organisations to experience some turnover. It is worth noting however that this figure hides some of the detail as it does not provide insight into which levels of staff tend to be exiting (for example middle management, senior managers etc.). A later section of the report looks specifically at senior manager exits in more detail.

3.6.1 Analysis of reasons underlying staff exits

The analysis to follow considers some of the factors underlying staff exits, unpacking the figures discussed in the section above. It therefore looks at reasons for leaving, analysing the data with respect to the staff that left during the financial year.

Percentage of exits due to dismissals

The analysis below shows the number of staff that left during the financial year due to dismissals as a percentage of the total staff exits for the year. In interpreting these findings, it should noted that both positive and negative inferences can be made, making it difficult to interpret clearly. On the one hand, exits due to dismissals suggests evidence of misconduct or poor performance, however it also suggests that municipalities are following due process in handling these matters which is positive as they are responding appropriately.

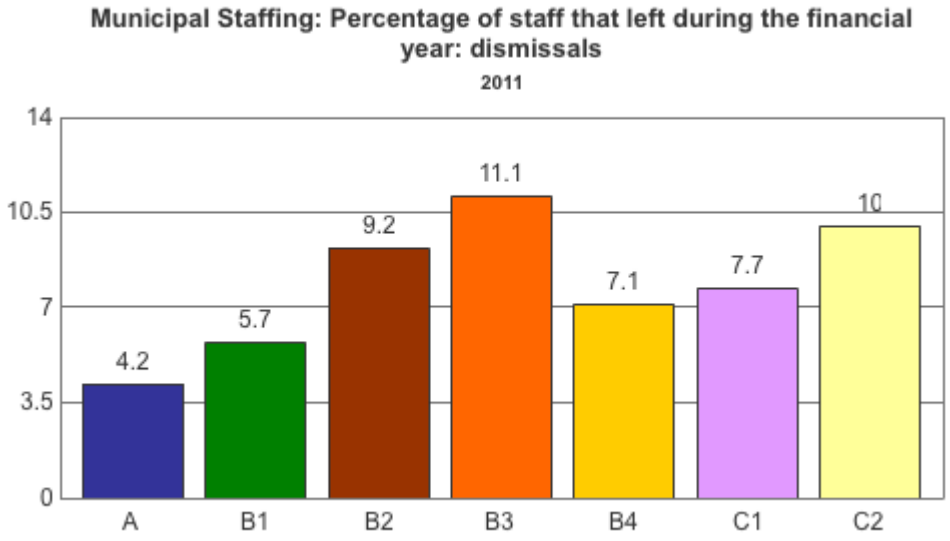


Figure 13: Percentage of exits due to dismissals, by municipal category

As shown,on average dismissals constituted 11% of staff exits in B3 municipalities, while only 4.2% of staff exits in metros was due to dismissals.

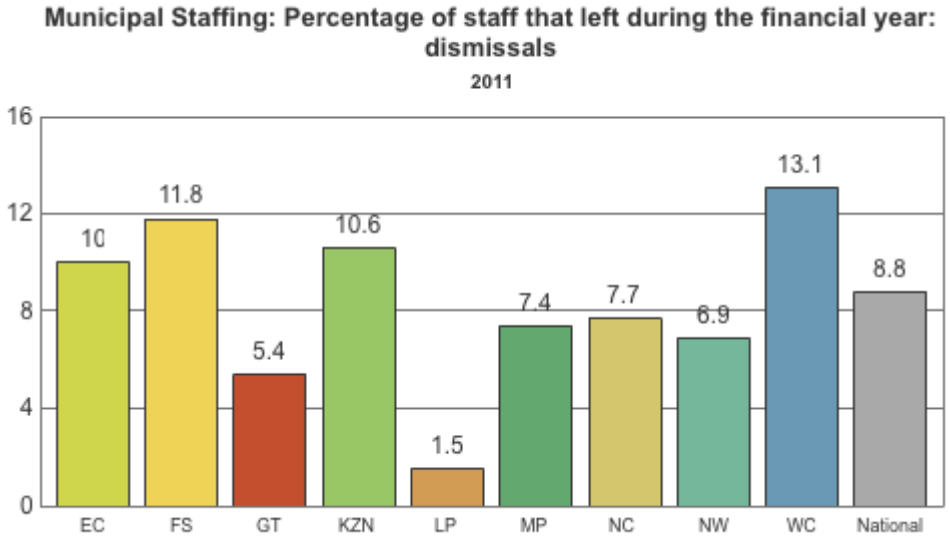


Figure 14: Percentage of exits due to dismissals, by province

Percentage of exits due to end of contract

Staff exits due to the ending of contracts were highest in metros and C1 municipalities, as shown below.

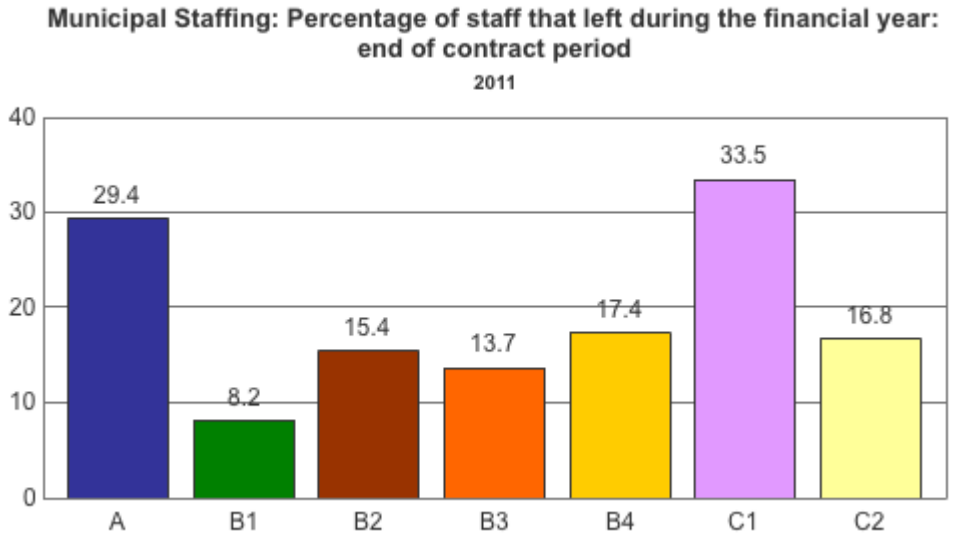


Figure 15: Percentage of exits due to end of contract, by municipal category

Nationally, 16.7% of exits were due to contracts ending while the North West, KZN and Western Cape are well above this average.

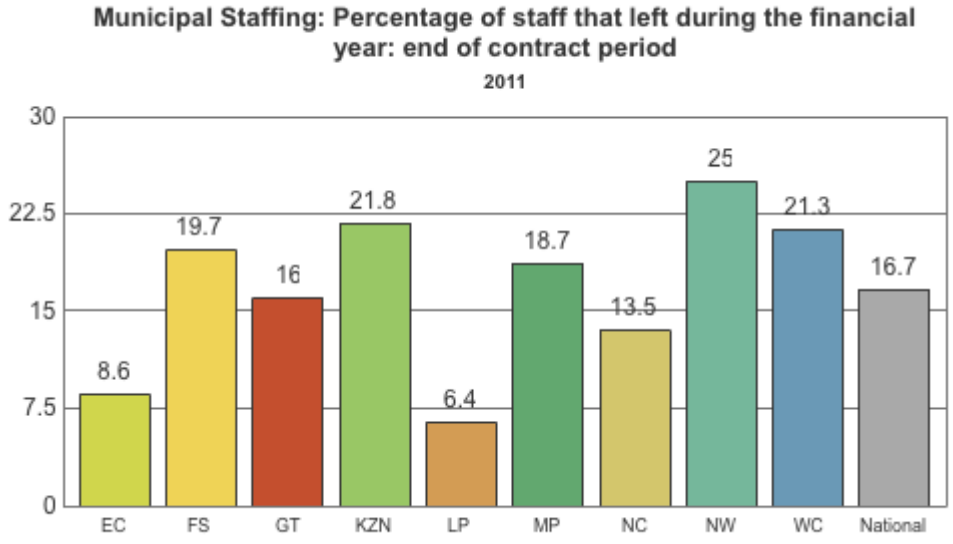


Figure 16: Percentage of exits due to end of contract, by province

Percentage of exits due to resignations

Resignations accounted for over 50% of staff exits in B4 municipalities and over 40% in the districts. On average, 21.9% of staff exits in metros were due to resignations.

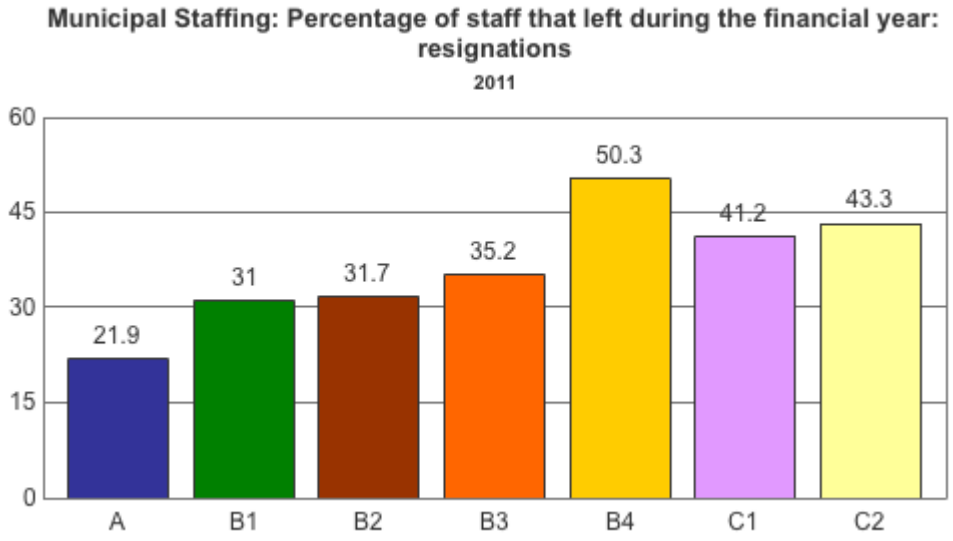


Figure 17: Percentage of exits due to resignations, by municipal category

Nationally, of the 7% of staff that left during the financial year, nearly 40% of this was due to resignations, as shown below.

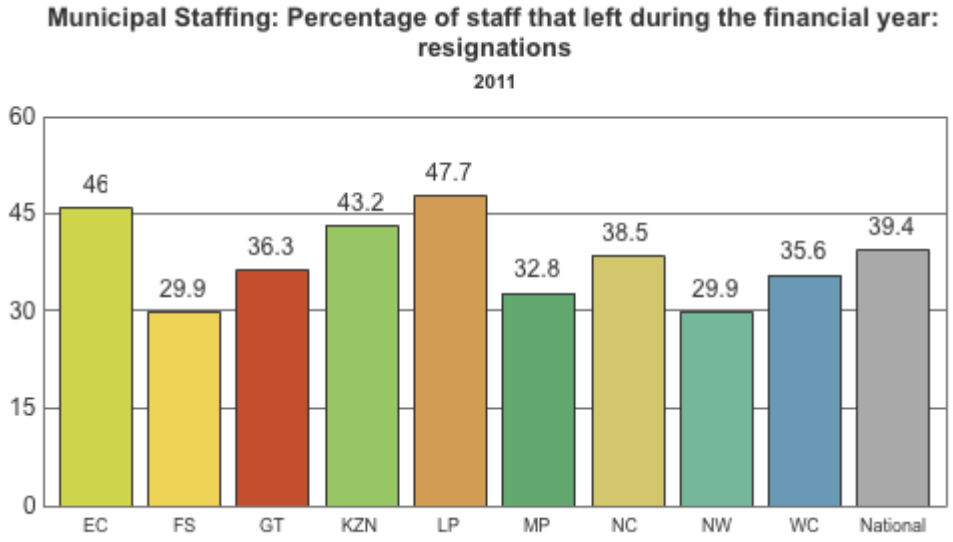


Figure 18: Percentage of exits due to resignations, by province

Percentage of exits due to retirement

Retirement remains a relatively significant reason for staff exits, particularly in B1, B3 and metropolitan municipalities.

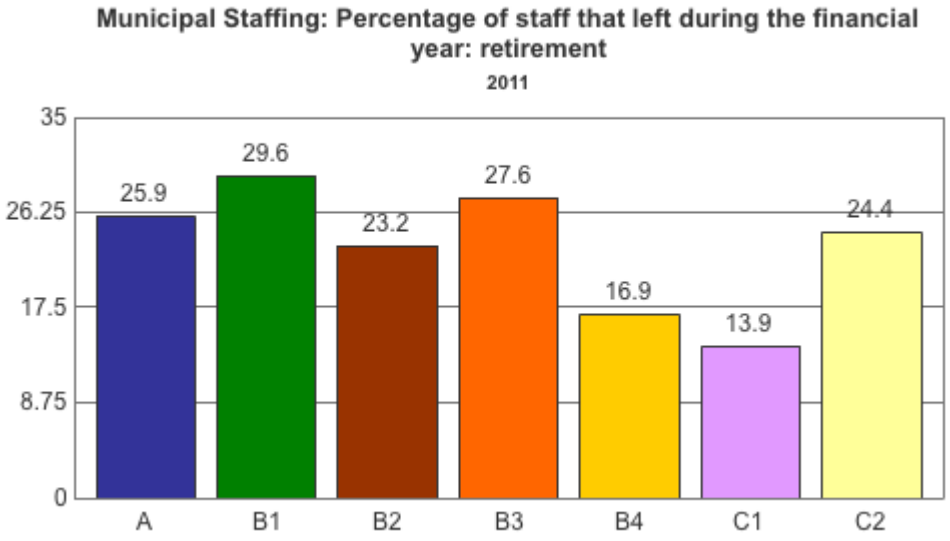


Figure 19: Percentage of exits to retirement, by municipal category

Nationally over 20% of staff exits were due to retirements, while the percentage of staff leaving due to retirement is highest in the Northern Cape and Free State.

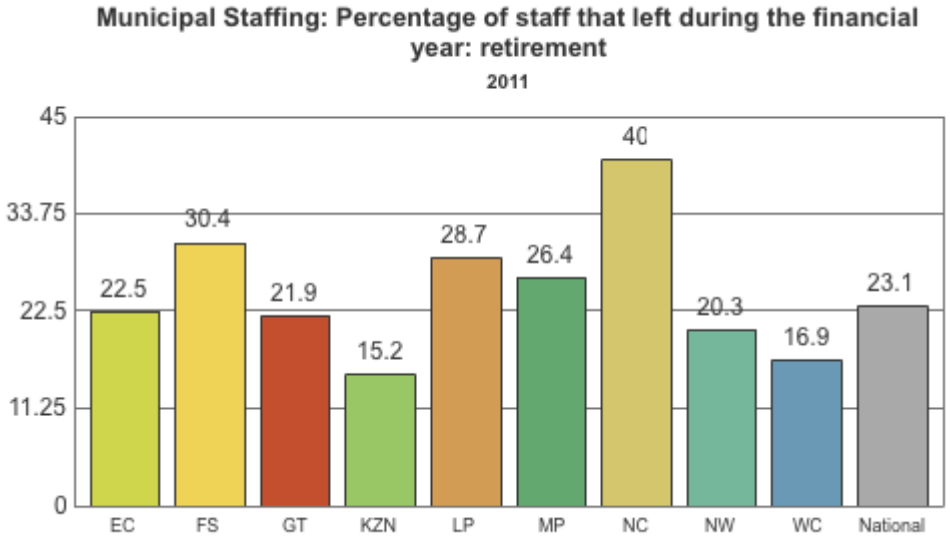


Figure 20: Percentage of exits due to retirement, by province

3.7 Summary

The analysis of staffing in municipalities shows that nationally 72% of posts are filled on average in municipalities, which suggests that 28% or approximately one in every four posts is vacant. On average, 32% of funded posts are vacant, suggesting that even when funding is made available for posts, some municipalities continue to struggle to make appointments. The percentage of funded posts vacant is worryingly high in Limpopo (47%), KZN (39%) and the Eastern Cape (37%) where there are large numbers of B3 and B4 municipalities. This suggests that location and contextual challenges may present some obstacles to municipalities in attracting staff for posts. It may also be indicative of poor budgeting on the part of municipalities.

On average 7% of staff left municipalities nationally, while this percentage is much higher in Limpopo, at 11%. An analysis of the underlying factors driving staff exits suggests that a relatively high proportion of exits are due to resignations, 40% on average nationally and 47% and 46% respectively in Limpopo and the Eastern Cape. In B4 municipalities, 50% of staff exits were due to resignations. Dismissals accounted for 8% of the staff exits, while retirement was also a significant driver, but less so in B4 and C2 municipalities where the age profile is likely to be younger, as these institutions are relatively newly established.

4 Management capacity

The professionalisation of senior managers in municipalities has been at the forefront of recent debates and discussions on the effectiveness of local government. Senior managers in municipalities (which include municipal managers and those managers directly accountable to the municipal manager) play a critical role in ensuring that the strategic objectives of local government are satisfied.

In the context of this increased focus on the skills, competencies and experience of senior managers, an analysis of the data collected from the 2011 capacity assessment provides useful insight into the status quo across municipalities with respect to senior manager qualifications, experience and the ability of municipalities to fill these key posts.

The Department of Cooperative Governance (DCoG) has recently identified six critical senior management posts. These include municipal managers, chief financial officers (CFO), human resources managers, heads of planning, heads of engineering / technical services and heads of communications. At a recent speech on the subject of *Breaking New Ground through Professionalisation of Local Government*, the Deputy Minister for Cooperative Governance, Yunus Carrim, highlighted the significance of appointing competent and suitably qualified managers. He introduced recent amendments to the Municipal Systems Act (promulgated in 2011) which aim to regulate the minimum skills, expertise, competencies and qualifications for the appointment of senior managers. The Deputy Minister further emphasised the importance of retaining senior managers; highlighting the negative implications of high turnover rates on municipal institutions. [3]This section of the report analyses management capacity, paying particular attention to the levels of qualification, years of service in their current position and relevant experience of municipal managers, chief financial officers, corporate services managers, integrated development planning (IDP) managers and technical services managers. It also provides an analysis of Section 57 positions on aggregate.

4.1 Levels of qualification of senior managers

The graph below shows the highest level of qualification / education achieved by managers occupying key positions in municipalities.

[3] Speech by Deputy Minister Mr. Y. Carrim, June 2011. Accessible online at: http://www.cogta.gov.za/index.php/news/174-yunus-carrim/287-towards-the-greater-professionalisation-of-senior-municipal-managers.html

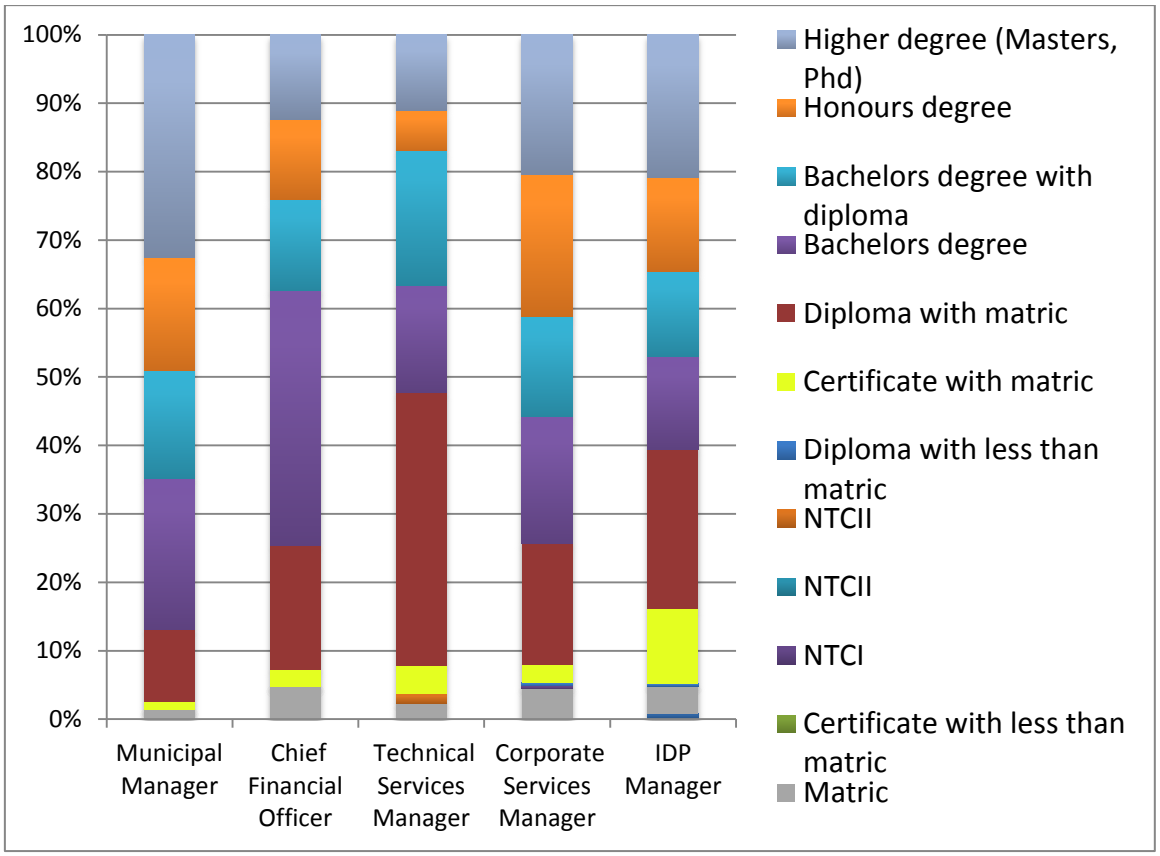


Figure 21: Highest level of educational achievement of senior managers

Nationally, over 30% of municipal managers have a higher degree (i.e. Masters degree or higher), while 16% have an Honours degree, 15% have a Bachelors degree and diploma and 22% have a Bachelors degree. In total over 85% have at least a Bachelors degree or higher which is encouraging, however 10% have only a diploma with matric as their highest education level. When comparing the overall results to the 2008 capacity assessments, some notable improvements over time are evident. In 2008, only 35% of municipal managers indicated that their highest qualification level achieved was higher than a bachelors degree (i.e. either bachelors with diploma, honours degree or higher degree – masters or Phd) compared to over 60% in 2010/11. This is an encouraging trend.

Amongst CFOs, 37% have a Bachelors degree, 13 % have bachelors degree with diploma, 12% have an Honours degree and a further 13% have a higher degree. Compared to the 2008 capacity assessments, an increased percentage of CFOs have more than a bachelors degree as their highest qualification, with 37% in 2010/11, compared to only 16% in 2008.

Of concern is that 18% of CFO's have only a post-matric diploma as their highest qualification, while 5% report matric as their highest level of education, in 2010/11.

While 39% of technical services managers have a bachelors degree or higher, a significant proportion (37%) have only a post-matric diploma. This is concerning as these managers are usually responsible for large-scale infrastructure projects and need to have technical knowledge and experience to manage these effectively. Despite these concerns, it is worth noting that when compared to the 2008 capacity assessment, qualification levels for technical services managers seem to have improved

over time in some respects, with only 11% reporting a qualification of higher than a bachelors degree as their highest educational achievement in 2008, compared to 34% in 2010/11.

Corporate services managers and IDP managers have generally high levels of education with over 70% and 60% in possession of a Bachelors degree or higher, respectively. However 4% of corporate services and IDP managers have only a matric.

An analysis across the management posts suggests that municipal managers generally have higher levels of education, while a significant proportion of technical services managers have less than a Bachelors degree.

4.2 Municipal managers

The analysis below focuses on the level of qualification, years of service in the current position and relevant experience of the municipal manager.

4.2.1 Highest level of qualification achieved

An analysis of municipal managers qualifications is shown below, first by municipal category and then by province.

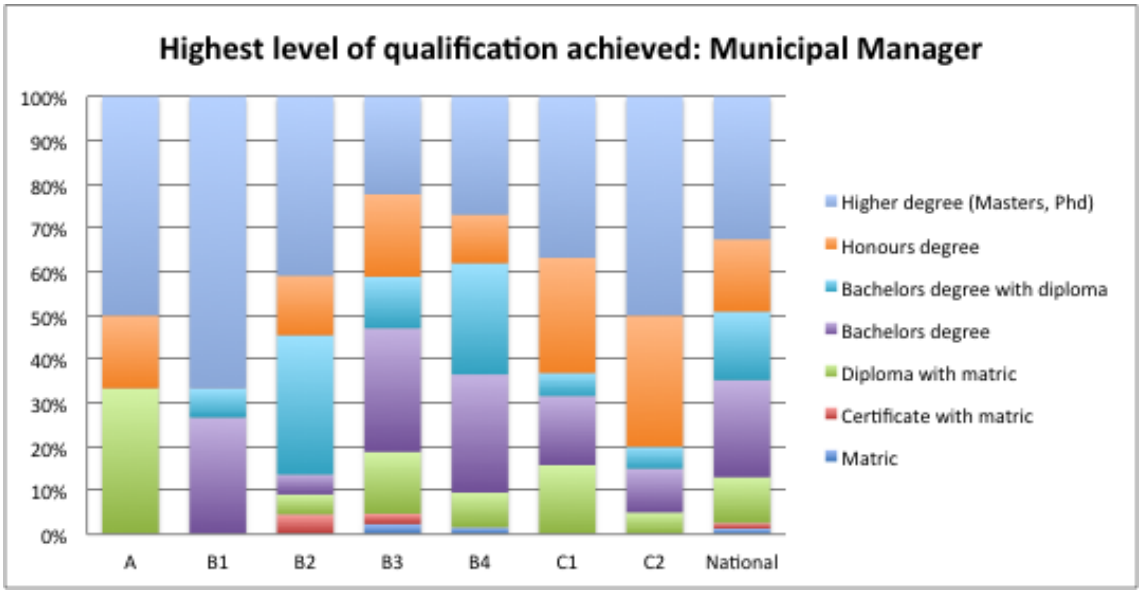


Figure 22: Highest level of qualification achieved by Municipal Managers, by municipal category

Across the municipal categories, the percentage of municipal managers with a higher degree is greatest in B1 and C2 municipalities. Within metros, most municipal managers have an Honours degree or higher, while over 30% have only a diploma with matric.

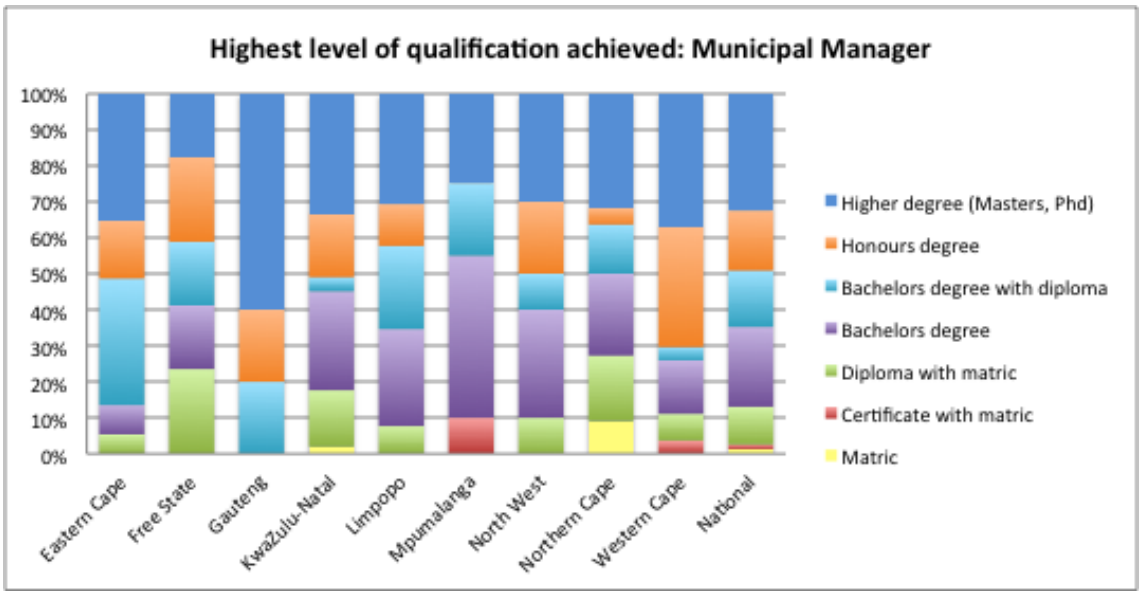


Figure 23: Highest level of qualification achieved by Municipal Managers, by province

Across the provinces, municipal managers in Gauteng and the Western Cape have the highest overall levels of education, while municipal managers in the Free State and the Northern Cape have the lowest education levels.

4.2.2 Number of years of relevant experience

In addition to qualification, the years of relevant working experience is also an indicator of the competency of municipal managers to perform their functions.

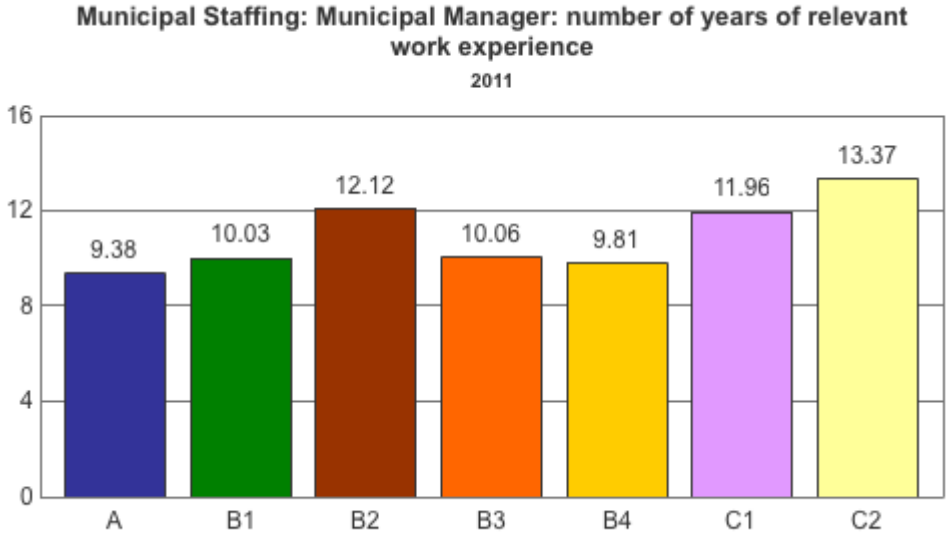


Figure 24: Years of relevant experience, Municipal Managers, by municipal category

With respect to relevant work experience, this is highest on average in C2 municipalities and lowest on average in metros.

As shown below, the national average for relevant work experience is 10.58 years. Across provinces, municipal managers in the Western Cape and KZN tend to have the

highest number of years of work experience, averaging 14.62 years and 11.96 years respectively.

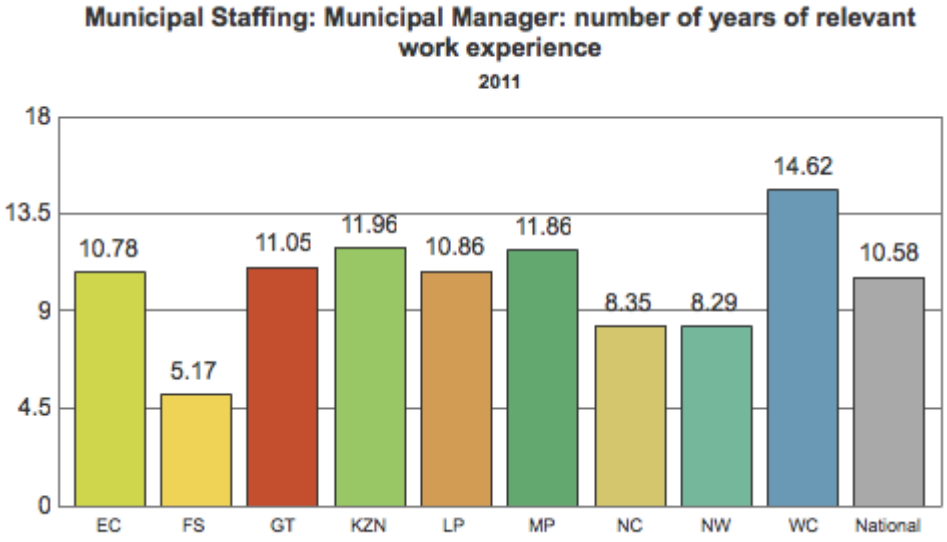


Figure 25: Years of relevant experience, Municipal Managers, by province

4.2.3 Number of years in current position

An analysis of the length of service of municipal managers in their current post, by municipal category is shown below.

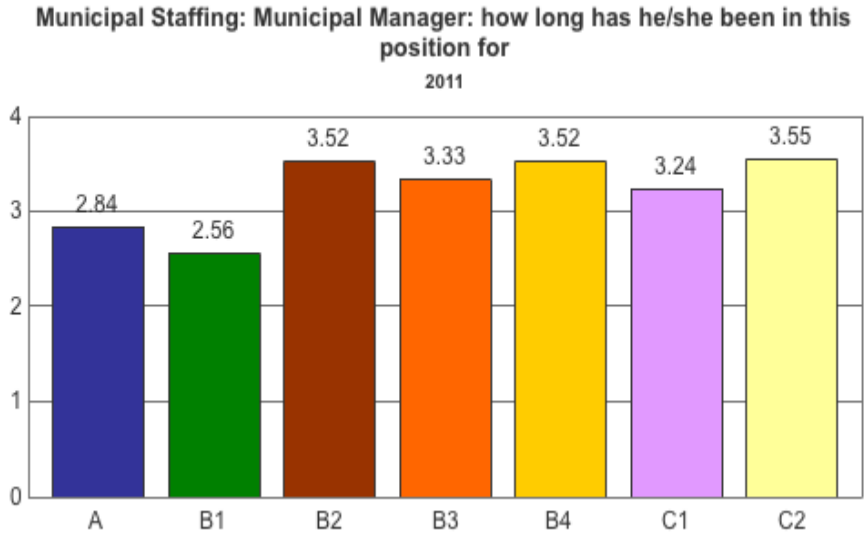


Figure 26: Years in current position, Municipal Managers, by municipal category

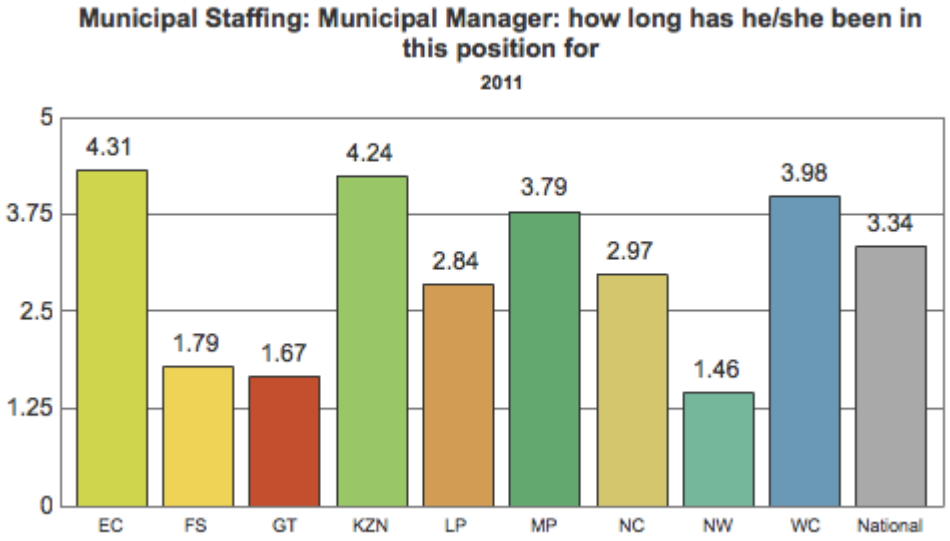


Figure 27: Years in current position, Municipal Managers, by province

In general, municipal managers have been in their posts for less than four years and in the case of metros and B1 municipalities, less than three years. The national average is 3.34 years (as shown above). This is a relatively short amount of time and may have negative implications on the ability of municipal managers to be effective and have a lasting impact on the administration. However this finding is not surprising in the context of short-term (typically five-year) contract cycles and given that the financial year being analysed is three to four years after the local government elections in 2006, following which many new municipal managers were likely to be have been appointed.

Recent amendments to the Municipal Systems Act seek to redress the impact of short-term contracts, by ensuring that managers directly accountable to municipal managers are appointed on permanent terms, rather than fixed-term, contracts.

4.3 Chief financial officers

4.3.1 Highest qualification achieved

Chief financial officers (CFOs) are central to ensuring sound municipal finance management and administration and should therefore be suitably qualified and experienced. The levels of education of CFOs is analysed below.

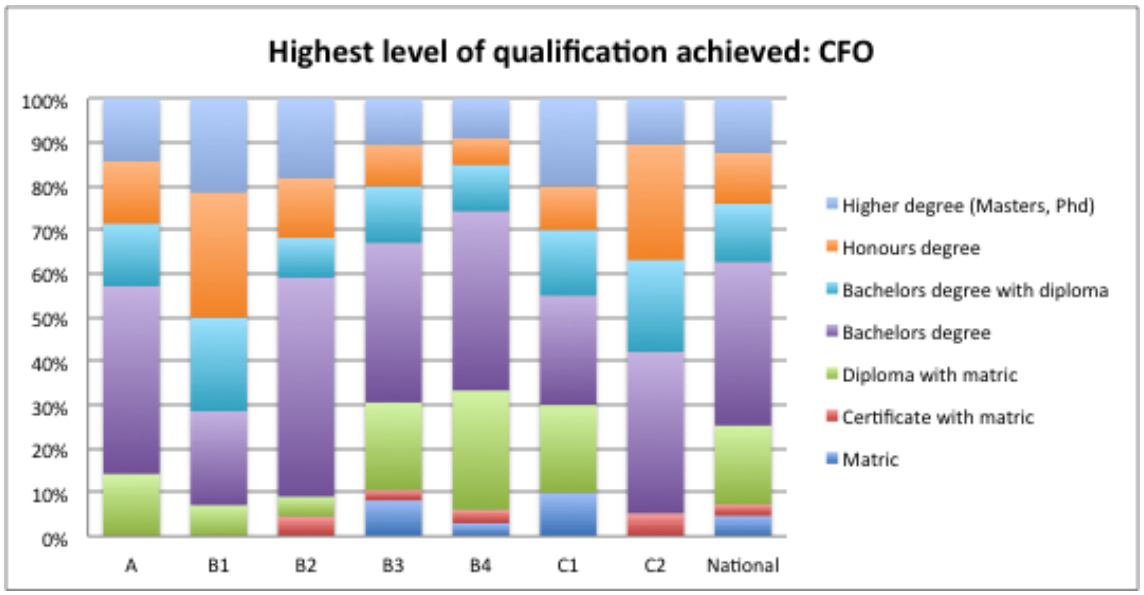


Figure 28: Highest level of qualification achieved by CFOs, by municipal category

Educational attainment is highest within metropolitan and B1 municipalities. Within B3 and B4 municipalities, a significant proportion of CFOs (over 20% or one in five) have only a diploma with matric.

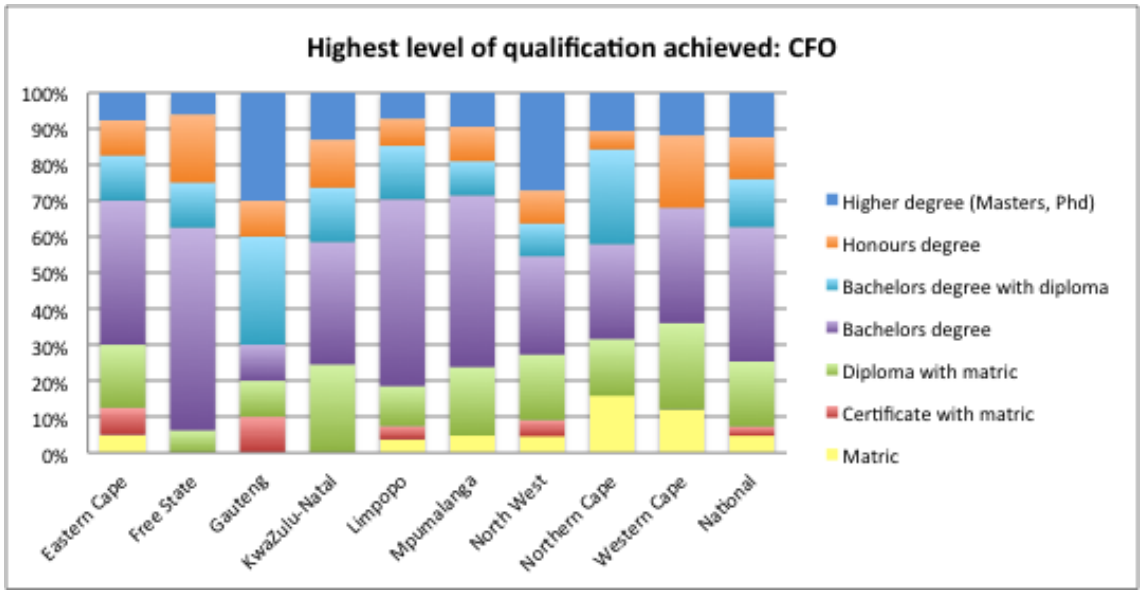


Figure 29: Highest level of qualification achieved by CFOs, by municipal category

The provincial picture of CFOs' education levels is shown above. Notable from this graph is that more than 10% of CFOs in the Northern Cape and Western Cape have only a matric qualification, and more than 30% have less than a Bachelors degree.

4.3.2 Number of years of relevant experience

In terms of the number of years of relevant experience, this is higher for CFOs than municipal managers on average nationally, at 11.24 years.

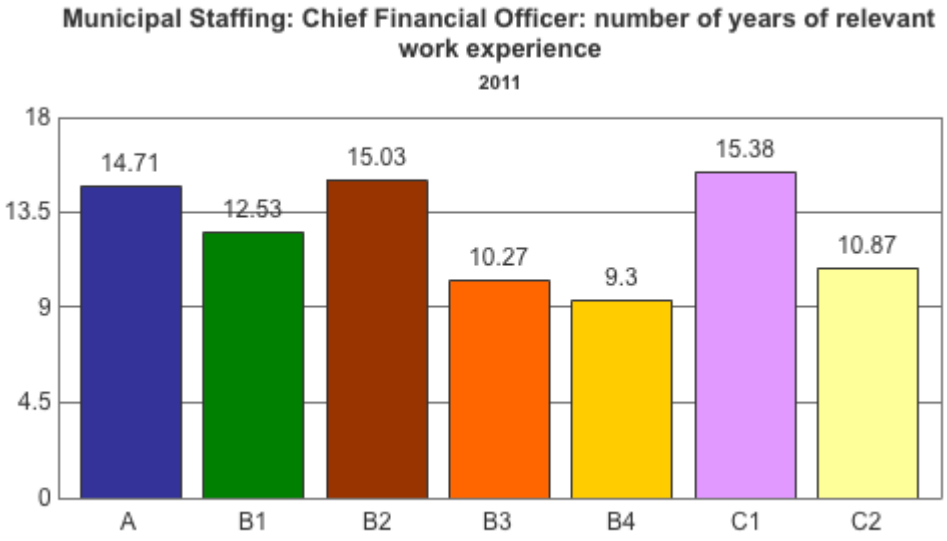


Figure 30: Years of relevant experience, CFOs by municipal category

Comparing number of years of relevant experience by municipal category, this is highest in C1, B2 and metropolitan municipalities. Years of experience are significantly lower in B4 and B3 municipalities. As shown below, years of experience are much higher on average in the Western Cape, at nearly 20 years. On average, CFOs in the Free State have the least number of years of experience, 4.1 years.

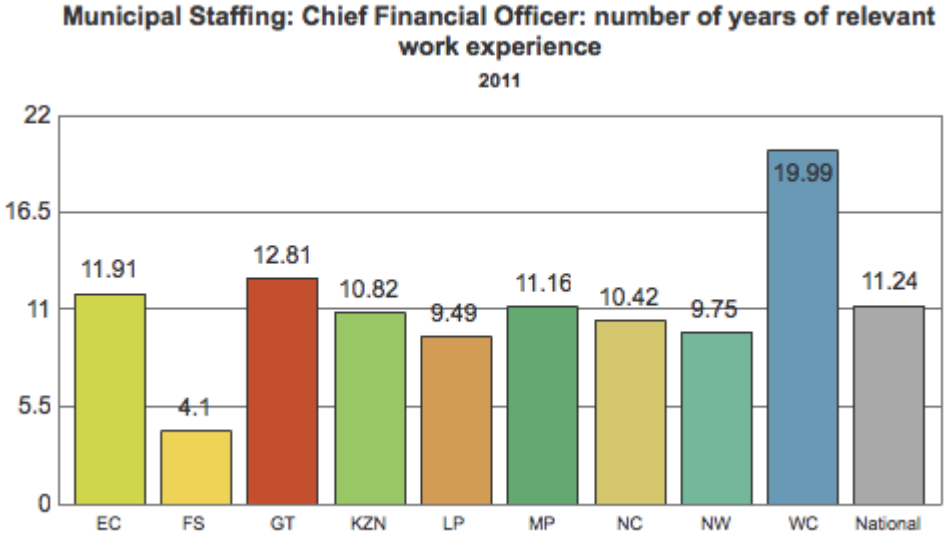


Figure 31: Years of relevant experience, CFOs, by province

4.3.3 Number of years in current position

CFOs' length of service in their current position is shown in the graph below.

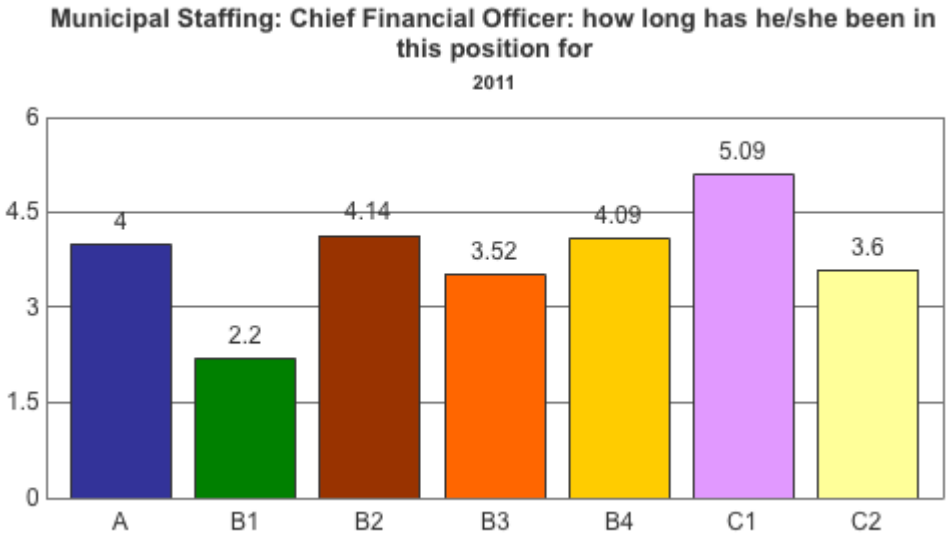


Figure** 32**: Years in current position, CFOs, by municipal category

The national average for CFOs' years in their current posisitons is 3.78 years of service, slightly higher than the same statistics for municipal managers. The length of service of CFOs in B1 municipalities is significantly below the national average, as shown the graph below. It is encouraging to note that in C1 municipalities CFOs, on average, have held their posts for more than five years, suggesting that these municipalities are able to attract and retain CFOs for a relatively longer period of time.

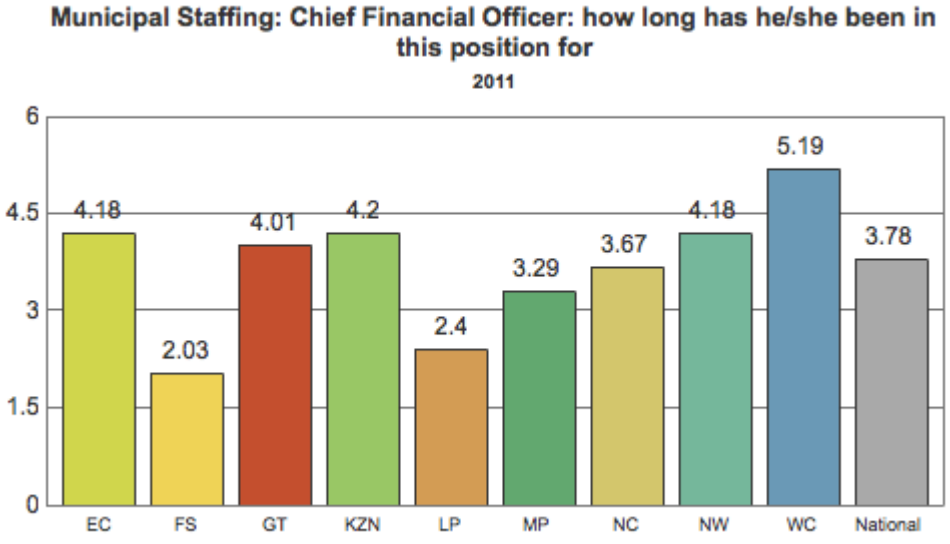


Figure 33: Years in current position, CFOs, by province

Provincially, CFOs in the Western Cape have been in their posts for more than five years, which is high relative to other provinces. In the Free State and Limpopo, CFOs have, on average, held their post for slightly more than two years. This is well below the national average and suggests that CFOs in these provinces tend to be relatively new and inexperienced in their positions.

4.4 Technical services managers

Technical services managers play an important role in ensuring the delivery of basic services in municipalities. They are largely responsible for the oversight and management of infrastructure projects that provide key services to households and businesses. Technical services managers are also responsible for managing the operations and maintenance of infrastructure assets. They should therefore hold the appropriate technical and management skills to perform these key functions.

4.4.1 Highest level of qualification achieved

An analysis of educational achievement for technical services managers by municipal category is shown below.

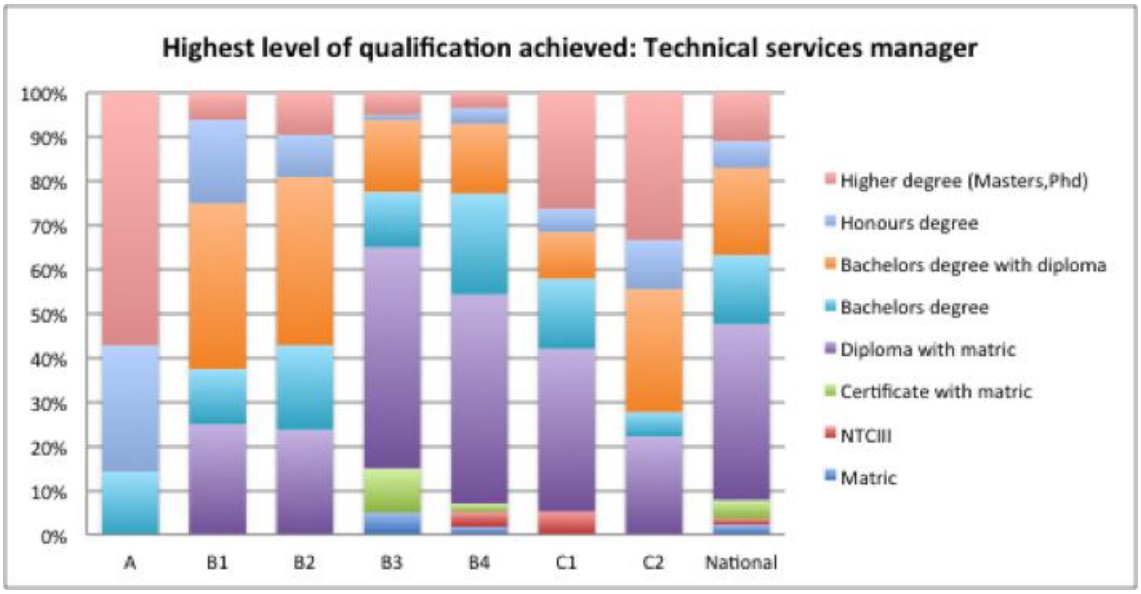


Figure 34: Highest level of qualification, Technical services manager by municipal category

A notable feature of the graph above is the stark difference between the education levels of technical services managers in metros compared to the other categories of municipality. All technical services managers in metros have at least a Bachelor's degree while a significant proportion of managers in the other categories have only a Diploma with matric, most notably in the case of B3, B4 and C1 municipalities. This suggests a correlation between context and qualification-levels, alluding to the ability of metros to attract suitably qualified individuals and the inability of smaller, rural municipalities to do the same.

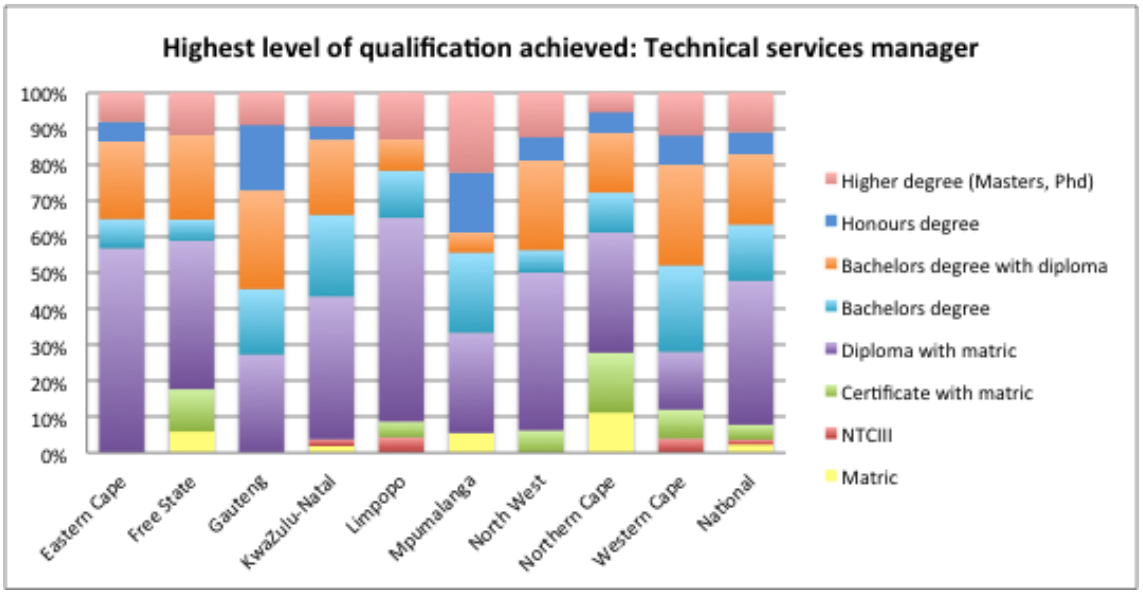


Figure 35: Highest level of qualification, Technical services manager, by province

Provincially, educational levels for technical services managers in Gauteng and the Western Cape tend to be higher, which is to be expected, given that four of the eight metros are located across these two provinces. Education levels of managers in the Northern Cape and Free State provinces tend to be lower, with more than 5% and 10% of managers in the respective provinces having only a matric.

4.4.2 Years of relevant work experience

The years of relevant work experience for technical services managers is shown below.

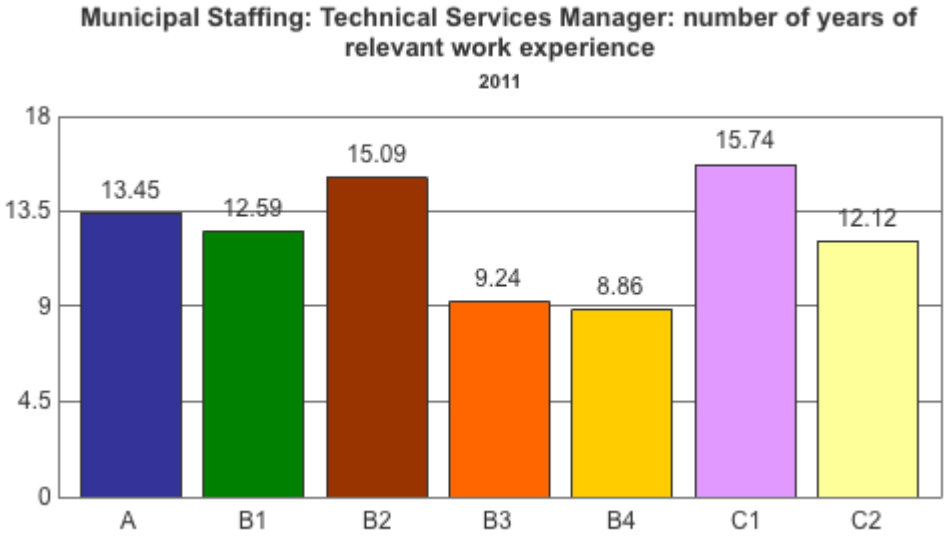


Figure 36: Years of relevant work experience, technical services manager, by province

Comparatively, technical services managers within C1 and B2 municipalities have the most years of relevant experience while managers in B3 and B4 municipalities have significantly less compared to other municipal categories.

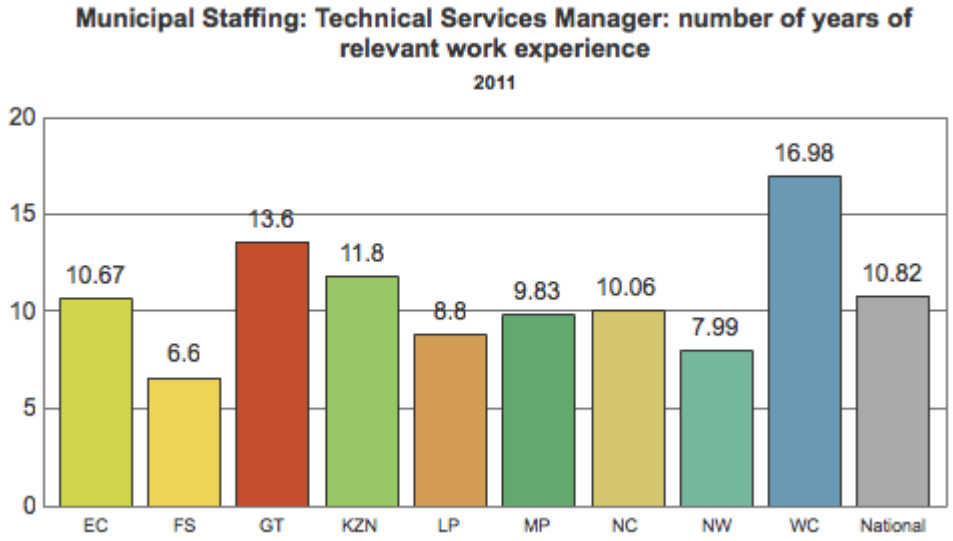


Figure 37: Years of relevant work experience, technical services manager, by province

The provincial analysis above shows that technical services managers in the Western Cape and Gauteng tend to have the highest number of years of relevant experience, 16.98 and 13.6 years respectively. Experience levels tend to be the lowest in the Free State, North West and Limpopo on average.

4.4.3 Number of years in current position

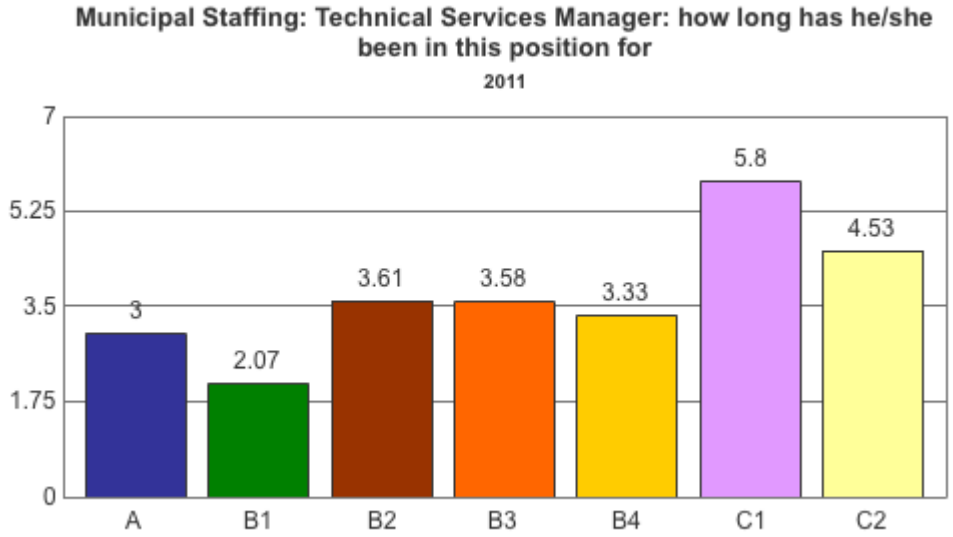


Figure 38: Number of years in current position, technical services managers, by municipal category

The graph above shows that on average, technical services managers have been serving in their posts for relatively few years. The technical services managers who have been serving on average the longest are in C1 municipalities, which are typically responsible for relatively few services (as they are not WSAs). On the other end of the spectrum, managers in metros and B1 municipalities have been in their posts for three years or less, suggesting limited experience in their current post.

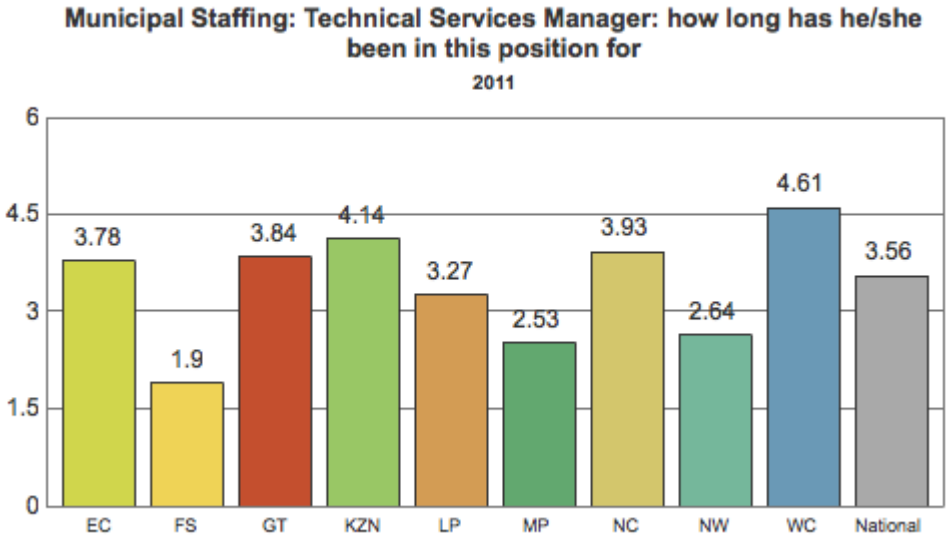


Figure 39: Number of years in current position, technical services managers, by municipal category

The provincial analysis above shows a similar trend to the earlier graphs, showing that years of service in their current post is highest in the Western Cape and lowest in the Free State, Mpumalanga and North West.

The emerging pattern with respect to technical services managers is not ideal. Given the high backlogs for municipal services, technical services managers should ideally be appropriatatively qualified with technical qualifications and relevant experience and be in their position for longer than the five-year term. This is particularly relevant given the long-term nature of large infrastructure projects, suggesting that the stability of the management structure for capital projects is important.

4.5 Corporate services managers

Corporate services managers are typically responsible for key internal services such as human resources, information technology and council support, amongst others. They are therefore important figures in the management structure as they interact with the organisational as a whole in terms of staffing and systems.

4.5.1 Highest qualification achieved

The graph below presents the highest qualifications achieved by corporate services managers, by municipal category.

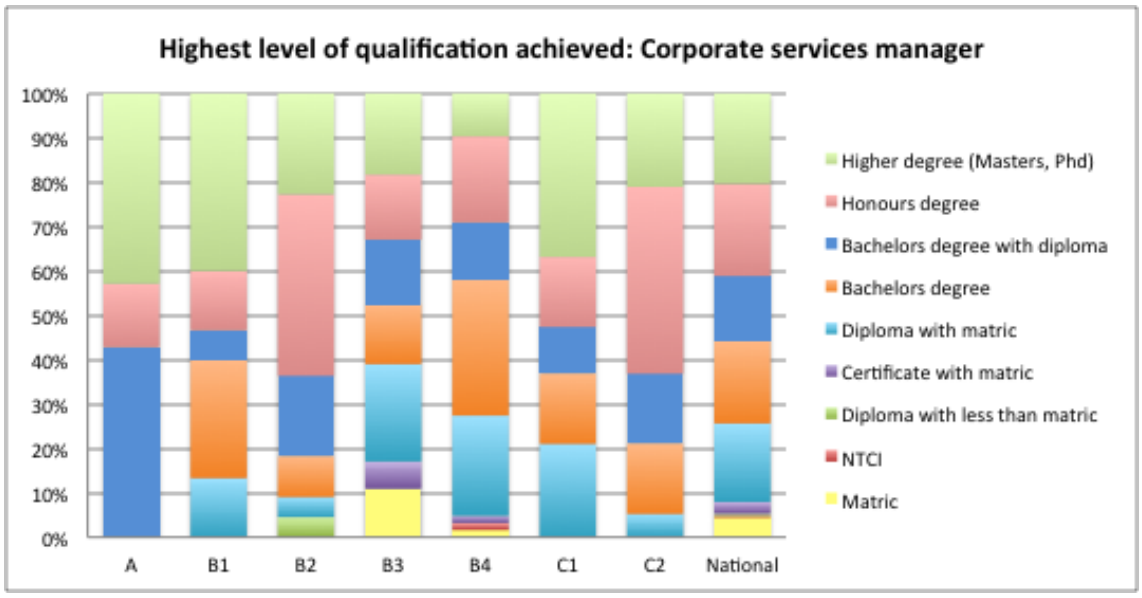


Figure 40: Highest level of qualification; corporate services managers, by municipal category

Qualification levels tend to be highest in metropolitan, B1 and C2 municipalities. Worth noting is that more than 10% of corporate services managers in B3 municipalities only have a Matric, while 20% of managers in B4 municipalities have a post-Matric diploma as their highest qualification. In some respects this could be indicative of the inability of these municipalities to attract highly qualified individuals.

The graph below analyses this indicator by province.

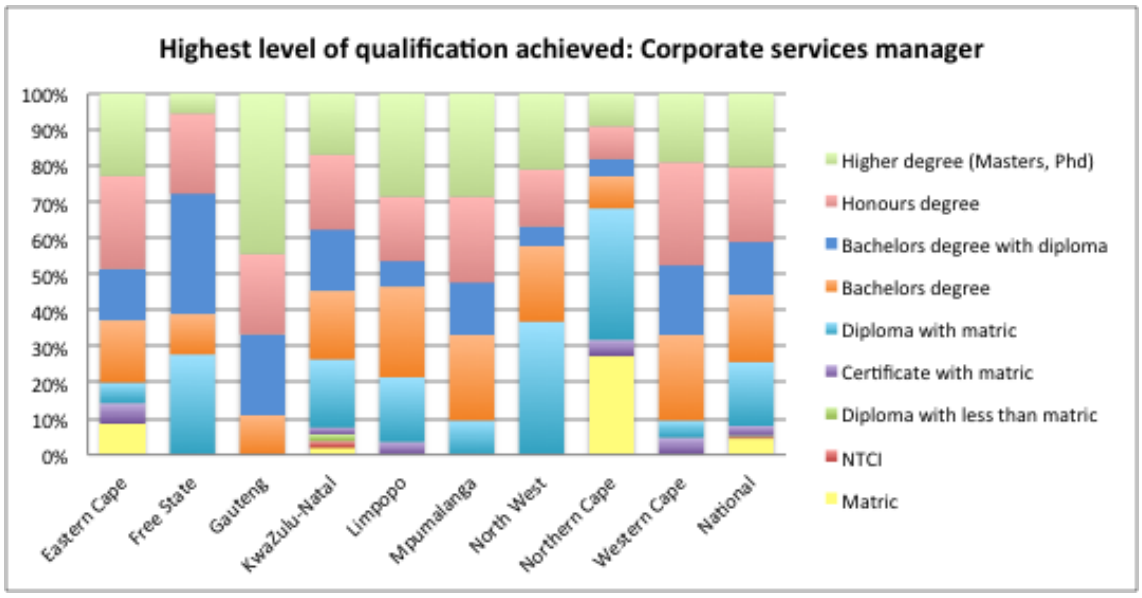


Figure 41: Highest level of qualification; corporate services managers, by province

Provincially, corporate services managers in Gauteng, Mpumalanga and the Free State tend to have relatively high qualifications; generally a Bachelors degree or higher. The Northern Cape and Eastern Cape municipalities have a relatively high proportion of corporate services managers with only matric as their highest qualification, 28% and 8% respectively. This suggests that some municipalities in these provinces struggle to

attract highly qualified managers, which could negatively impact on the municipal institution.

4.5.2 Number of years of relevant experience

The graph below shows the number of years of work experience of corporate services managers on average within the municipal categories.

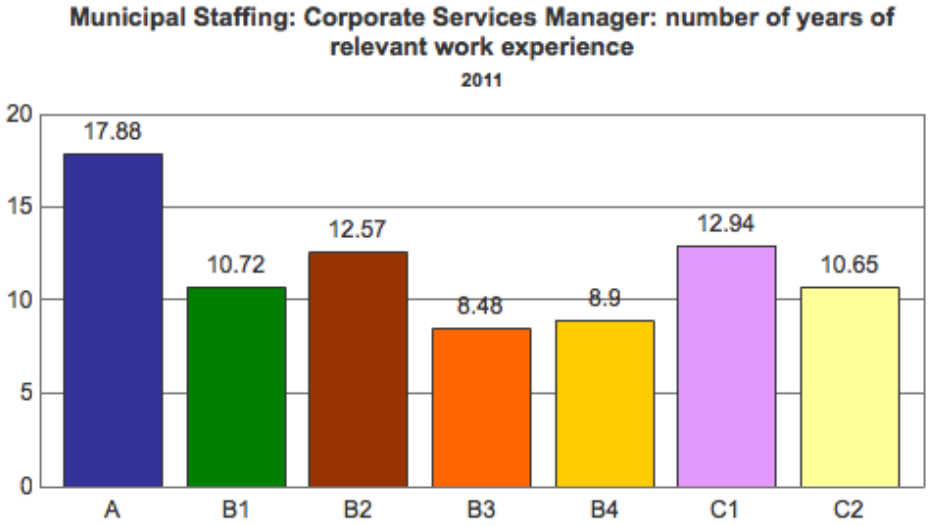


Figure 42: Years of relevant work experience, corporate services managers by municipal category

As with qualifications achieved, the years of relevant work experience of corporate services managers in metropolitan municipalities are significantly higher, while experience in B3 and B4 municipalities tends to be lower on average. This provides some indication of the differences in the calibre of staff that municipalities with different contexts are able to attract.

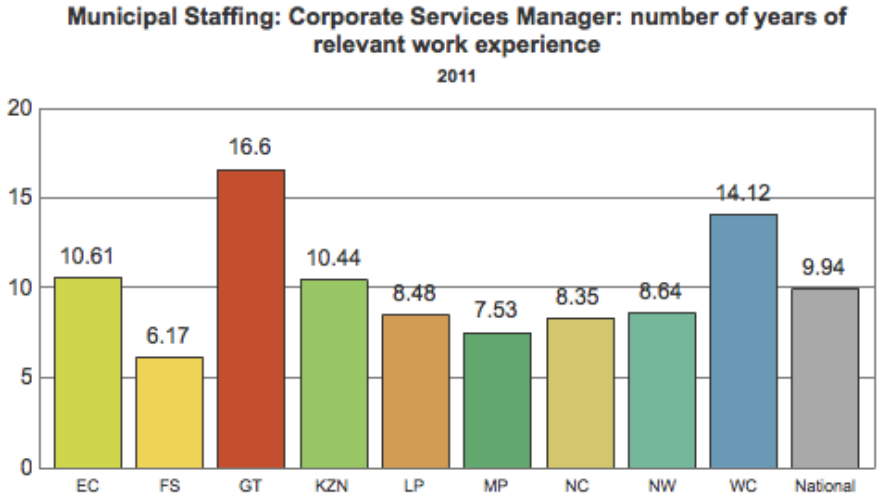


Figure 43: Years of relevant work experience, corporate services managers by province

The provincial graph aligns with the earlier analysis as the average years of experience tend to be highest in Gauteng, the Western Cape and Eastern Cape, which together are home to six of the eight metros. Nationally the average years of experience for corporate services managers is approximately ten.

4.5.3 Number of years in current position

Corporate services managers tend to hold their positions for longer than other management posts, such as CFOs and technical services managers.

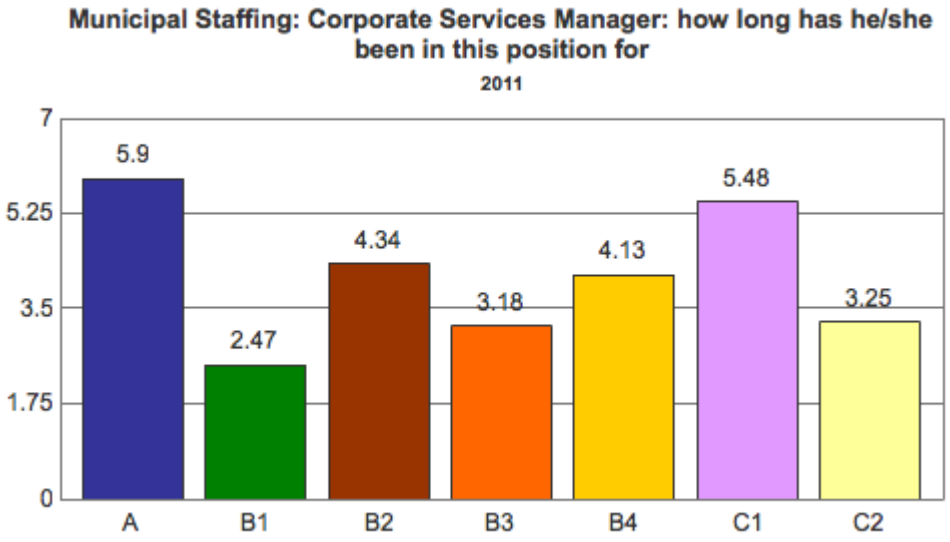


Figure 44: Number of years in current position, corporate services managers by municipal category

The graph above shows that in metropolitan and C1 municipalities, corporate services managers have tended to be in their posts for more than five years, which is well above the national average of 3.76 years (as shown below). In B1 municipalities the average is less than three years, suggesting relatively limited experience in their current post.

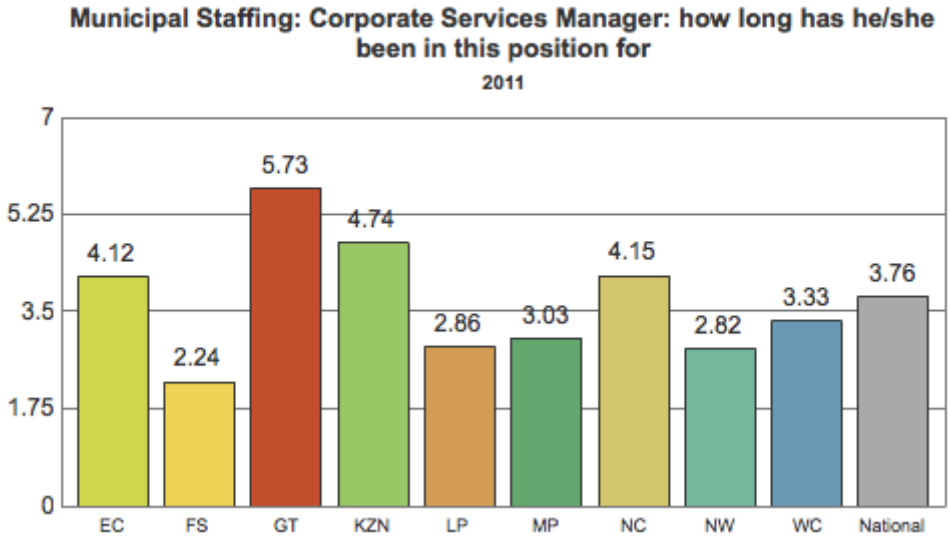


Figure 45: Number of years in current position, corporate services managers by province

Provincially, the longest years of service for corporate services managers are found in Gauteng and KZN municipalities, 5.73 and 4.74 years respectively, on average.

4.6 Integrated development planning managers

Integrated development planning is a core function of municipalities and involves the development of the Integrated Development Plan (IDP), public consultation, stakeholder engagement and monitoring of implementation, amongst other responsibilities. The IDP manager therefore has an important co-ordination and facilitation role to play, both within the municipality and between the municipality and the public. The section below analyses qualifications, years of experience and number of years in their current posts, for IDP managers across municipalities.

4.6.1 Highest qualification achieved

In general IDP managers in metropolitan, B1 and C2 municipalities tend to have the highest education levels, with most IDP managers having an Honours degree or higher qualification.

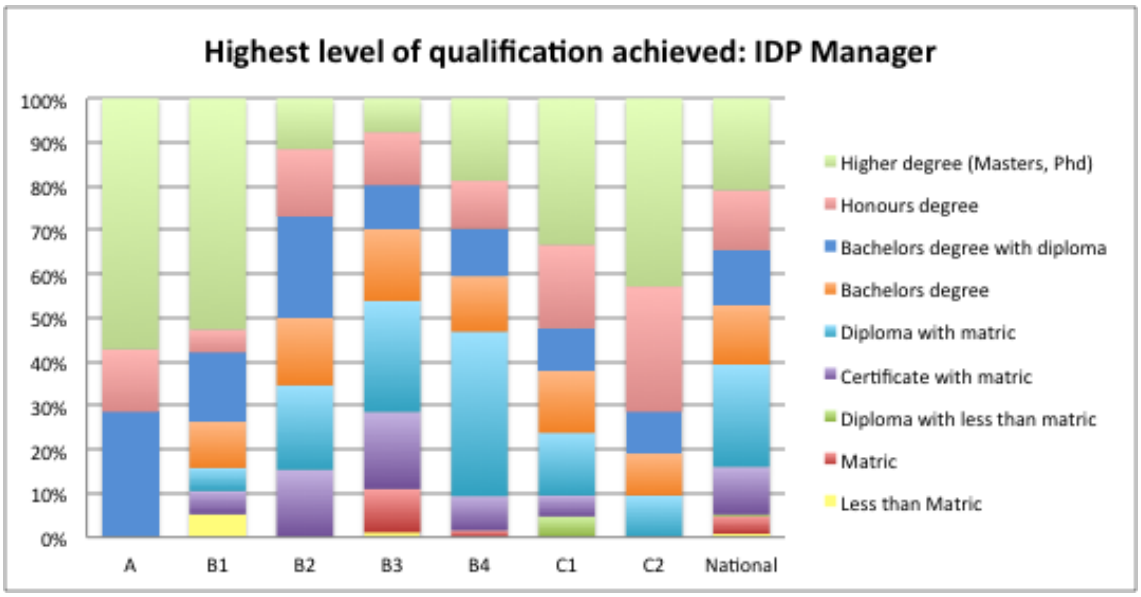


Figure 46: Highest level of qualification, IDP manager, by municipal category

Provincially IDP managers in KZN, Limpopo and the Western Cape tend to have the highest qualifications, with most having at least a Bachelor's degree.

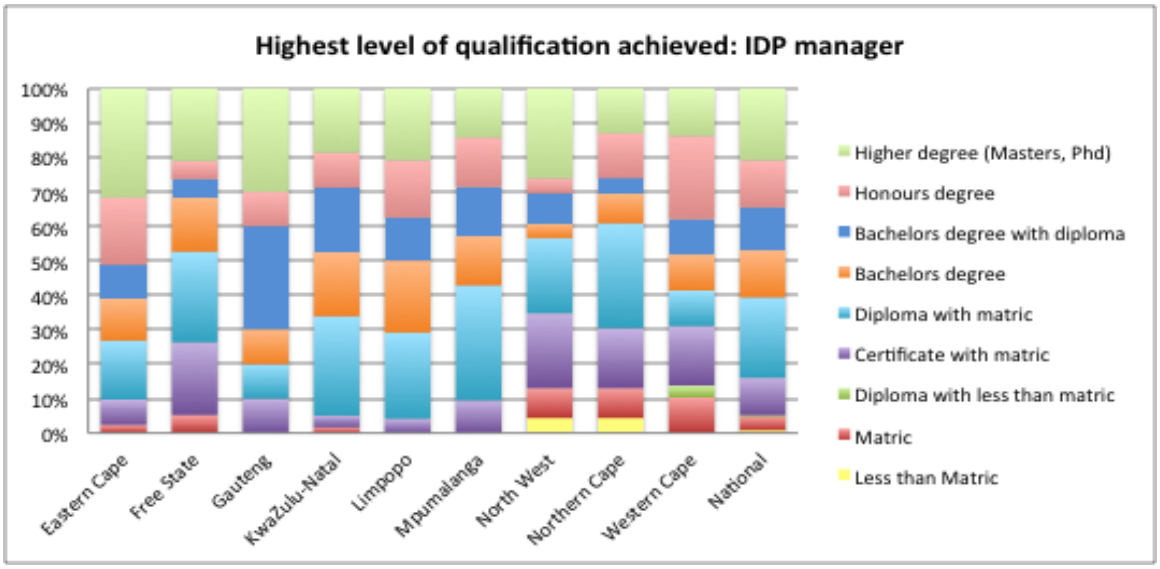


Figure** 47**: Highest level of qualification, IDP manager, by province

4.6.2 Number of years of relevant experience

The graph below suggests a potential correlation between context and the number of years of relevant experience of IDP managers.

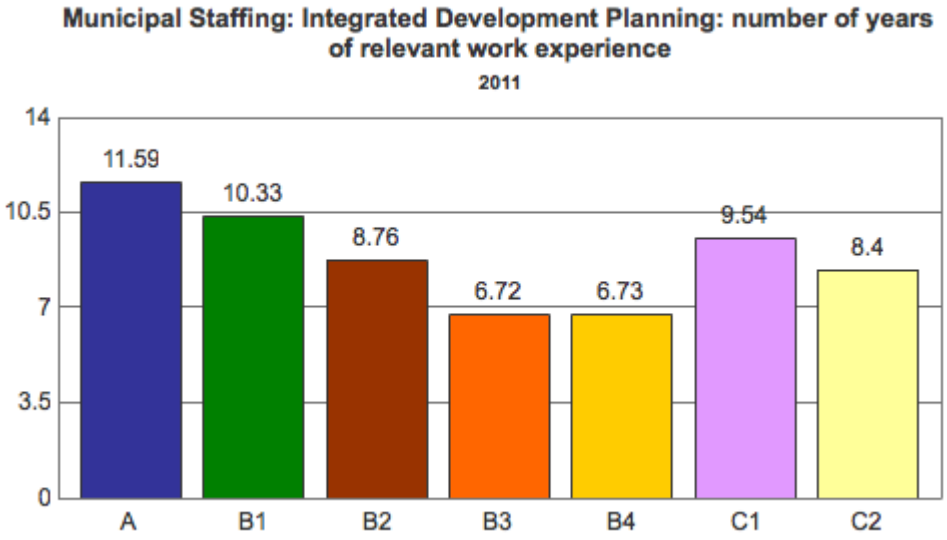


Figure 48: Years of relevant work experience. IDP manager by municipal category

The number of years of experience declines as one moves from urbanised metros to rural B4 municipalities, with IDP managers in metros on average having nearly twice the number of years of relevant experience compared to B4 municipalities.

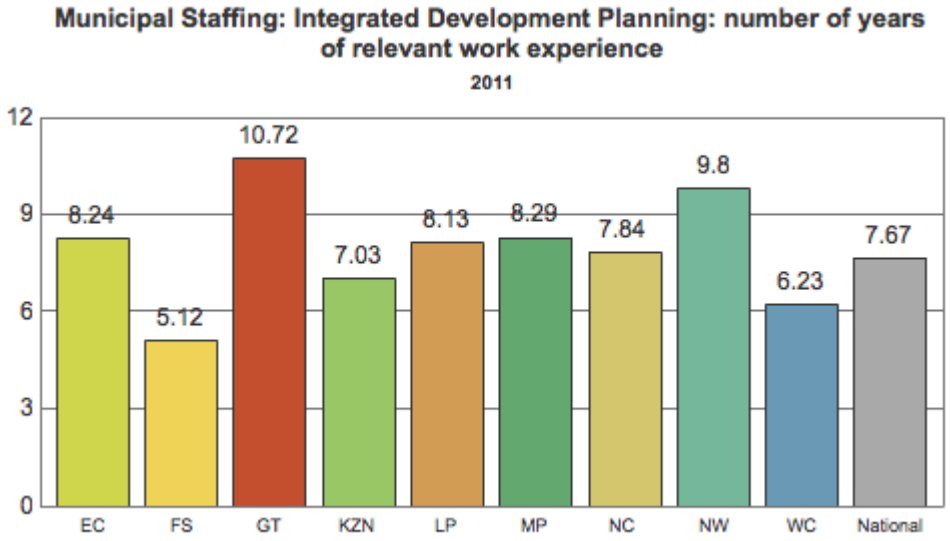


Figure 49: Years of relevant work experience. IDP manager by municipal category

Across provinces, IDP managers in the municipalities of the Free State and Western Cape have comparatively few years of relevant experience, while the average years of experience is highest in the Gauteng and North West provinces.

4.6.3 Number of years in current position

As with the other senior management positions analysed above, IDP managers have tended to hold their current posts for less than five years, regardless of municipal categorisation, suggesting that context is not necessarily a key determinant of this indicator.

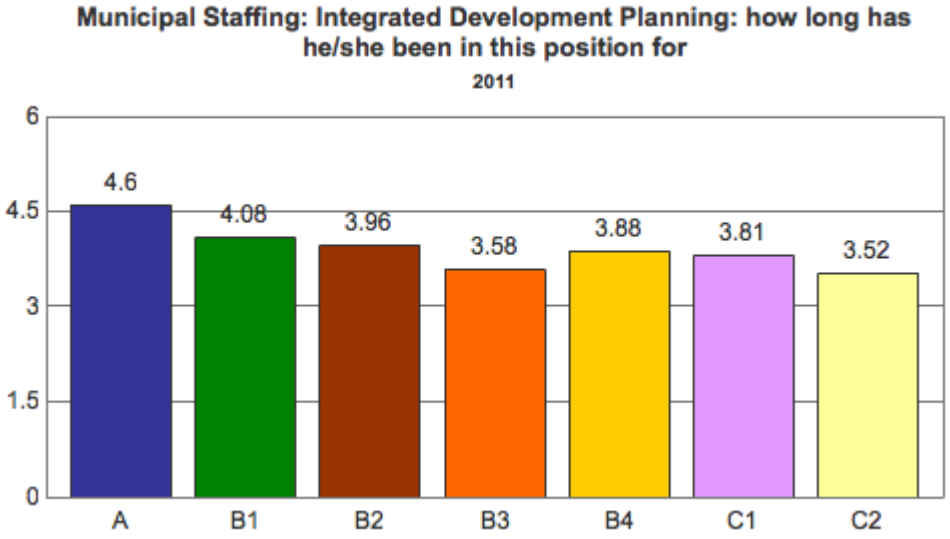


Figure 50: Number of years in current position, IDP manager, by municipal category

An analysis by province shows that IDP managers in the Western Cape, Free State and Eastern Cape have held their posts for three years or less, suggesting limited experience in their positions. Comparatively, IDP managers in the Northern Cape and

North West provinces have held their posts for more than five years average, which is positive for organisational stability.

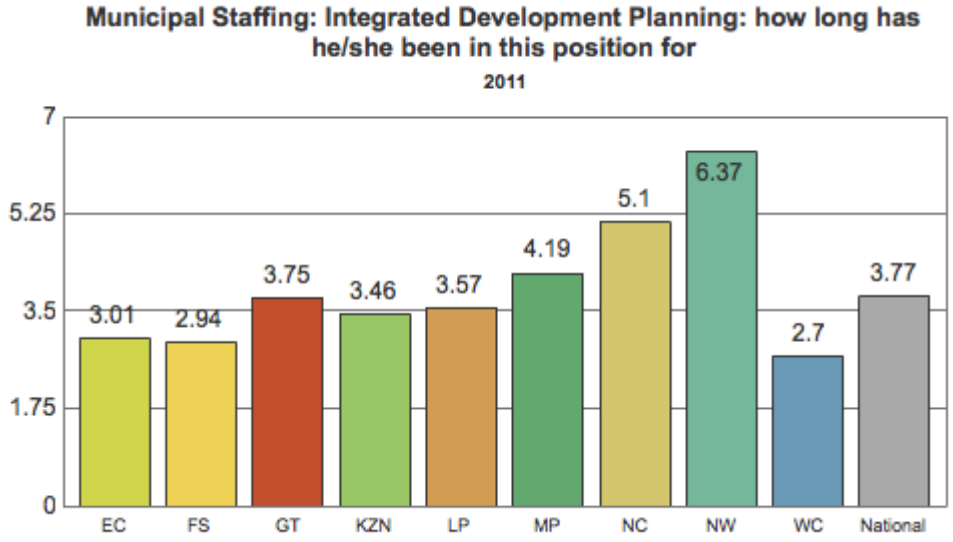


Figure 51: Number of years of relevant work experience, IDP manager, by province

4.7 Summary

The findings with respect to the five key senior manager positions suggests that on average municipal managers tend to have the highest levels of education with the majority (61%) having more than a Bachelors degree. Technical services managers education levels are somewhat concerning as 37% have only a post-matric diploma.

There appears to be some correlation between qualification levels of managers, such as CFOs and corporate services managers, and context; where qualification levels tend to be comparatively high in metros and much lower in B3 and B4 municipalities.

Across the management positions, there is a trend of managers staying in their positions for three years or less, suggesting relatively limited experience in the positions that they hold and impacting negatively on institutional stability. This may be the result of five-year contract cycles. Recent amendments to the Municipal Systems Act aim to address this concern through the appointment of Section 57 managers on a permanent basis.

4.8 Aggregate analysis of Section 57 posts[4]

While the analysis above provided a relatively detailed insight into key management posts, this section analyses Section 57 posts in aggregate, looking at posts filled, vacancies and exits.

[4] Section 57 of the Municipal Systems Act (Act 32 of 2000) makes references to employment contracts for municipal managers and managers directly accountable to municipal managers. While it is noted that the Act has since been amended, it is common discourse in the local government sector to refer to these senior managers as "Section 57 managers". The municipal capacity assessment questionnaire specifically asked questions in relation to Section 57 managers and for consistency purposes the analysis here refers to these managers as such.

4.8.1 Percentage of Section 57 posts filled

The ability of municipalities to fill Section 57 posts has an impact on the management structure and overall functioning of the institution. Nationally, 75% of Section 57 posts were filled in the 2010/2011 financial year, on average, across municipalities. This suggests a relatively high vacancy rate of 25% or one in four Section 57 posts.

The graph below demonstrates the percentage of Section 57 posts filled according to municipal category. Nationally, 75% of Section 57 posts were filled in the 2010/2011 financial year, on average, across municipalities.

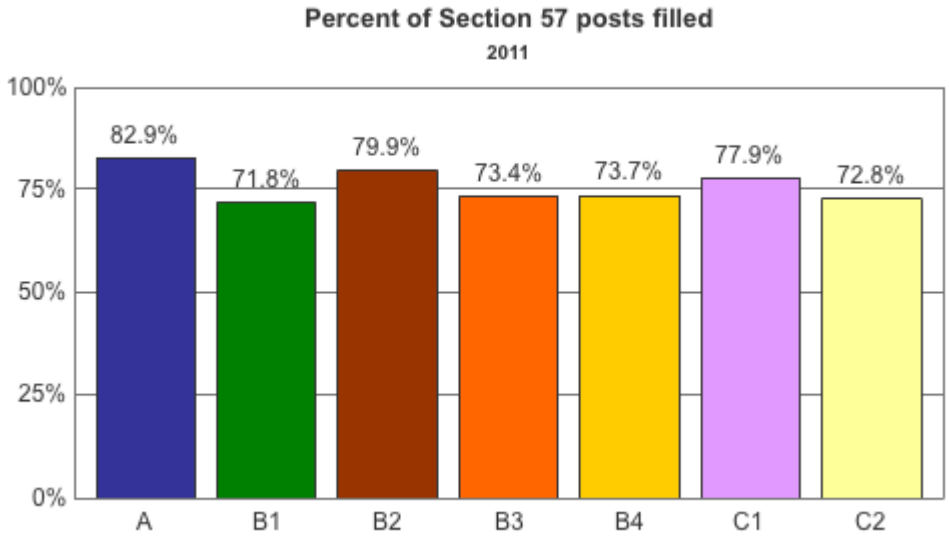


Figure 52: Percentage of Section 57 posts filled by category

As shown above, across the municipal categories over 70% of Section 57 posts are filled with metros reporting the highest percentage of posts filled at 82.9%.

The graph below demonstrates the percentage of section 57 posts filled according to province:

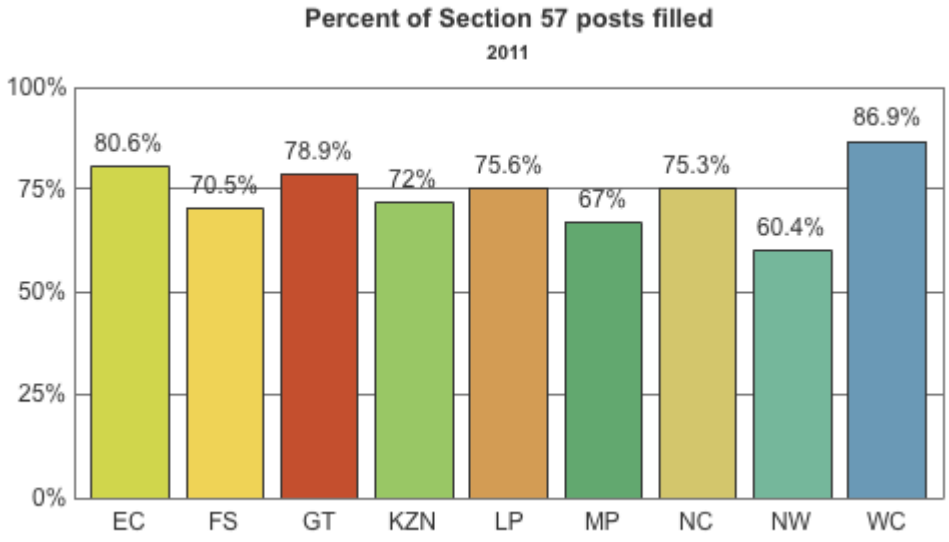


Figure 53: Percentage of section 57 posts filled by province

The Western Cape and Free State have more than 80% of Section 57 posts filled, as shown in the figure above. Less than 70% of Section 57 posts were filled in municipalities in Mpumalanga and the North West provinces, on average.

While the reasons for vacancies was not tested in the survey, the inability of municipalities to fill these management posts could be due to the lack of funding or the limited ability of municipalities to attract senior managers with the appropriate qualifications and years of experience.

4.8.2 Percentage of Section 57 posts vacant for more than three months during the financial year

Extended periods of vacant posts, particularly at management level, is likely to impact negatively on service delivery and institutional stability. Vacancies for Section 57 managers should therefore be minimised and municipalities should aim to fill these posts within three months.

Nationally, 25% of Section 57 posts (or one in four posts) were vacant for more than three months during the 2010/11 MFY.

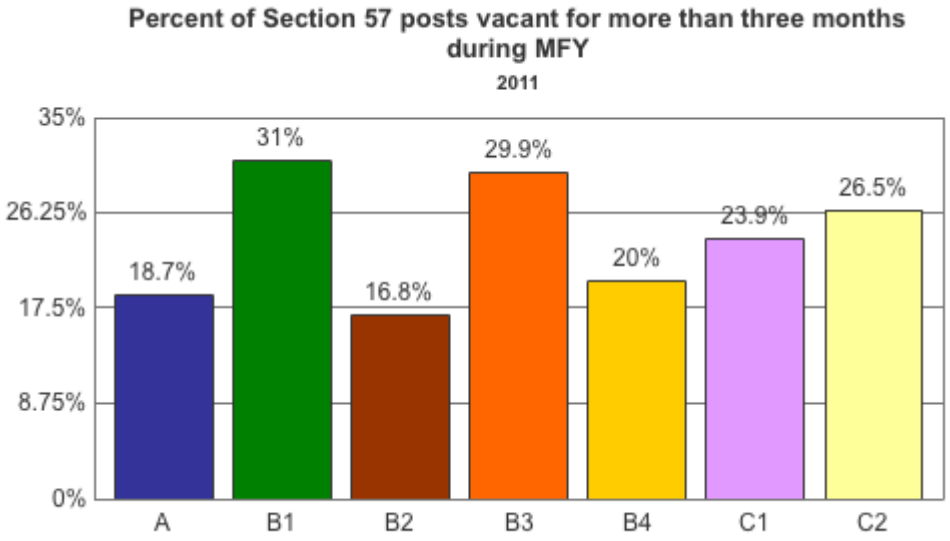


Figure 54: Section 57 posts vacant for more than three months, by municipal category

An analysis by municipal category suggests that vacancies are highest in B1 and B3 municipalities with B2 and metropolitan municipalities performing relatively better on this indicator.

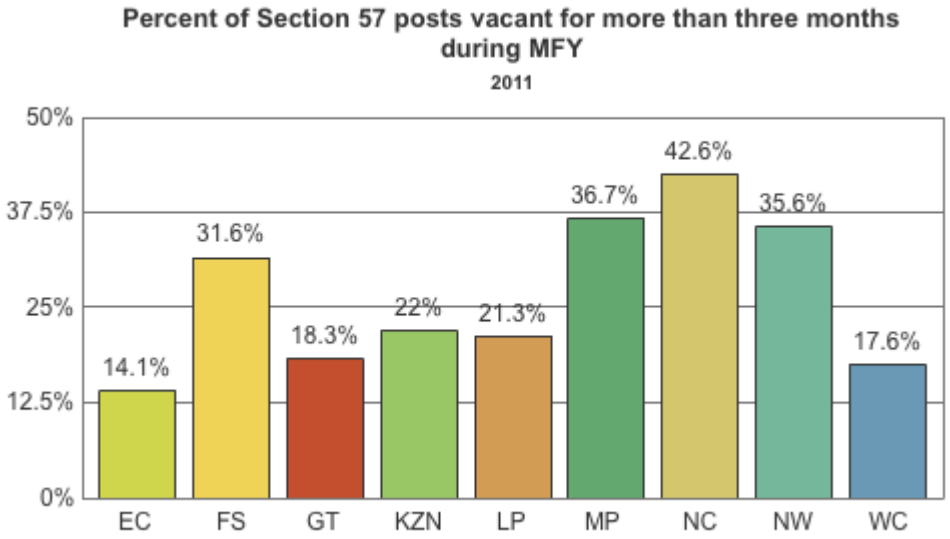


Figure 55: Section 57 posts vacant for more than three months, by province

Across the provinces, vacancies in Section 57 posts appears to be particulary high in the Northern Cape, Mpumalanga and North West provinces.

The findings suggests that contextual factors may inhibit the ability of municipalities to attract managers or it could be indicative of poor planning and decision-making processes or the lack of funds for these posts. The Eastern Cape and Western Cape as well as Gauteng perform relatively better on this indicator with percentages below 20%.

4.8.3 Section 57 exits during the financial year

The percentage of Section 57 managers that left during the financial year is analysed below, by municipal category.[5]

[5] Greater Taung, Tswain LM and Emfuleni LM were excluded from the analysis due suspected anomalies in the data provided.

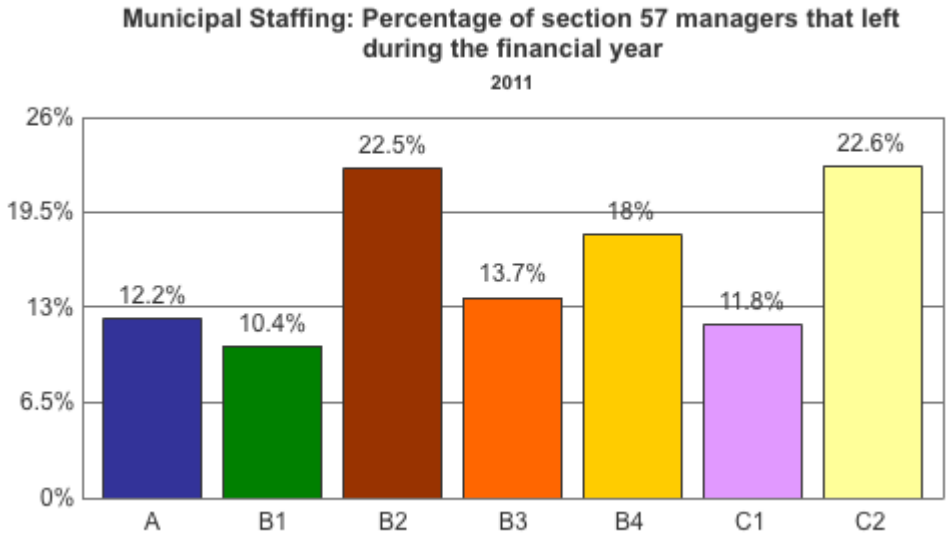


Figure 56: Percentage of Section 57 managers that left during the financial year by municipal category

As shown above, the exit of Section 57 managers is highest in B2 and C2 municipalities, at over 20%, i.e. more than one in five. The exit of senior managers is lowest in B1 and metropolitan municipalities suggesting a tendency for managers to stay in bigger, more urban municipalities for longer. The cities may offer more favourable work and living conditions, which appeals to employees.

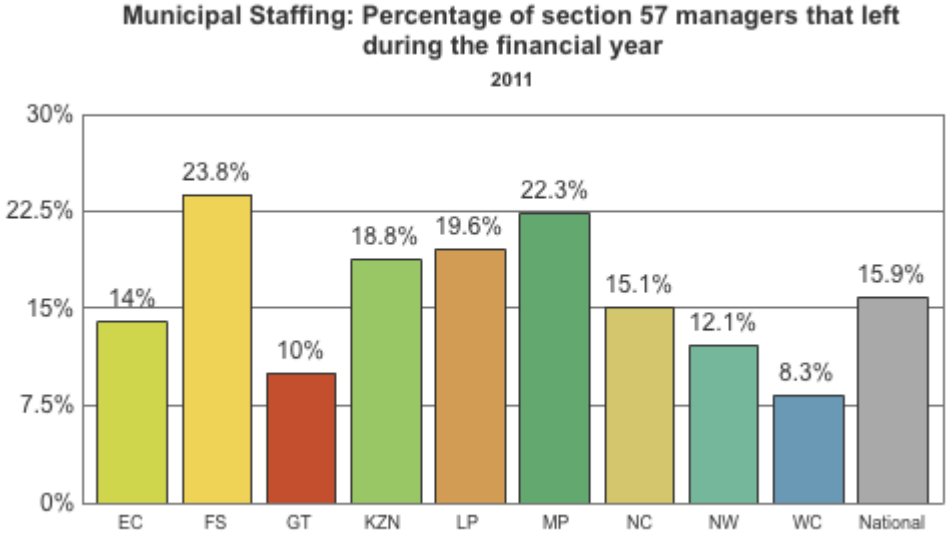


Figure 57: Percentage of Section 57 managers that left during the financial year by province

Nationally more than 15% of Section 57 managers left during the financial year. When comparing this figure to the figure of 7% for all staff exits on average (as discussed earlier), a relatively high percentage of senior managers left their positions during the financial year.

More than 20% of managers in the Free State and Mpumalanga municipalities left during the year, on average. Exits of Section 57 managers are lowest in the Western Cape and Gauteng.

4.8.4 Section 57 manager exits due to resignations

An analysis of the data for Section 57 managers that left during the financial year provides some insight into the underlying reasons for these particular exits. This section of the report therefore unpacks the reasons for leaving, amongst the 15% of senior managers nationally that reportedly left during the FY.

Across all municipal categories, resignations account for the majority of Section 57 manager exits, as shown below.

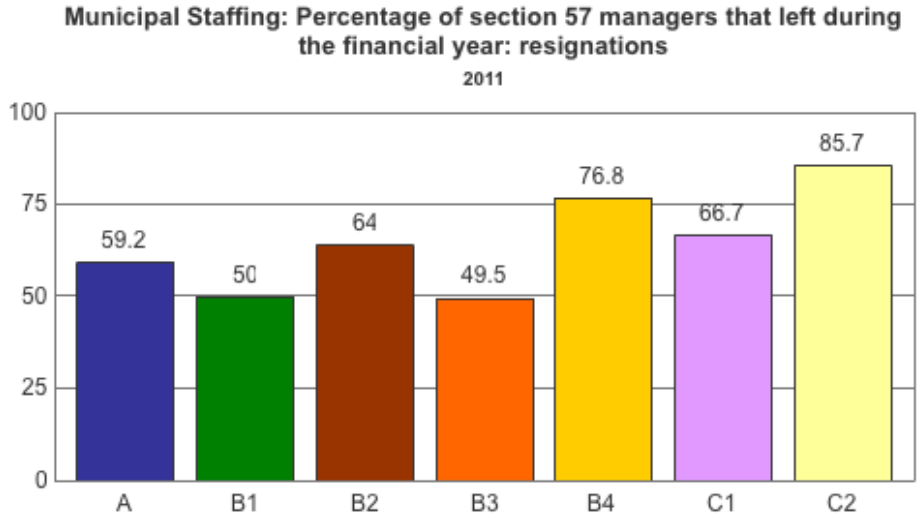


Figure 58: Percentage of exits due to resignations

Exits due to resignations are highest in C2 and B4 municipalities, which tend to be the most rural municipalities. This suggests that context may be an underlying factor as these municipalities argulably face significant service delivery challenges coupled with limited financial resources as they tend to be grant dependent. Resignations as a percentage of Section 57 exits during the financial are lowest in B3 and B1 municipalities

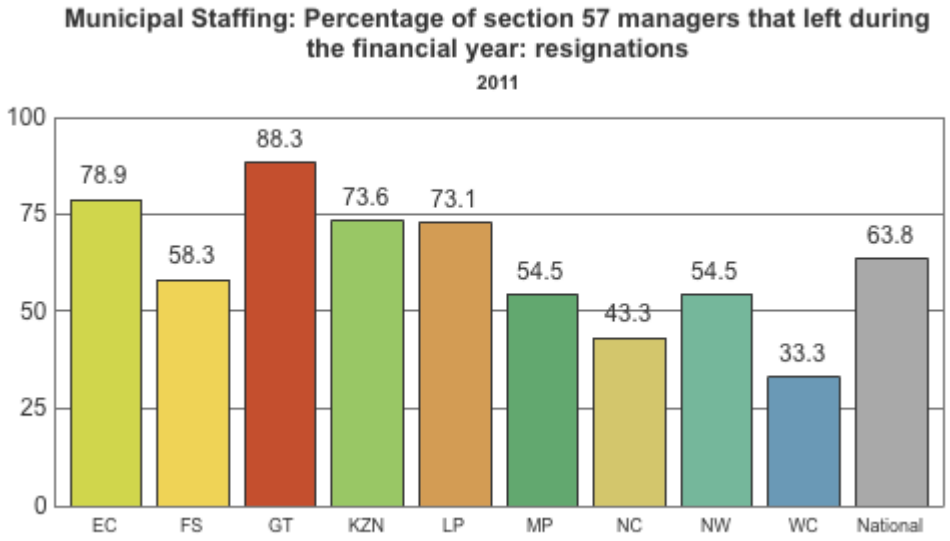


Figure 59: Percentage of exits due to resignations

Nationally, over 60% of Section 57 manager exits are due to resignations, with resignations being the highest in Gauteng and the Eastern Cape, while in the Western Cape, resignations only constitute 33% of Section 57 manager exits.

The findings suggest that a number senior managers are resigning from their posts before the end of their contract period.

4.8.5 Section 57 exits due to dismissals

In interpreting the percentage of Section 57 exits that are due to dismissals it should noted that both positive and negative inferences can be made, making a clear interpretation difficult. On the one hand, exits due to dismissals suggests evidence of misconduct or poor performance, however it also suggests that municipalities are following due process in handling these matters which is positive as they are responding appropriately.

Looking at dismissals as a percentage of all Section 57 manager exits, this is highest in B1 and C1 municipalities.

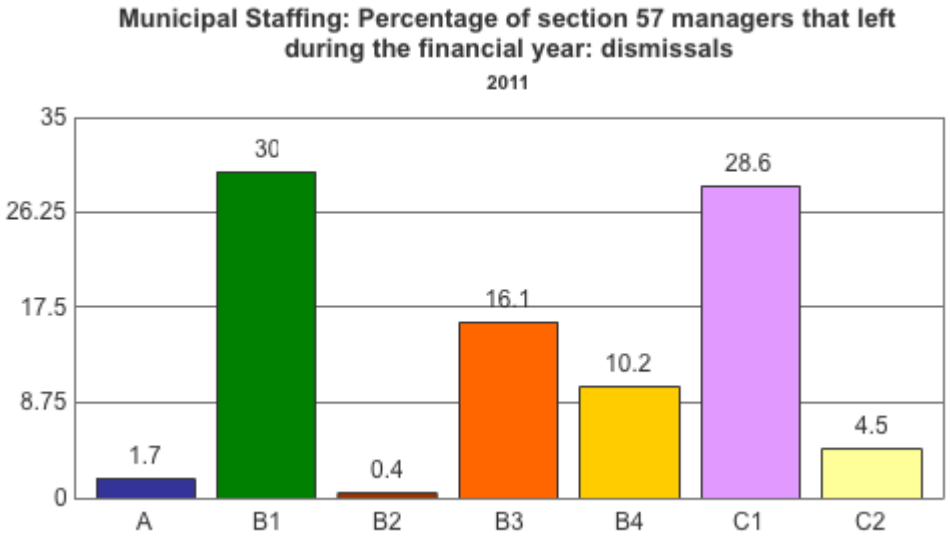


Figure 60: Percentage of exits due to dismissals

Nationally, dismissals account for more than 13% of Section 57 manager exits, while it also accounts for more than 20% of exits reported in Mpumalanga and the North West province.

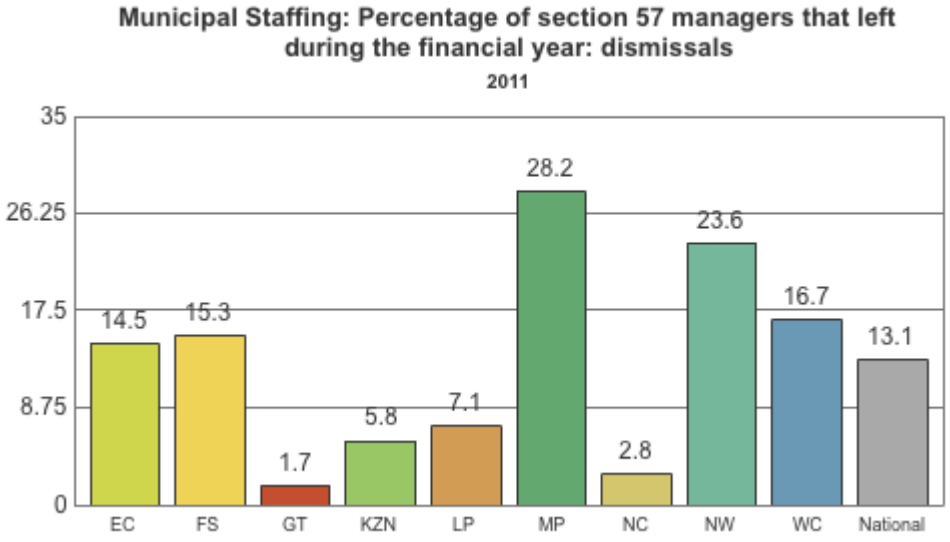


Figure 61: Percentage of exits due to dismissals

4.8.6 Summary

Nationally, 75% of Section 57 posts were filled in the 2010/2011 financial year, on average, across municipalities. Metros have the highest percentage of posts filled, at over 80%. The percentage of posts vacant for more than three months during the financial year is also lowest in B2 and metropolitan municipalities (19% and 17% respectively) and below the national average of 25%.

Section 57 manager exits are highest in B2 and C2 municipalities and lowest in metropolitan and B1 municipalities (12% and 10% respectively). These findings suggest that there is some relationship between context (which may be linked to increased opportunities in urban versus rural contexts) and the ability of municipalities to both attract and retain Section 57 managers.

Across all municipal categories, resignations account for the majority of Section 57 manager exits, while exits due to dismissals appear to be highest in B2 and C2 municipalities.

5 Technical and scarce skills

5.1 Introduction

The shortage of skills at local government level has been raised in multiple fora as a critical issue hampering municipal performance (CoGTA, 2009; NPC, 2010). The National Planning Commission's Institutions and Governance Diagnostic Report states that "…the result has been a reduction in the number of professionals available to the state, and a looming crisis in the generational reproduction of professional expertise as the ageing cohorts continue to leave the system." (NPC, 2010:23). It further states that:

> "This skills deficit has an adverse impact not only on … the ability of government to engage in long-term planning, coordination across institutions, run efficient operations, ensure adequate maintenance of infrastructure, establish organisational systems and routines, and manage personnel and industrial relations. Information systems, human resource management and financial management are particularly weak areas, in addition to technical expertise such as engineering and town planning." (NPC, 2010:10)

To gauge the extent of this skills shortage, the capacity assessment surveyed the number of engineers, accountants and spatial planners in local government. From the survey questions, indicators were drawn out to reflect total number of staff with these skills, and number of skilled staff per 10,000 population.

5.2 Engineers

Data on engineers was gathered in three categories[6]:

- **Registered professional engineers (PrEng):** An engineer registered with the Engineering Council of South Africa (ECSA). This requires a BSc.Eng degree with requisite practical experience,
- **Technologists:** typically holds a BTech degree, and
- **Technicians:** typically holds a NDip diploma.

A total of 983 registered professional engineers and 4295 engineering professionals of all types were recorded in the responding municipalities. The total numbers of staff in all three categories, grouped by municipal category, are shown in the graph below.

[6] It must be noted that the questionnaire did not specify that these categories of engineers needed to be registered with ECSA (PrTech and PrTechni respectively), so these staff numbers may include staff without the requisite qualifications or experience. These categories are often combined under the term 'technician'.

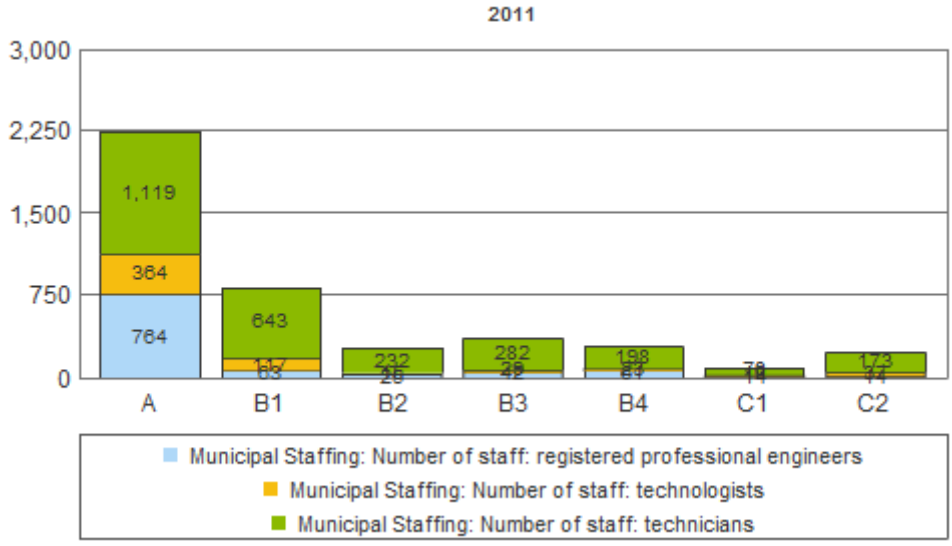


Figure 62: Breakdown on numbers of engineering professionals per municipal sub-category

The initial observation to be made is that all categories of engineers are concentrated in the metropolitan municipalities. The numbers, particularly of registered professional engineers, falls off sharply in the other categories of municipality to the point that in the 79 B3 municipalities that responded to this question, there are only 42 registered professional engineers – i.e. 0.53 engineers, on average, per municipality. This shortage of engineers is felt equally amongst B2, B4, C1 and C2 municipalities.

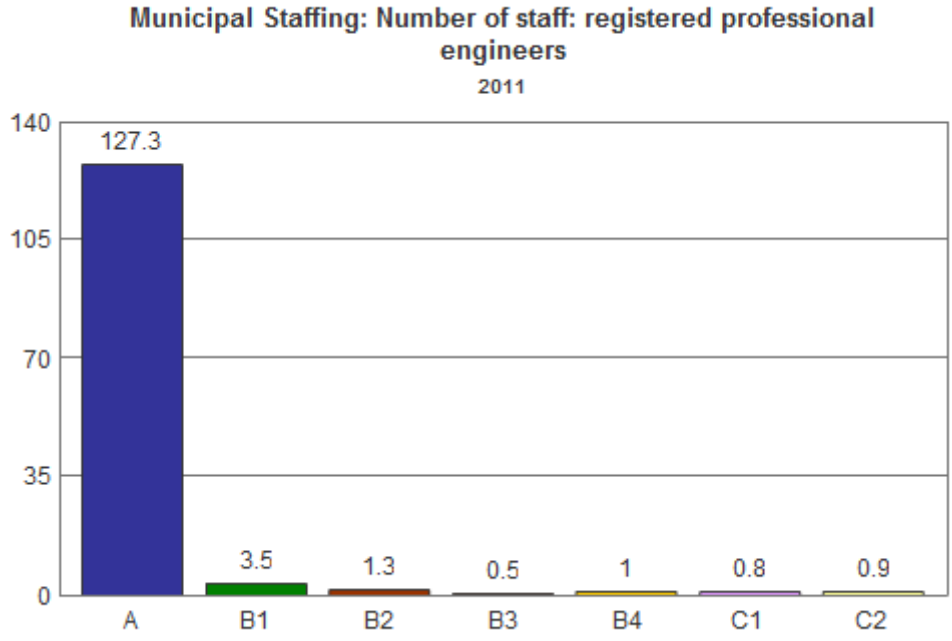


Figure 63: Average number of Registered Professional Engineers per municipality in each sub-category

The numbers of engineers, technologists and technicians per 10,000 population is a better indicator of how well the consumers within a municipality are served, or how stretched the engineering skills are. The graph below shows the average number of engineering professionals in each municipal category.

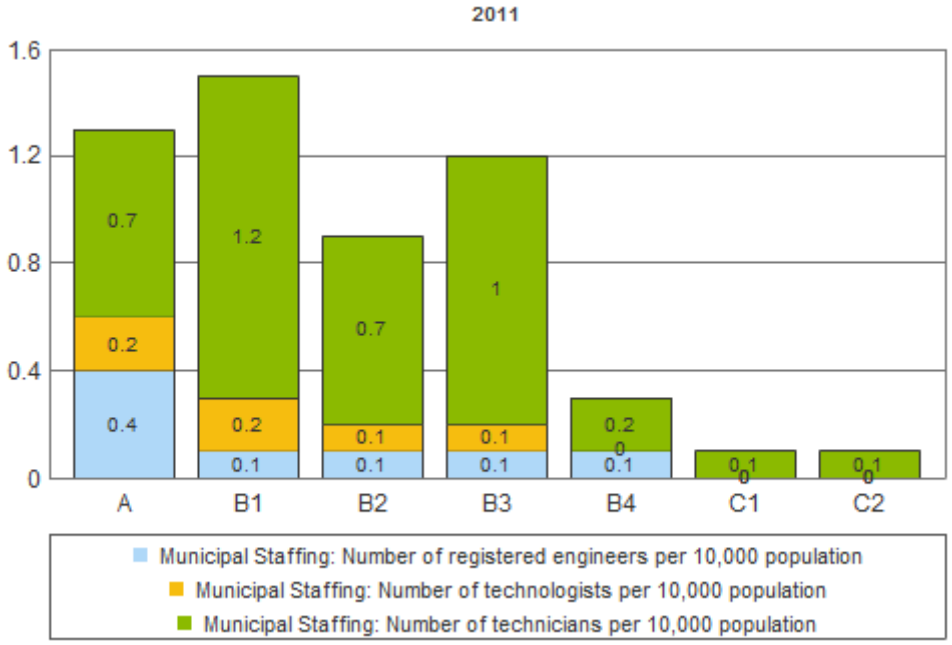


Figure 64: Average number of engineering professionals per 10,000 population per municipality in each sub-category

Metros are better served with registered professional engineers, with an average of 0.44 engineers per 10,000 people, and an average of 1.37 total engineering professionals per 10,000 population. B1 municipalities are better served by technologists and technicians, and as a result have 1.56 engineering professionals per 10,000 population. B3 municipalities are similarly staffed, and B2 municipalities slightly worse off. The major skills constraints are shown in B4 and district municipalities, with engineering staffing ratios of 0.01 registered professional engineers and 0.17 engineering professionals per 10,000 population in C2 municipalities. The shortage of engineers in C1 municipalities is not as critical as in C2 municipalities because fewer technical functions are performed in C1 municipalities.

A further useful indicator not included in the capacity assessment reporting is number of engineers per municipal asset value. The asset values for the sub-category of municipalities were calculated from financial models prepared for DCoG and the Development Bank of SA (PDG, 2010). The figure below shows that the average registered professional engineer in a metro is responsible for infrastructure assets in the order of R600 million, while the average registered professional engineer in a C2 municipality is responsible for R21.5 billion in assets. These figures assume that engineers are evenly distributed between the municipalities in a category, which they are not. In reality the figures would be even higher in some cases.

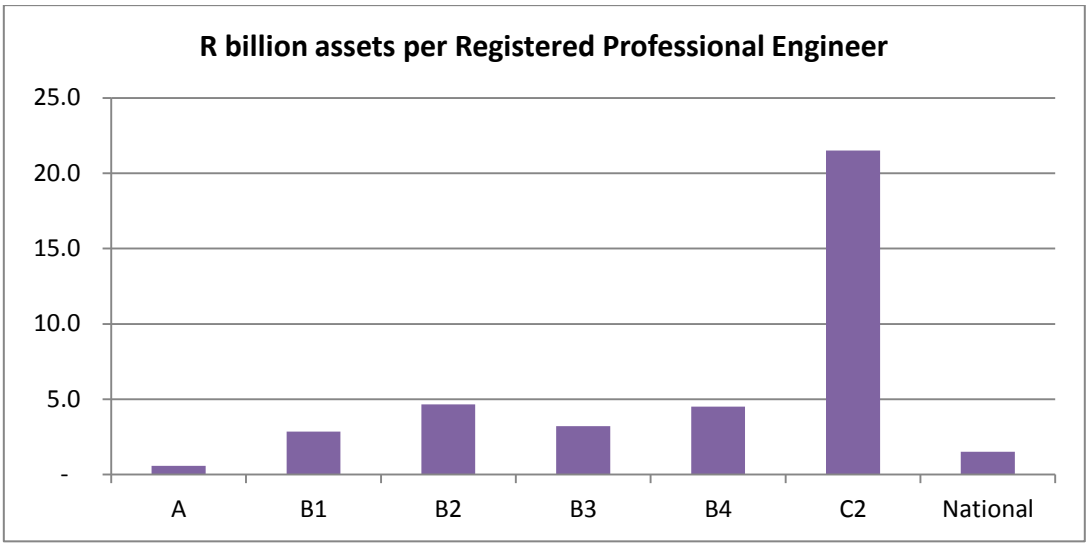


Figure 65: R billion assets per Registered Professional Engineer

If the numbers of engineering professionals is analysed by province, a different picture emerges. registered professional engineers are concentrated in the Western Cape (mainly due to the large number in Cape Town), in Gauteng (even without data from the City of Johannesburg) and in Kwa-Zulu Natal (with 98 of these in eThekwini). A similar pattern emerges for the other engineering professionals.

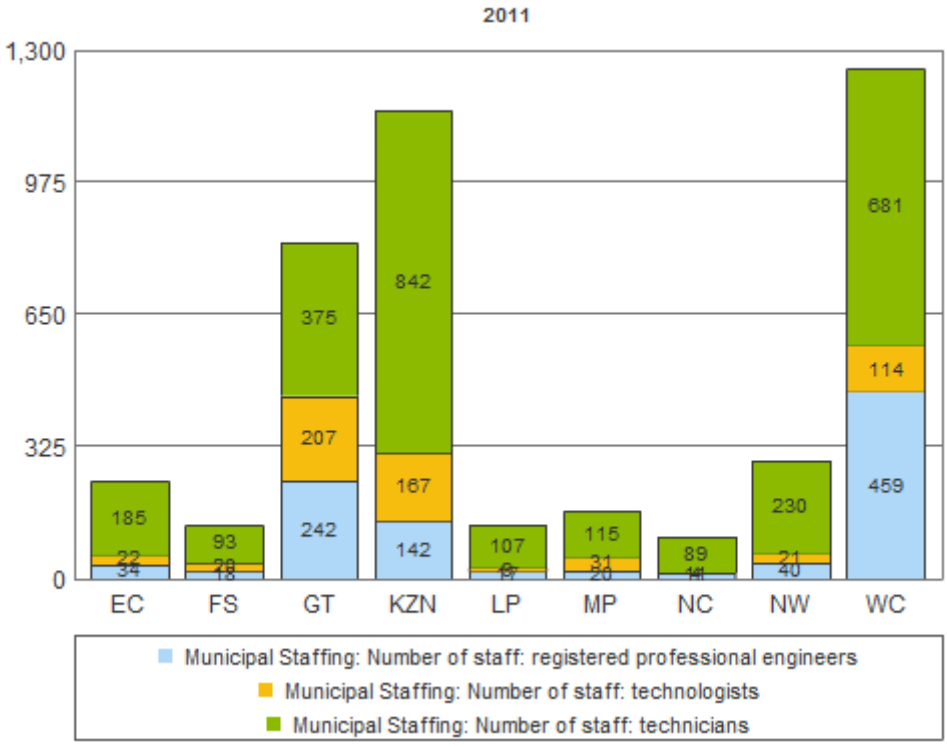


Figure 66: Number of engineering professionals by province

The picture for engineering professionals per 10,000 population is similar, but biased more strongly in favour of the Western Cape, which has double the number of engineering professionals per 10,000 population than Gauteng. Mpumalanga and Kwa-Zulu Natal are the poorest served provinces, with fewer than 0.5 engineering

professionals per 10,000 population, and the Eastern Cape and Free State only marginally better. This data illustrates a clear geographical disparity in the distribution of municipal engineers in South Africa, in addition to the overall shortage.

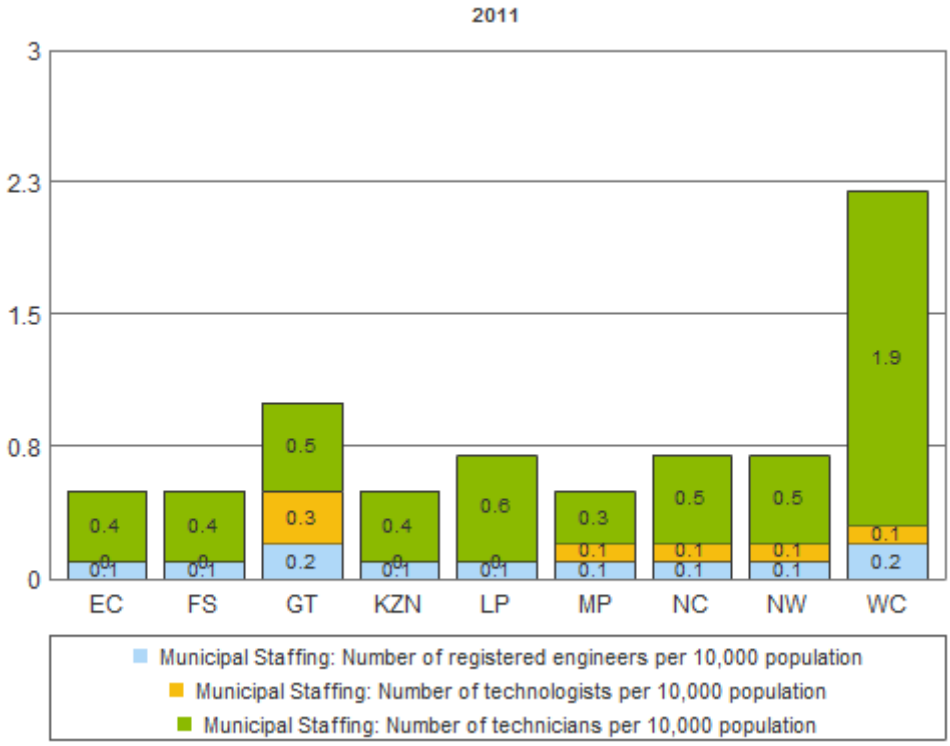


Figure 67: Average number of engineering professionals per 10,000 population by province

The graph below shows the distribution or count of registered professional engineers, by municipal category, illustrating that most metros (67%) have ten or more engineers each. Overall, nearly 50% of municipalities have no engineers, with the majority of the B3 and B4 municipalities being without engineers.

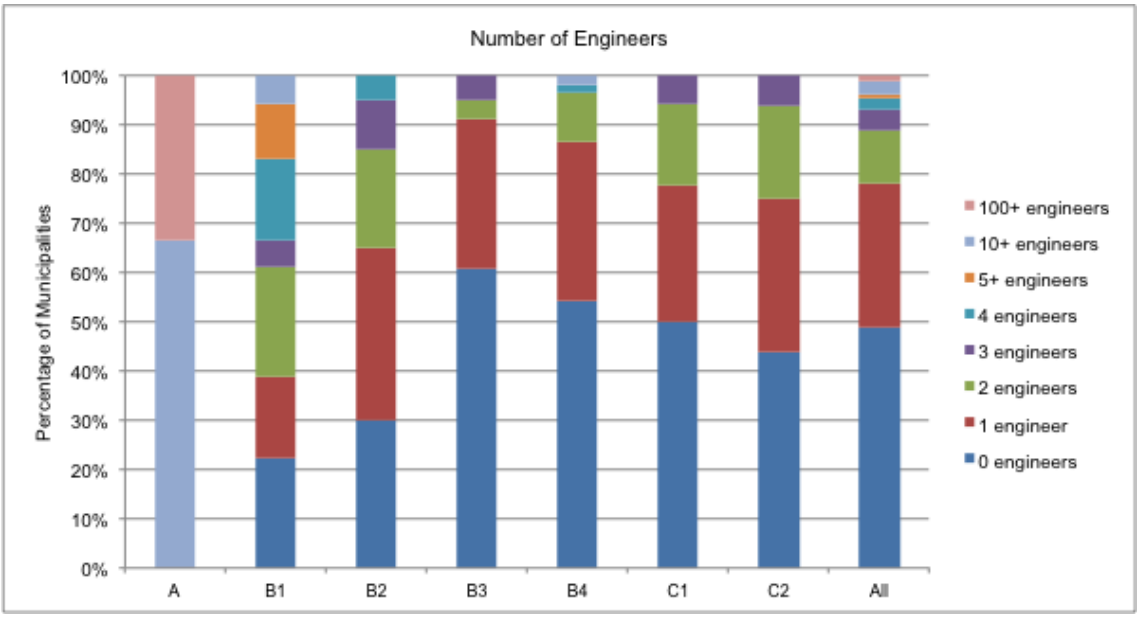


Figure 68: Distribution of engineers by municipal category

The data collected in the 2011 capacity assessment raises, or reiterates a number of key points:

1. There is a chronic shortage of municipal engineers in South Africa.
2. This shortage is most acute in B4 and C2 municipalities.
3. There is a large infrastructure asset value present in these municipalities that do not have the engineering capacity to manage these assets.
4. The geographical distribution of engineers is uneven.

In 2007, the South African Institute of Civil Engineers (SAICE) found that 83 out of 283 municipalities (29%) had no civil engineers, technologists or technicians, while a further 48 (17%) employed only one civil technician (SAICE 2011). The capacity assessment has found that 28 of the 229 responding municipalities (12%) have no engineering professionals, and 24 (10%) employ only one technician or technologist. This would indicate a positive trend, but caution must be exercised in drawing this conclusion as the data sources and verification processes differ between the studies being compared.

The critical issue is not only the lack of engineers in the local government sector, but the shortage of engineers in the country as a whole (ECSA, 2010). The figure for South Africa as a whole is approximately 3.15 engineers per 10,000 population (Lawless, 2005), which is low in comparison to international benchmarks.[7]

5.3 Chartered accountants

The number of chartered accountants in a municipality, and number of chartered accountants per 10,000 population has been used as a proxy measure for financial capacity. This measure is debateable, as the skills required to manage municipal finances are not necessarily those of a chartered accountant, but there is no specific formal qualification for municipal financial officers. The capacity assessment also surveyed the number of staff registered with the Institute of Municipal Finance Officers, but as this is a voluntary organisation, and does not have any requisite qualification for membership, it is not a definitive measure of capacity.

The figures below for total number of chartered accountants by municipal category show that chartered accountants are concentrated in metros (84%).

[7] International figures range from 81 (Norway) to 44 (Brazil) to 18 (Malaysia) to 0.78 (Ghana) (Lawless, 2005)

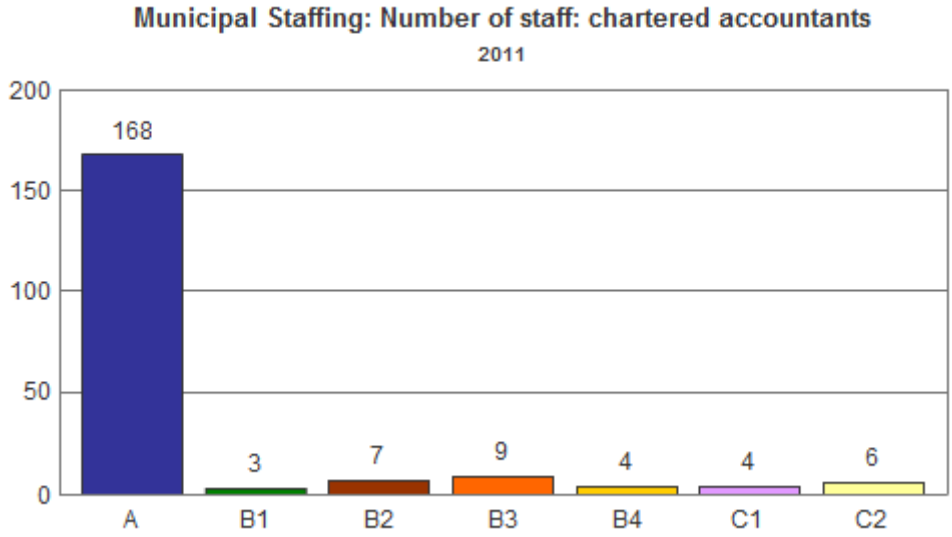


Figure 69: Total number of Chartered Accountants by sub-category

On average, metros have 28 chartered accountants per municipality, while all other municipal categories have less than one chartered accountant per municipality, on average. Before municipalities experience the lowest ratio of chartered accountants per municipality at one chartered accountant per 14 municipalities.

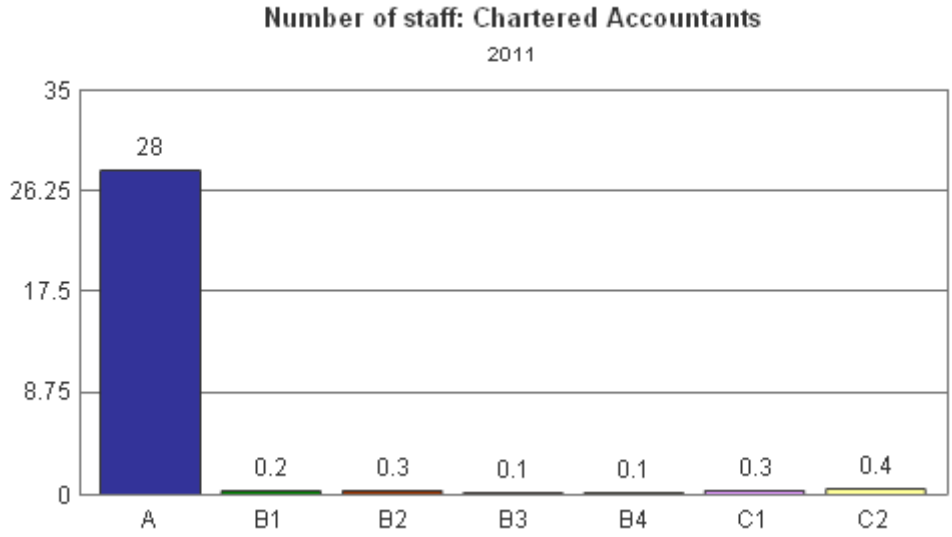


Figure 70: Average number of Chartered Accountants per municipality by sub-category

When the figures are normalised per 10,000 population, the picture is much the same, with metros having a coverage of 0.18 accountant per 10,000 population and all the other categories having less than one accountant per 200,000 population.

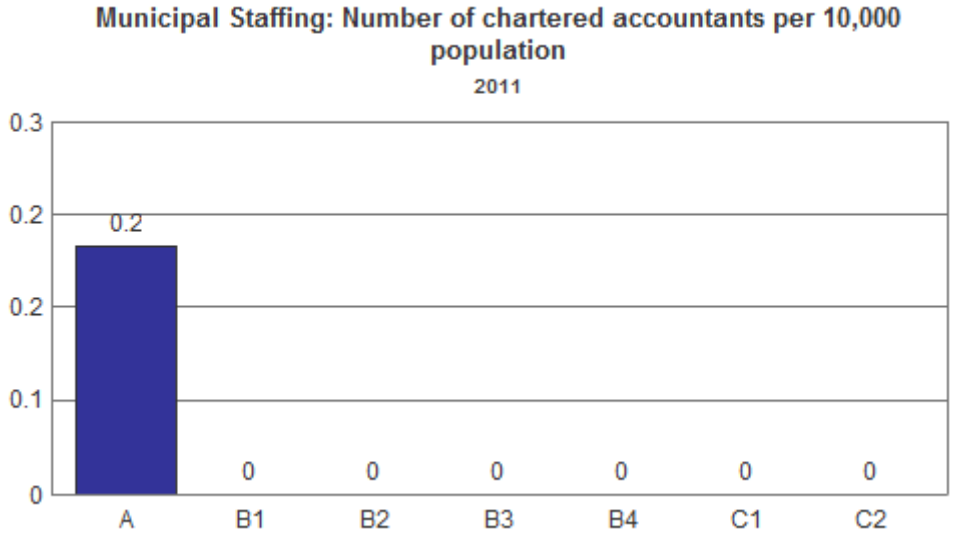


Figure 71: Average number of accountants per 10,000 population by sub-category

The figure above illustrates that chartered accountants are concentrated in metros, to an even greater extent than with engineers: there are 70 times more chartered accountants in metros than the municipal category with the next highest concentration of chartered accountants, while for engineers metros had 12 times greater numbers.

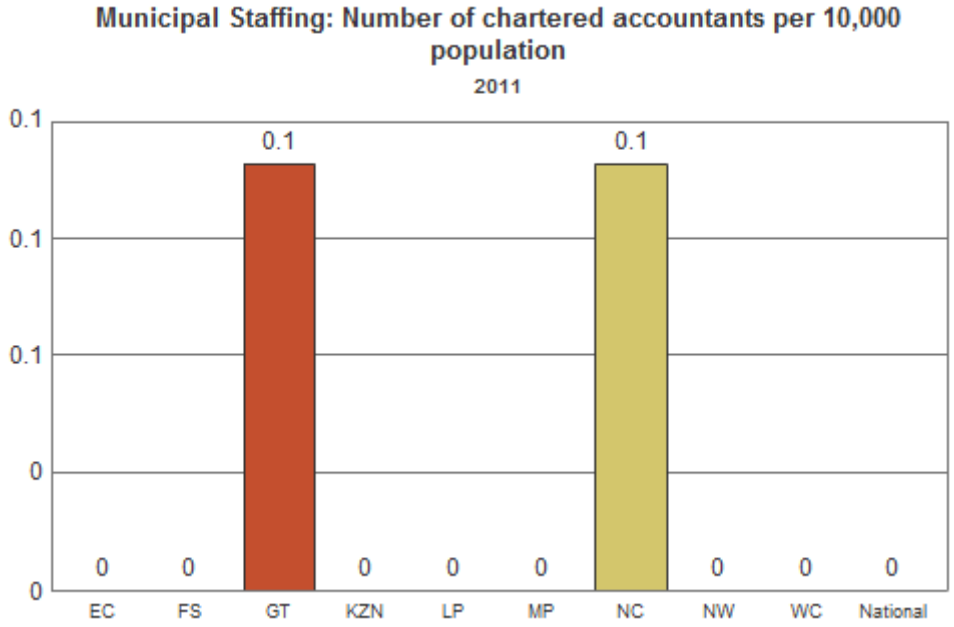


Figure 72: Average number of accountants per 10,000 population by province

The distribution of chartered accountants by province, shows concentrations in Gauteng and the Northern Cape.

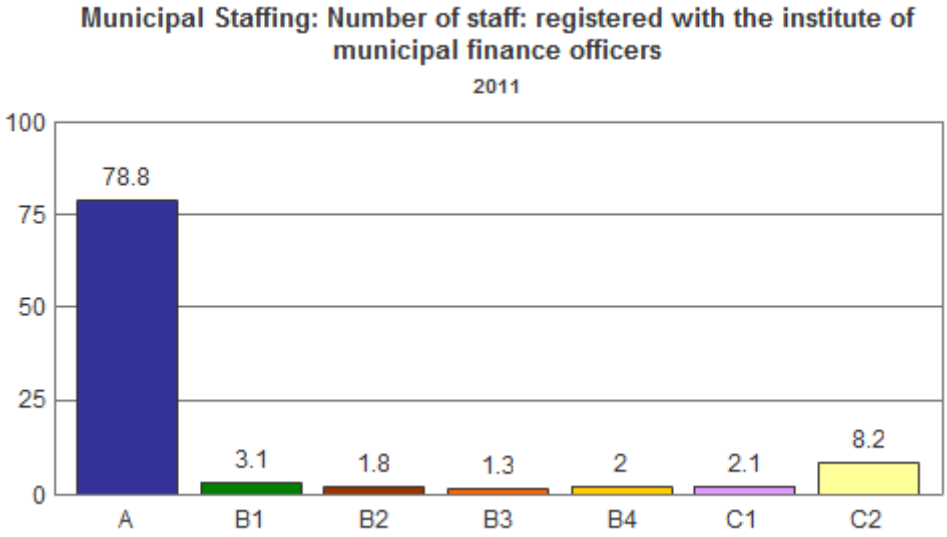


Figure 73: Average number of staff registered with the Institute of Municipal Finance Officers, by municipal sub-category

Keeping in mind the above-mentioned comment about whether registration as a chartered accountant is necessary to manage municipal finances, the figure above, illustrating the average number of staff registered with the Institute of Municipal Finance Officials, reinforces the skewed distribution of financial skills in the local government sector.

The absolute numbers of chartered accountants in the municipal sector are too low to inform a meaningful analysis of how municipal finance skills are distributed in the country. As a proxy measure it indicates that these skills are heavily biased towards metros, but there still needs to be a debate around an appropriate measure for municipal finance skills.

5.4 Spatial planners

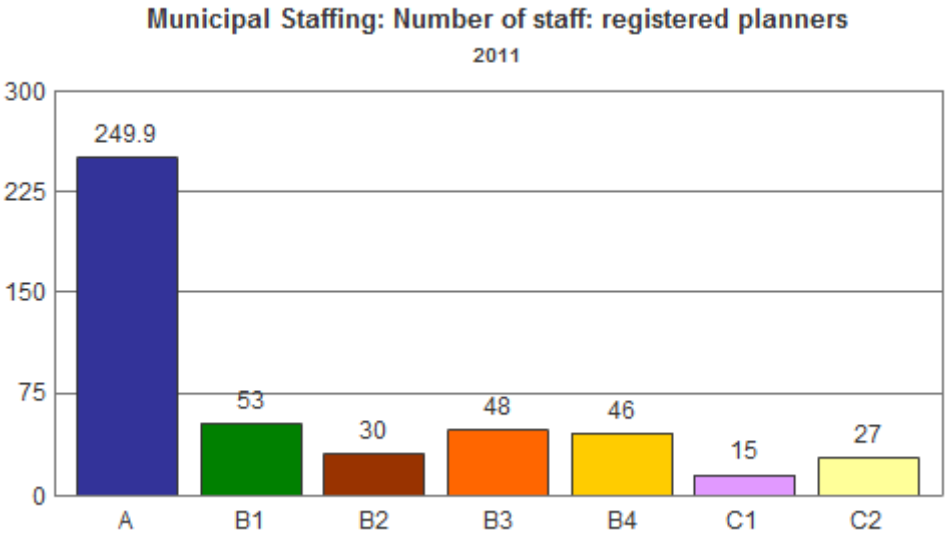


Figure 74: Total number of registered planners by municipal category

The capacity assessment revealed that there are 468 planners in the responding municipalities, with 249 of these (53%) working in the six responding metros.[8]

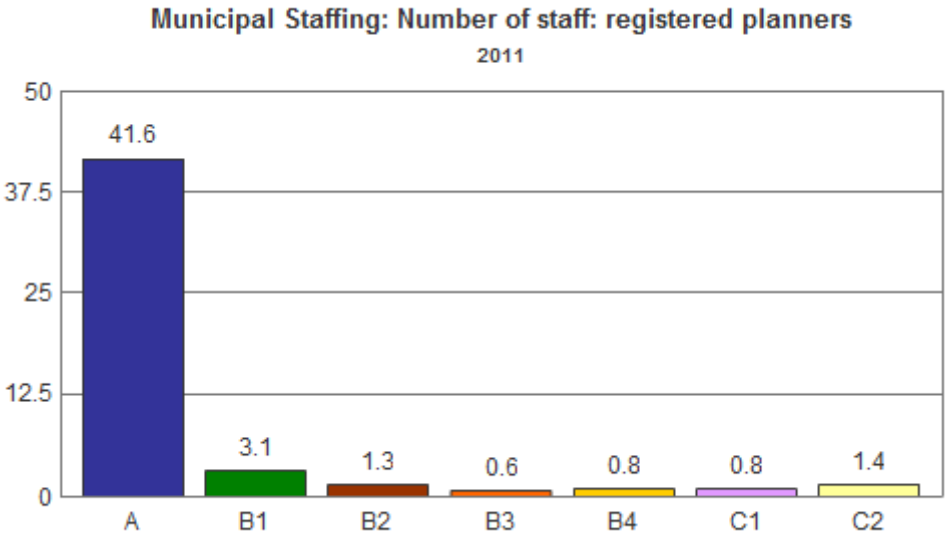


Figure 75: Average number of registered planners by municipal category

There is an average of 42 planners per municipality in metros, three per municipality in B1 municipalities and around one per municipality in the other municipal categories.

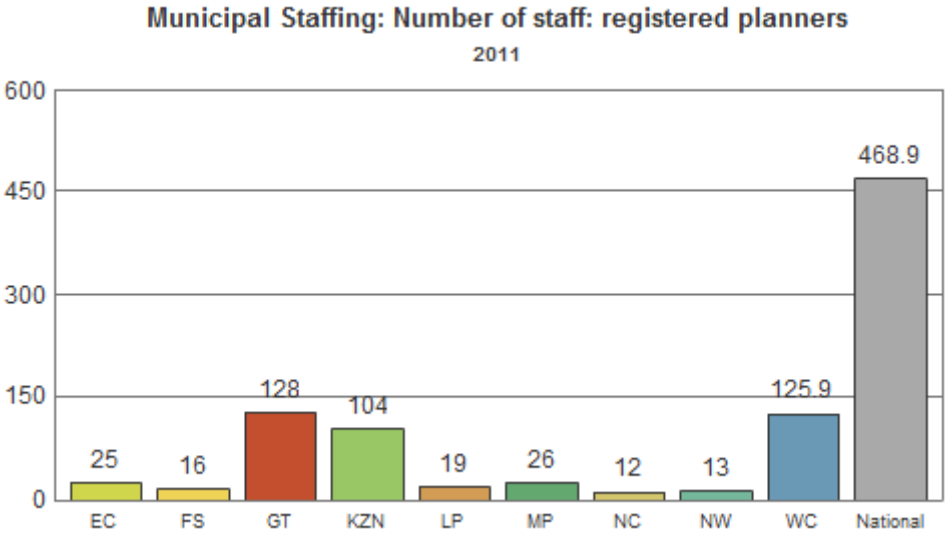


Figure 76: Total number of registered planners by province

[8] The figure of 101 planners in the City of Cape Town (22% if the total) requires verification and, if incorrect, skews the results.

The figure below, showing number of planners per province demonstrates that planners are concentrated in Gauteng, the Western Cape and Kwa-Zulu Natal (due to the influence of metros), with very low numbers in the other provinces.

The graph below shows the distribution of registered planners by municipal category, showing the count of planners within each category. It shows that nationally 40% of municipalities have no planners, while half of the metros (Category A) have ten or more planners each.

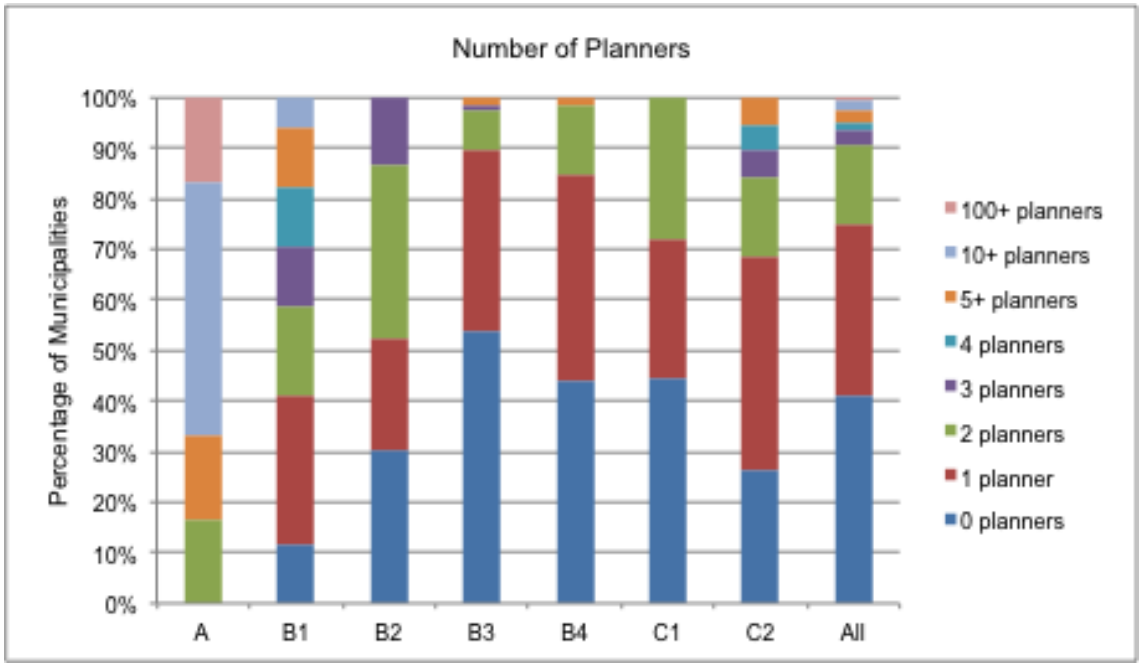


Figure 77: Distribution of registered planners within municipal categories

The pattern that emerges with respect to spatial planners is the same as for the other scarce skills – that they are concentrated in metros. The data illustrates that there is, on average, approximately one planner per municipality in each category, which would seem to indicate that planning skills are in greater supply than either engineers or accountants.

5.5 Summary

The data gathered through the capacity assessment confirms that there is a skills shortage in local government in terms of engineers, accountants and planners. Without a benchmark it is difficult to say exactly how what the level of this shortage is, but the data collected will assist with maintaining a time series to track the skills levels over time.

One clear trend is that the skills are unevenly distributed, with metros being relatively well supplied with all categories of skills. The figure below illustrates how the skills are distributed across the municipal categories.

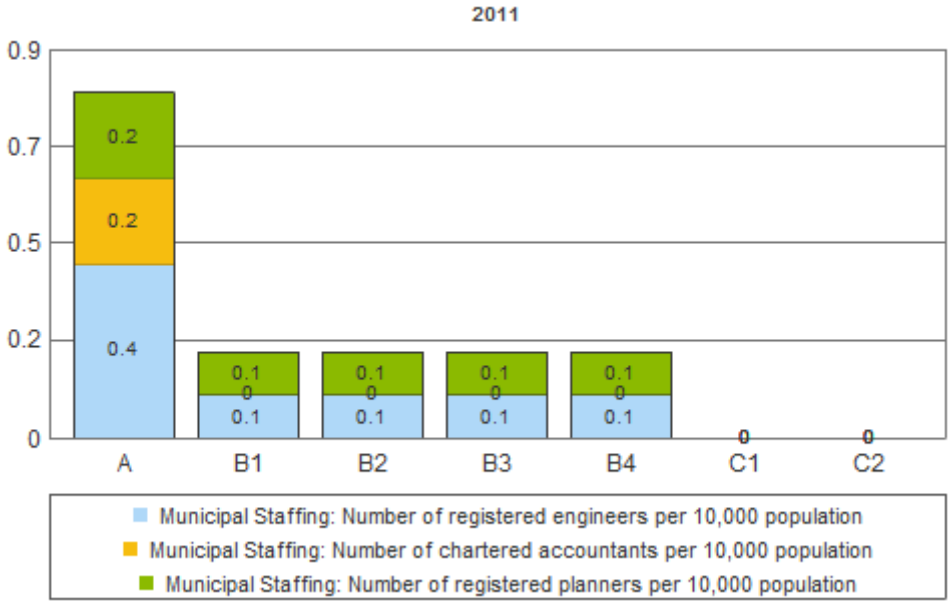


Figure 78: Average number of skilled staff per 10,000 population per municipality by sub-category

Category B municipalities are similarly staffed, but at a much lower level than metros, and there are less than 0.1 staff per 10,000 population in category C municipalities. It is interesting to note that the ratio of engineers to planners is roughly the same, while there are far fewer chartered accountants.

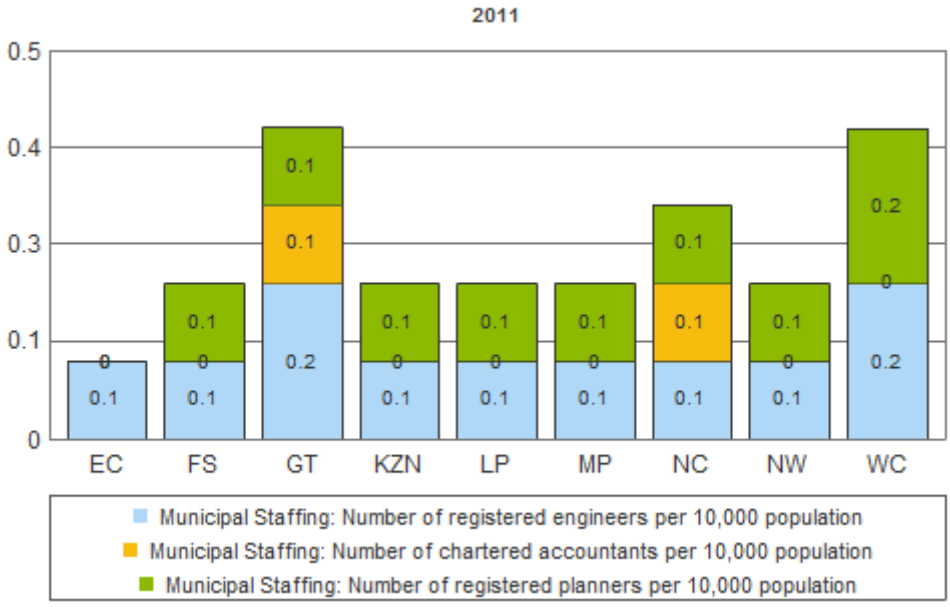


Figure 79: Total number of skilled professionals by province

The distribution of skilled staff per 10,000 population by province is such that approximately double the numbers of staff are found in Gauteng and the Western Cape than in the majority of the other provinces. The Eastern Cape is the exception with negligible coverage of spatial planners.

6 Governance and administration, planning and development

6.1 Introduction

In the 2011 capacity assessment municipalities were asked to provide more detail on the staff performing governance and administration functions, as well as planning and development functions, collectively termed the GAPD functions.

For the capacity assessments, governance and administration, planning and development (GAPD) includes the following:

- *Governance and Administration*: Finance, Corporate services (HR, IT, legal etc), Council support & secretariat, Municipal buildings and workshops
- *Planning and Development*: Municipal planning, Building regulations, Land use management, Property development (non-municipal property)

6.2 GAPD staffing

The graph below shows governance administration as well as planning and development staff as a percentage of total staff, by municipal category.

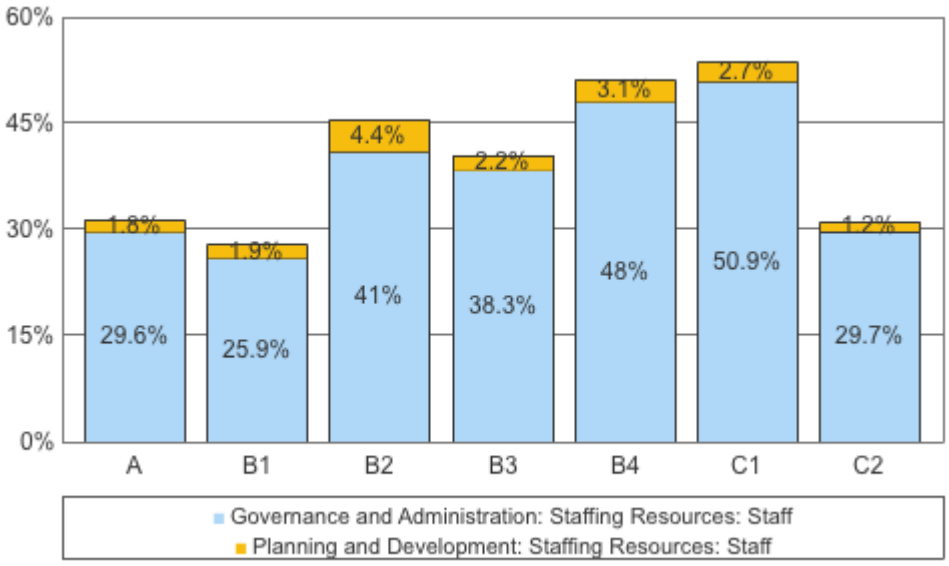


Figure 80: GAPD staff as a percentage of total staff by municipal category

Interestingly, in the B4 municipalities (mostly rural) and C1 municipalities (the districts that are not WSAs) GAPD staff constitutes more than 50% of total staff. The majority of this is made up of governance and administration staff. This suggests that a significant proportion of operational resources are allocated to internal services supporting the institution, rather than the municipal functions..

The B1 municipalities and the metros have comparatively lower proportions of governance and administration staff (less than 35%), as do the C2 municipalities. This is explained by the fact these municipalities are primarily responsible for delivering the scheduled functions and are likely to have the majority of staff working across municipal services, rather than internal functions.

6.3 Governance and administration: staffing resources

The governance and administration functions are important to the overall performance of municipalities as the staff performing these functions typically support those performing the scheduled functions. These 'back office' functions underpin the internal support structures of the municipality.

It is worth reflecting on staff per 10,000 population for governance and administration alone as this is a largely internal function, whereas planning and development cuts across internal and service functions. This is shown below.

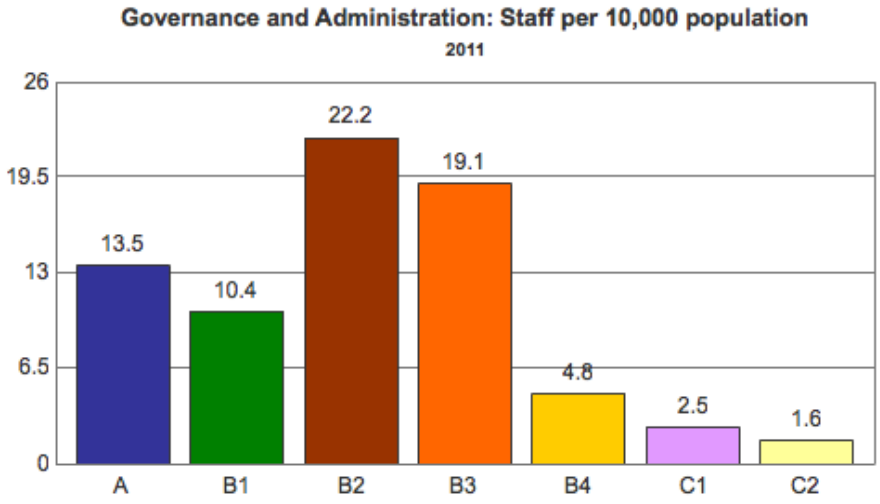


Figure 81: Governance and administration staff per 10,000 by municipal category

In terms of staffing resources, B2 and B3 municipalities have the most governance and administration staff per 10,000 population, at 22 and 19 on average respectively. This is significantly higher than other categories, particularly B4 and C1 municipalities, where despite the high number of staff working in this function in total, the proportion per 10,000 population is very low in relative terms.

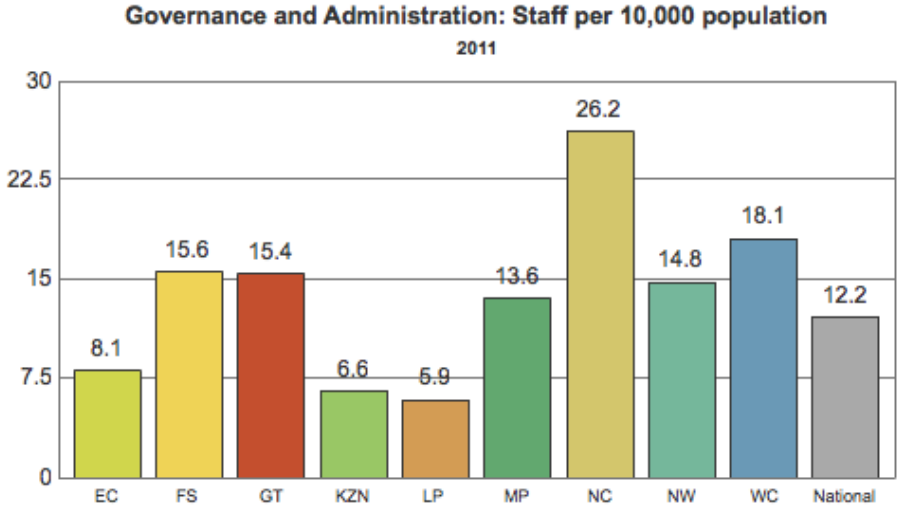
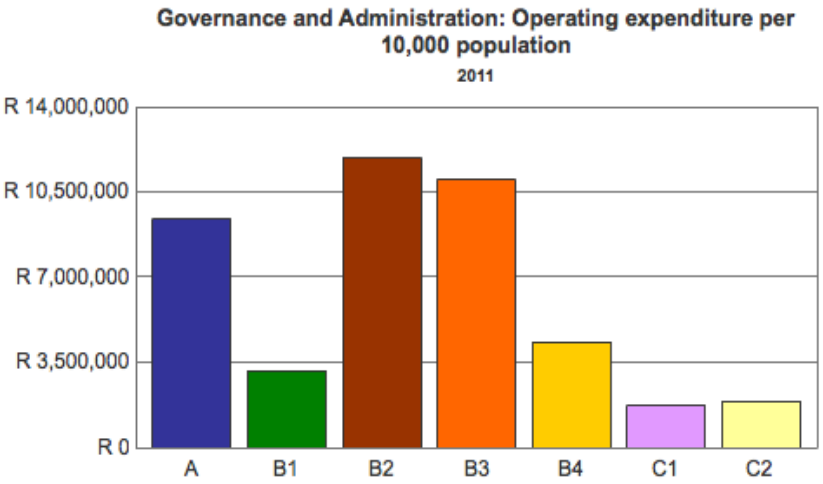


Figure 82: GAPD staff per 10,000 population by province

Provincially the Northern Cape and Western Cape have high numbers of governance and administration staff per 10,000 population, well above the national average of 12.

6.4 Governance and administration: financial resources

The amount of operating expenditure per 10,000 population for the governance and administration function is shown below, with an analysis by municipal category.



Subcategory	Value
A	R 9,397,937
B1	R 3,163,926
B2	R 11,923,071
B3	R 11,013,515
B4	R 4,349,607
C1	R 17,28,025
C2	R 1,911,691

Figure 83: Governance and administration operating expenditure per 10,000 population by municipal category

As shown, operating expenditure per 10,000 population aligns with the analysis of staffing with B2 and B3 municipalities having the highest relative proportions.

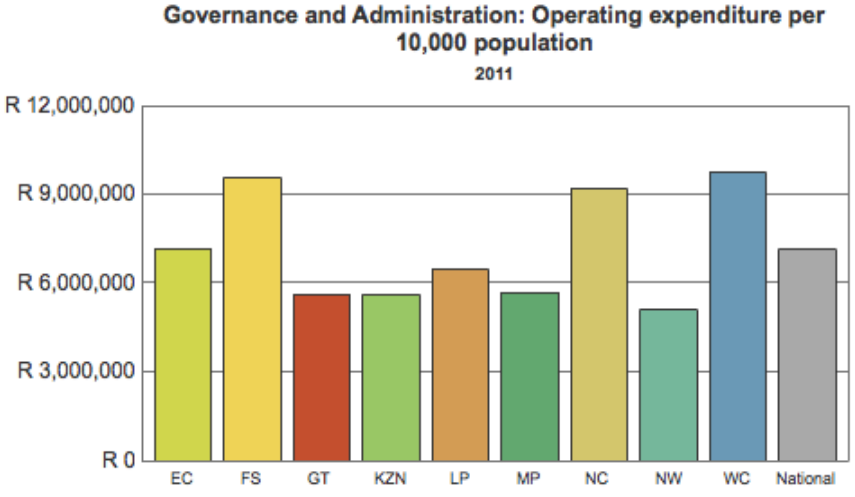
Figure 84: Governance and administration operating expenditure per 10,000 population by province

Province	Value
EC	R 7,177,222
FS	R 9,562,807
GT	R 5,628,088
KZN	R 5,608,406
LP	R 6,456,681
MP	R 5,699,142
NC	R 9,189,757
NW	R 5,090,832
WC	R 9,722,147
National	R 7,127,002

The graph above, by province, suggests that spending is highest in the Free State, Northern Cape and Western Cape.

6.5 Planning and development: staffing resources

Planning and development staff per 10,000 population varies greatly by municipal category, as shown below.



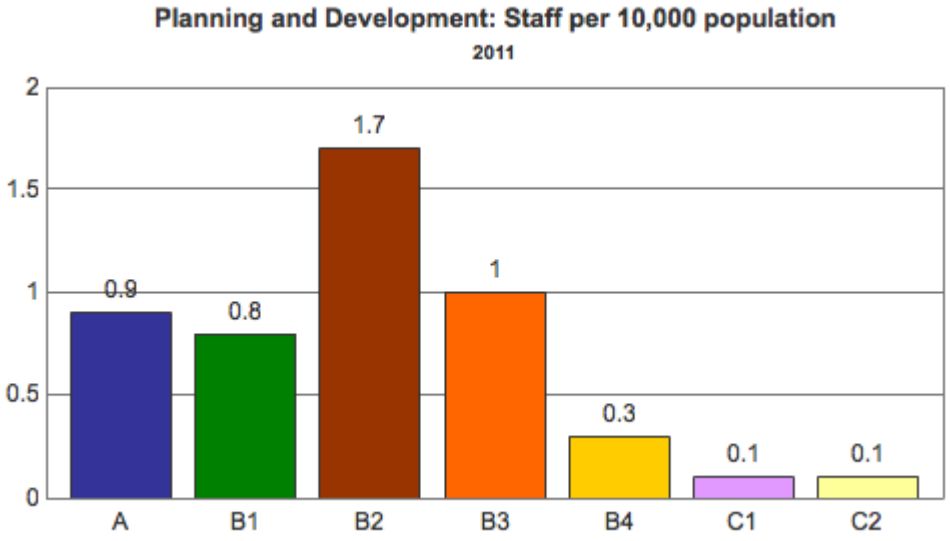


Figure 85: Planning and development staff per 10,000 population by municipal category

On average, B2 municipalities have the highest number of planning and development staff with 1.7 officials per 10,000 population. The ratios in the district municipalities are significantly lower, which is to be expected in light of the relatively limited responsibilities of district municipalities have with respect to planning and development. The analysis by province shows that the Free State has the highest ratio of staff per 10,000 population (2.1) while the Northern Cape and Western Cape have 1.4 officials per 10,000 population for this function.

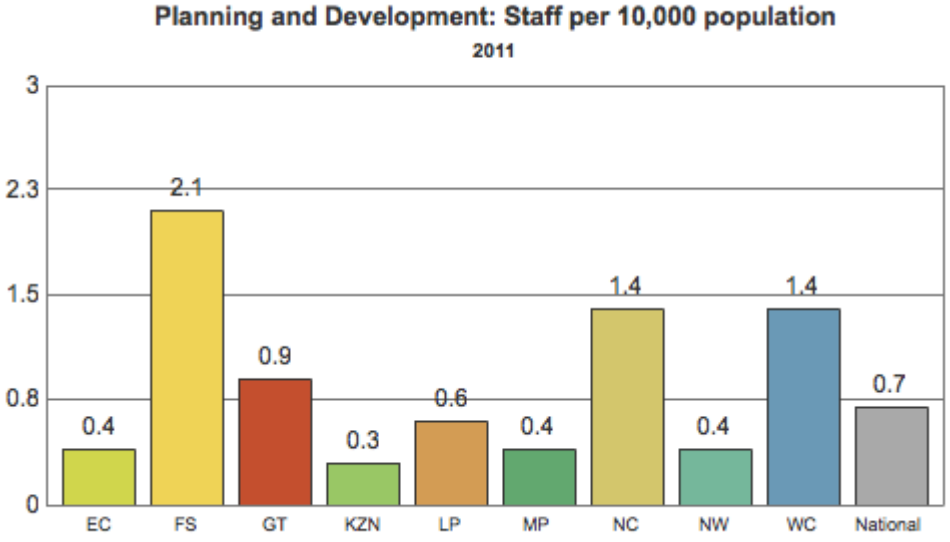


Figure 86: Planning and development staff per 10,000 population by province

6.6 Planning and development: financial resources

The average municipal operating expenditure per 10,000 population for planning and development is shown below, by municipal category.

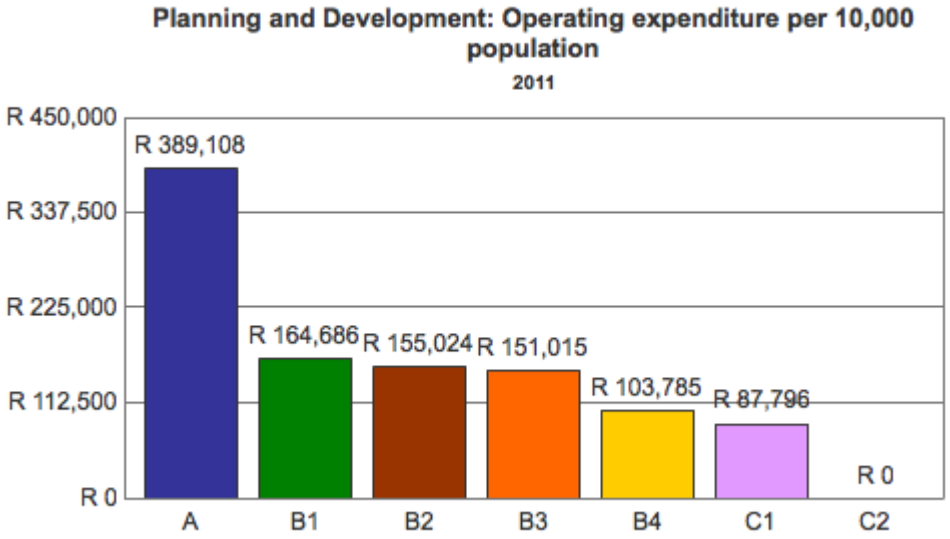
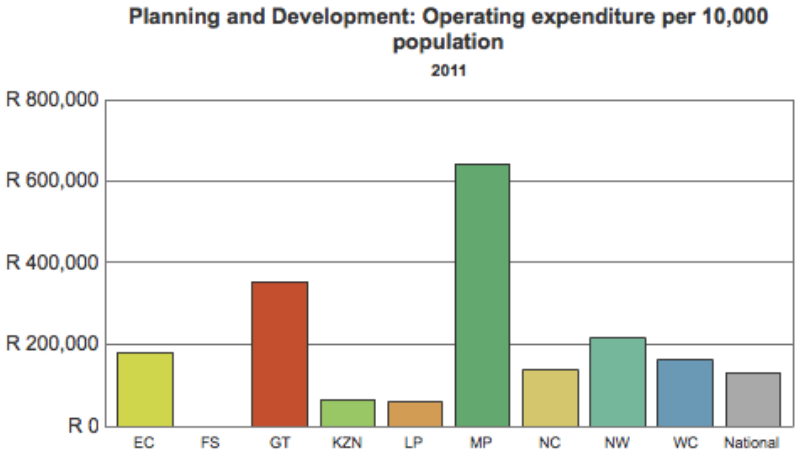


Figure 87: Governance and administration operating expenditure per 10,000 population by municipal category

The graph shows a consistent decline in spending per 10,000 population on planning development when comparing the highly urbanised metros to the mostly rural B4 municipalities. It is expected that metro spending is relatively higher, given the demand for planning functions in cities as they continue to expand and development increases. On average operating expenditure per 10,000 population tends to be at least twice as much in the metros as it is in any of the other municipal categories.



Province	Value
EC	R 181,464
FS	R 0
GT	R 354,406
KZN	R 65,690
LP	R 59,267
MP	R 643,751
NC	R 138,959
NW	R 216,782
WC	R 162,291
National	R 132,335

Figure 88: Governance and administration operating expenditure per 10,000 population by province

An analysis by province suggests that spending per 10,000 population is highest in Mpumalanga and Gauteng, while the Free State's spending is significantly lower on average.

6.7 Summary

Governance and administration constitutes a significant proportion of municipal spending and staffing. Nationally, municipalities are spending on average, R7.1 million

per 10,000 population on the governance and administration functions. In many of the B4, mostly rural, municipalities spending on governance and administration constitutes over 60% of their operating expenditure. With staff in these institutions mainly performing internal services, this expenditure could be seen to provide some indication of the cost of democratic governance. These municipalities are thus important for building local democracy, public participation and linking communities to government, and play a relatively smaller role in the key service delivery functions, due to the lack of resources and contextual factors.

With respect to planning and development, the demand for these services are greatest in metros and the results show that metros spend significantly more per 10,000 population on the operating account for this function, when compared to other municipalities.

6.8 Audit outcome 2010/11

Audit outcomes are analysed here as a performance indicator of governance and administration activities.

The audit outcome of municipalities provides a sense of the quality and transparency of the financial reporting. Municipalities submit their financial statements to the Auditor-General (AG) each year, in compliance with legislation, and the AG releases annual reports on municipal finances, including the audit opinions of all municipalities. The audit opinion speaks directly to the adherence of good governance principles in municipalities, particularly with respect to finances. Ideally municipalities should aim to achieve an unqualified audit opinion.

An analysis of the audit opinion for the 2010/11 MFY by municipal category is shown below.

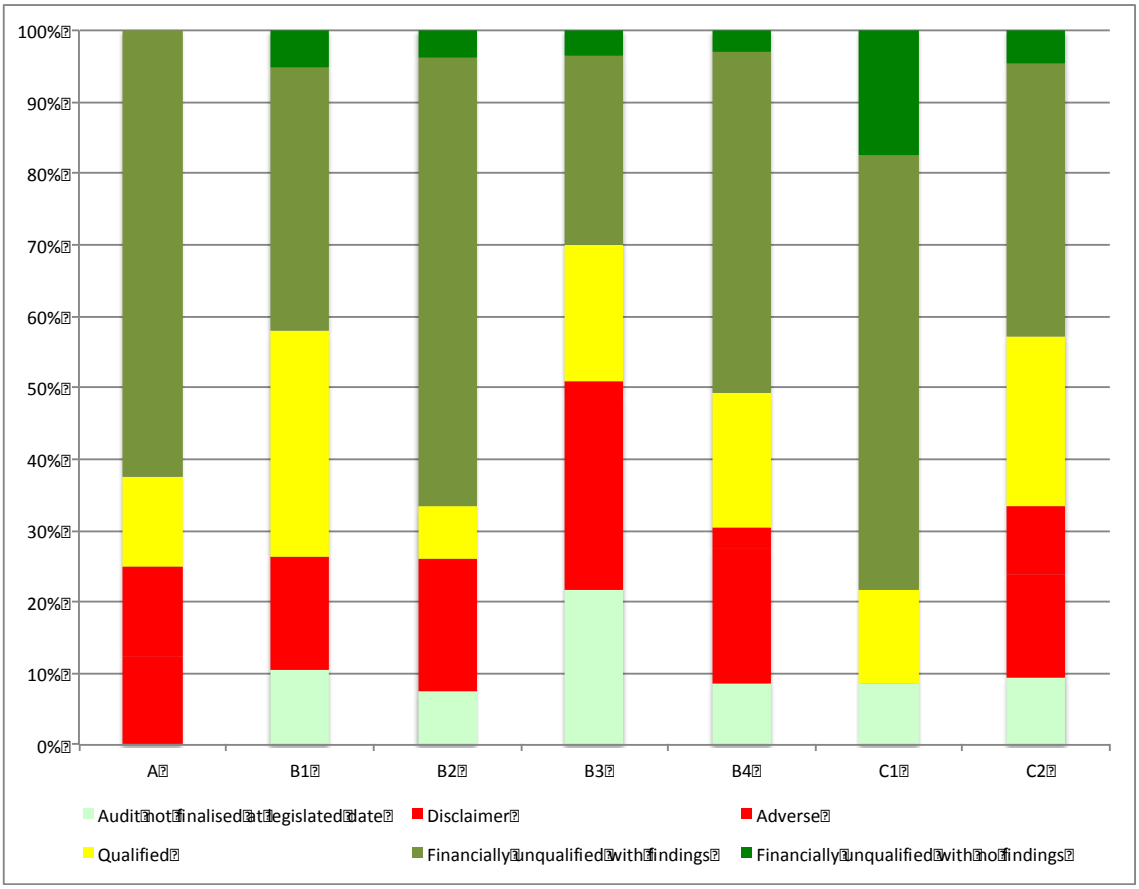


Figure 89: Audit outcome 2010/11 by municipal category

Most municipalities have achieved a 'financially unqualified with findings' audit, while only a small percentage received a clean audit. None of the metros received a clean audit and a significant proportion of B3 and B4 municipalities received disclaimers, 27% and 19% respectively. The trends observed above suggest that municipalities face challenges with respect to the quality and transparency of financial reporting.

A provincial analysis is shown below. A worrying trend is observed in the Free State where 50% of municipalities received a disclaimer. Similarly disclaimers are particularly high in the Eastern Cape, Mpumalanga, Limpopo and Northern Cape where approximately one in four municipalities received a disclaimer in this financial year. Close to 60% of municipalities in the North West province did not finalise their audit opinions on time.

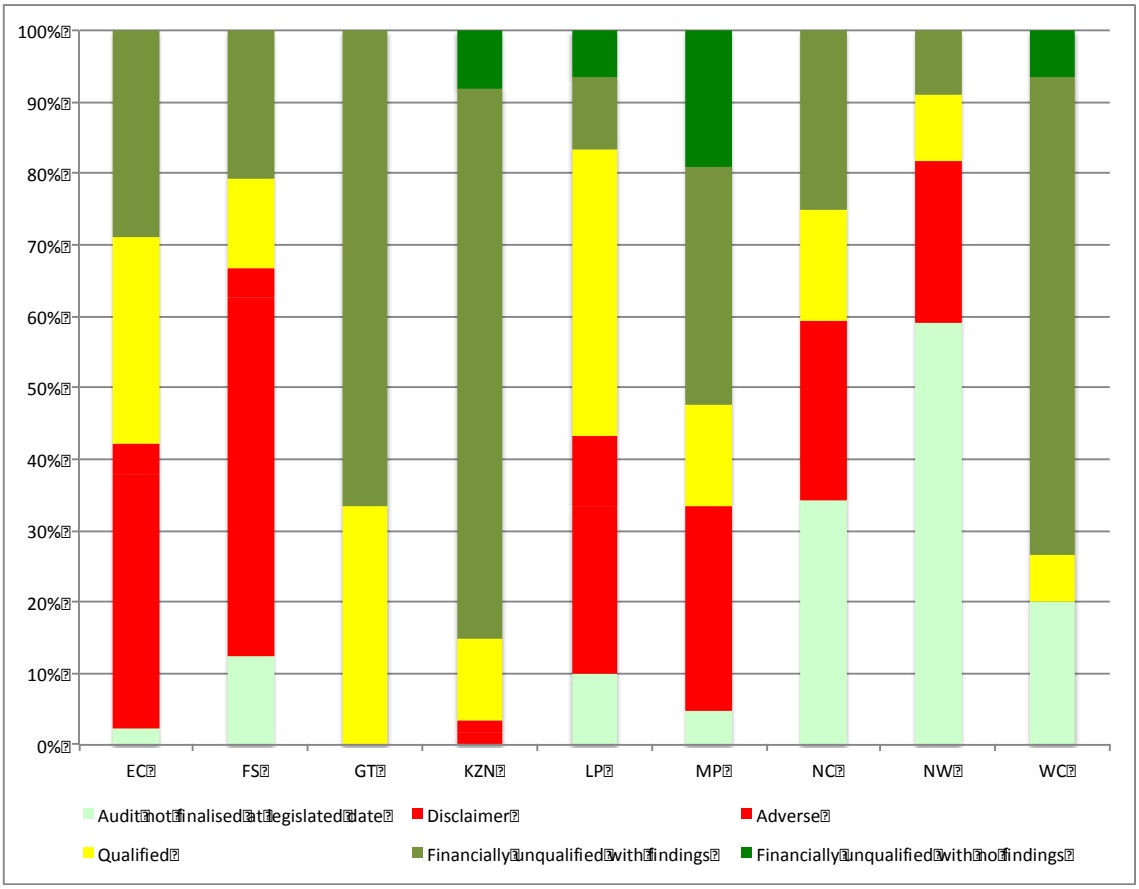


Figure 90: Audit outcome 2010/11 by Province

In attempting to draw linkages to these outcomes and management capacity a correlation analysis was undertaken between the years of relevant work experience of the municipal manager and the CFO in relation to the audit outcomes. The outcomes have been scored here, with a higher score indicating a better audit opinion (ten being a clean audit)

Table 7: Scoring rules used for audit outcomes

Audit outcome	Score
Financially unqualified with no findings	10
Financially unqualified with findings	8
Qualified	5
Disclaimer	-5
Adverse	-5
Audit not finalised at legislated date	0

The results of scoring each municipality are shown below.

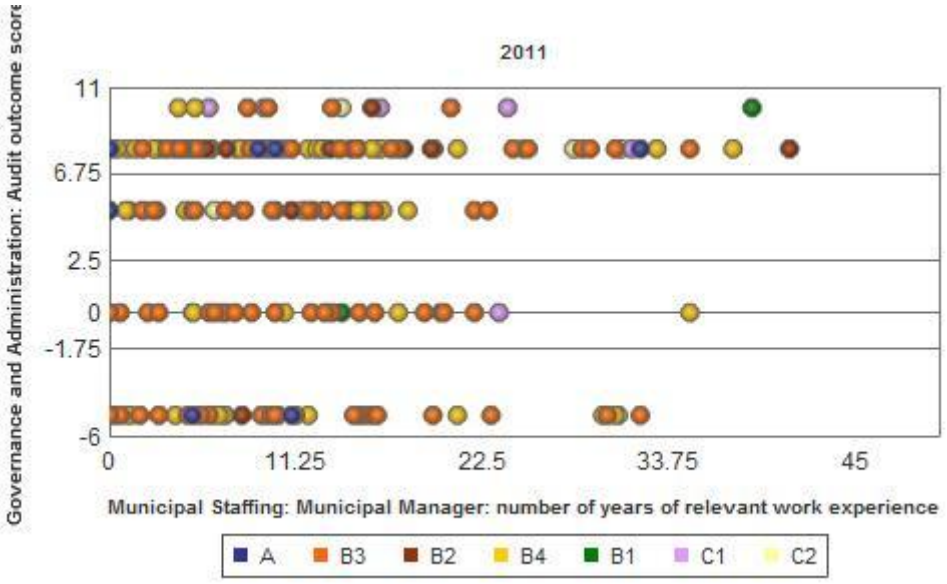


Figure 91: Correlation between municipal manager years of experience and audit outcome

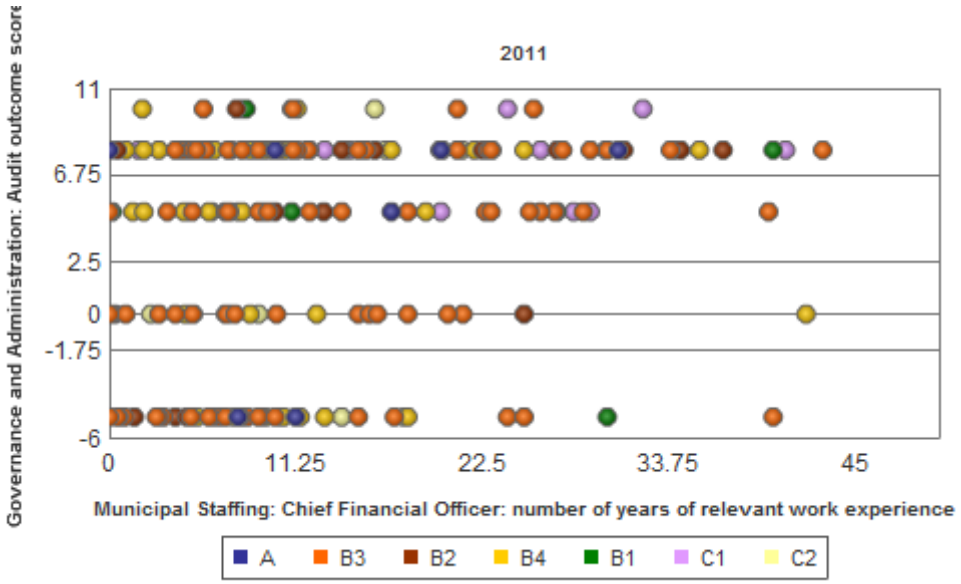


Figure 92: Correlation between CFO years of experience and audit outcome

The results suggest that there is no consistent correlation between years of experience and audit opinion. An analysis of similar management capacity indicators yields the same results. This is perhaps an indication that management capacity in relation to performance is best understood from a more nuanced qualitative perspective as the quantitative indicators have some limitations in terms of the depth they provide.

7 Water services

1.1 Introduction

Water supply and sanitation services are dealt with in the Water Services Act (1997); they are considered together as 'water services'. No differentiation is made in definitions between 'bulk' and 'retail' activities as these are considered an integral part of the function, but water services excludes water resource management, which is currently a national function. The Municipal Structures Act, Section 84, defines water supply and sanitation to be a district municipality responsibility. However, in 2001 the Minister of Water Affairs and Forestry made a round of authorisations to transfer the function in a large part of the country to LMs. This has resulted in the situation where there were 152 Water Service Authorities (WSAs) in South Africa consisting of eight metropolitan WSAs, 21 district municipalities (C2s) and 123 local municipalities. C1 municipalities are, by definition, not WSAs.

Municipalities may also perform the Water Services Provider (WSP) function as per the Water Services Act, whether they are the WSA or not. In addition to local government involvement in water services, all or part of the WSP function can be undertaken by a water board, a parastatal, a community-based organisation or the private sector.

In the capacity assessment, water services refers to both water and sanitation functions. The capacity assessment further surveyed a number of performance areas, such as Water Services Development Plan (WSDP) approval, coverage of basic services, billing for services, non-revenue water and skills levels. The results will vary considerably according to whether the municipality has the WSA and/or WSP function, or not.

1.2 Staffing resources

The figures below show the breakdown of staff per 10,000 population by municipal category and by province.

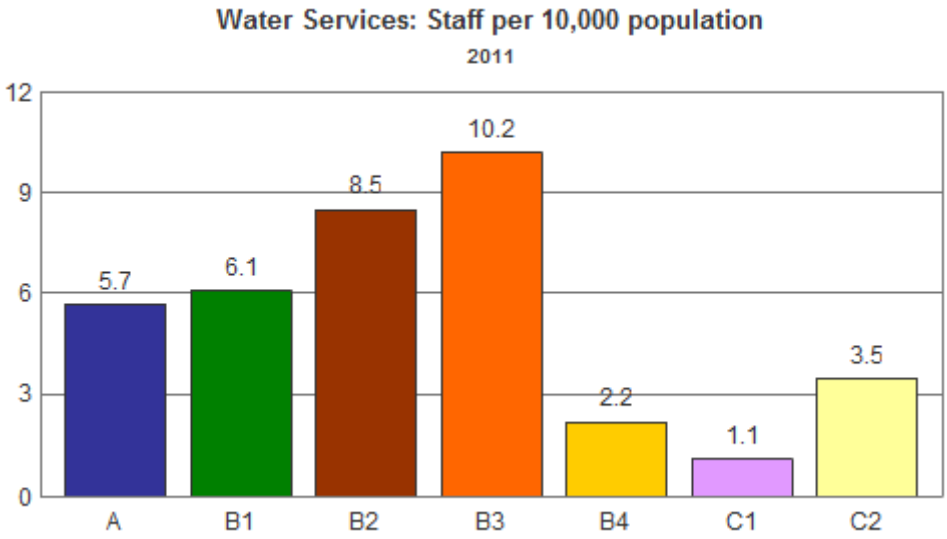


Figure 93: Water services staff per 10,000 population by municipal category

The coverage of water services staff per 10,000 population increases across municipal sub-categories from metropolitan to B3 municipalities. This is likely to be related to the

dispersed nature of rural water supply systems and the need for more staff over greater geographical areas. It is unsurprising that there are so few staff in B4 and C1 municipalities as these are typically not WSAs or WSPs. The figure does show, however, severe understaffing in C2 municipalities, which are WSAs, and are often WSPs as well.

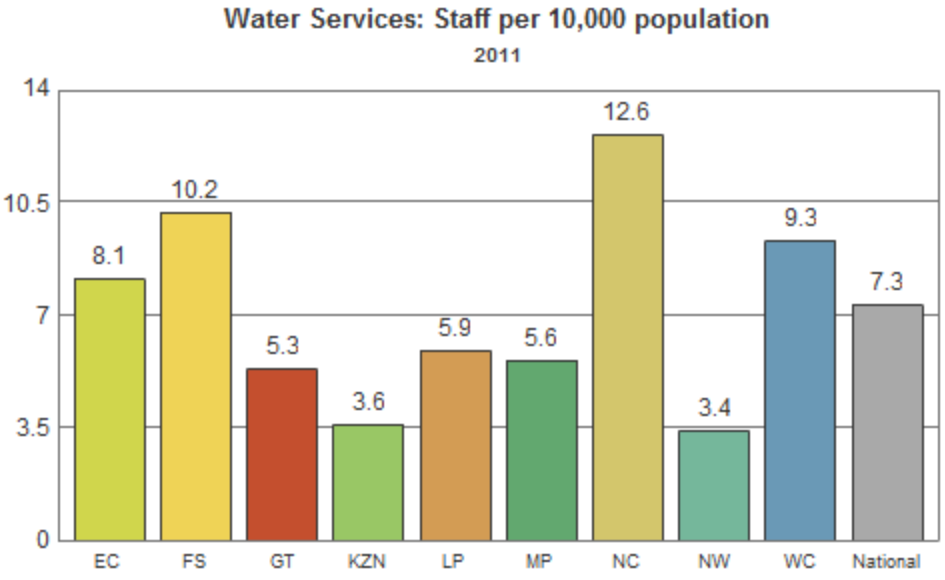


Figure 94: Water services staff per 10,000 population by province

The staff distribution by province shows relatively high numbers of staff per 10,000 population in the Northern Cape and above average numbers in the Free State, Eastern Cape, and Western Cape. KZN and the North West have relatively few staff per 10,000 population. Note must be made of the fact that these results only include municipal employees and not external contract staff, which may alter the figures, particularly in KZN, where the private sector and water boards perform some of the WSP functions.

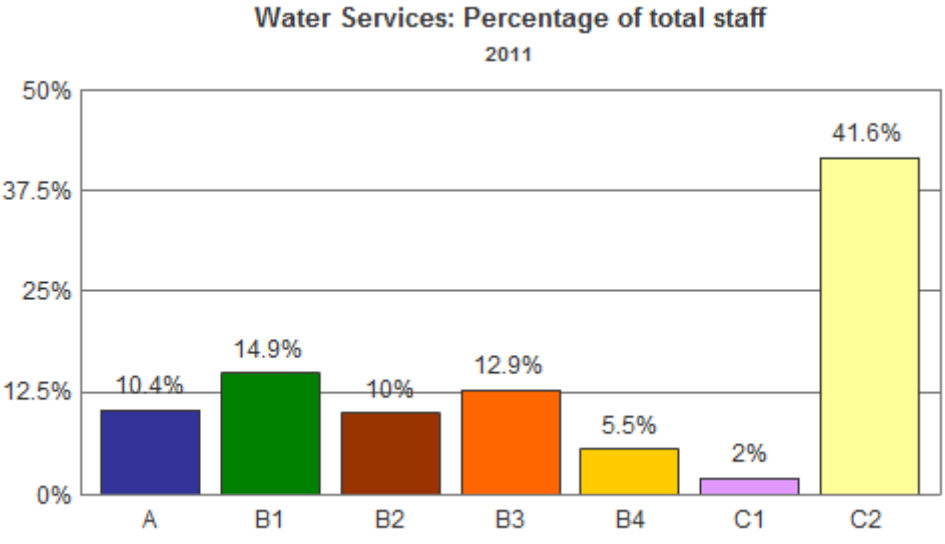


Figure 95: Percentage of total staff employed in water services, by MUNICIPAL category

The proportion of water services staff as a percentage of total municipal staff is typically between 10-20%, except in C2 municipalities, where the level is almost 42%. This illustrates the fact that water services are the core function of these municipalities. Staffing in B4 and C1 municipalities is a small proportion because the function is not performed by many of these municipalities.

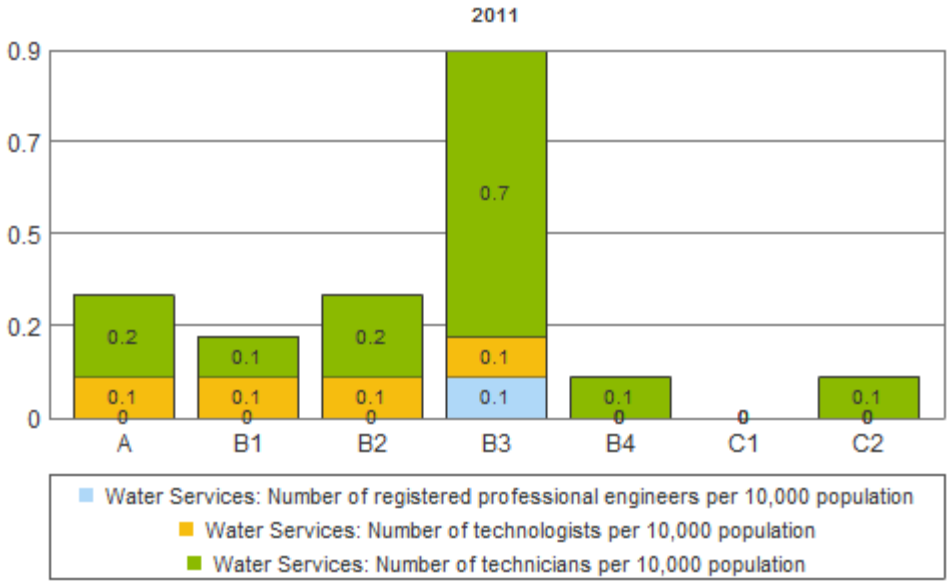


Figure 96: Engineering skills in Water Services per 10,000 population

An analysis of engineering skills in water services per 10,000 population shows a distinct shortage of professional engineers in all categories except B3 municipalities. C2 municipalities are the most understaffed in terms of all engineering professionals.

1.3 Financial resources

The figure below demonstrates the financial resources allocated by municipalities to water services per capita.

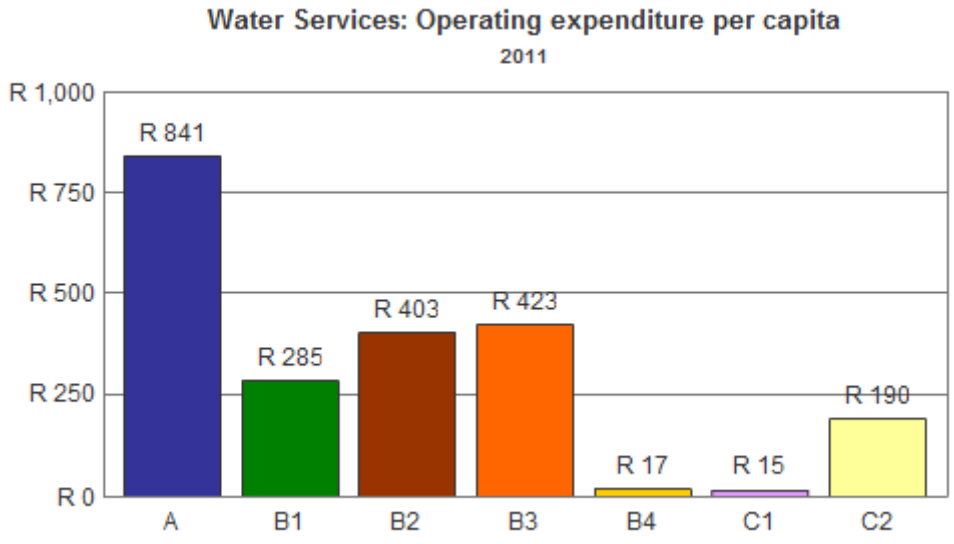


Figure 97: Operating expenditure on Water Services per capita by municipal category

Operating expenditure is highest in metros due to higher levels of services and greater overall operating budgets. The expenditure drops significantly in B1 municipalities and increases slightly to B2 and B3 municipalities. The per capita spending on water services in C2 municipalities is only 23% of the expenditure in metros.

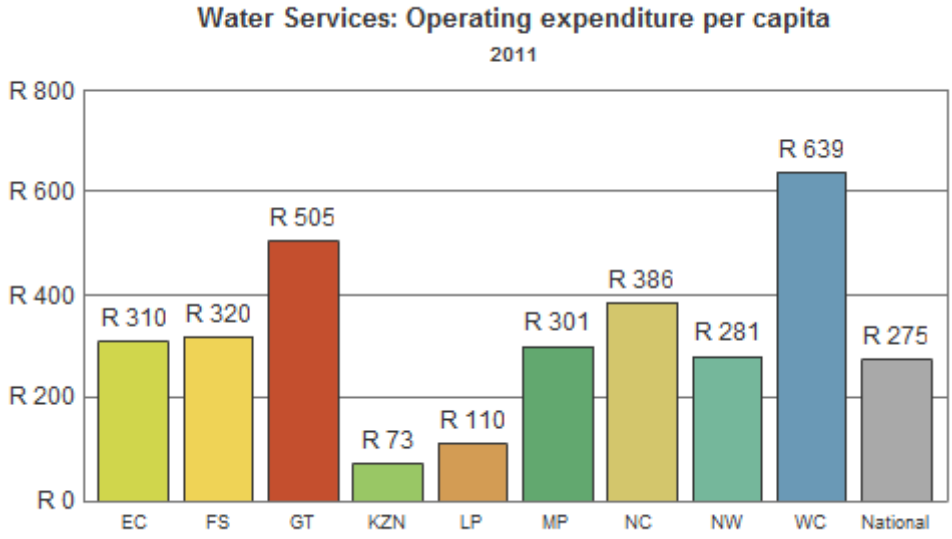


Figure 98: Operating expenditure on Water Services per capita by province

An analysis of the financial resources by province shows even greater disparities. In the Western Cape expenditure is 2.3 times the national average, while in KZN expenditure is only 27% of the average. Expenditure in Limpopo is also very low. With the exception of Gauteng, the other provinces are close to the national average, but the graph above shows that this expenditure is not evenly distributed amongst municipal categories.

1.4 The link between capacity and performance

Water services is one of the few municipal services for which there is fairly comprehensive performance data. This is mainly collected by the regulatory department, DWA and includes Blue Drop and Green Drop certification process, the non-revenue water (NRW) records kept by DWA and the Municipal Services Self Assessment (MuSSA).

The Department of Water Affairs' Blue Drop Certification programme is an incentive-based regulation programme with the objective of ensuring improved water quality by means of compliance monitoring. It is targeted at Water Services Authorities (WSAs). In order to receive a Blue Drop award a WSA must score 95% or higher when assessed against the Blue Drop requirements. In addition to drinking water quality compliance, the assessment looks at the overall management of the drinking water system.

The Department also conducts a similar initiative for waste water quality, called the Green Drop Certification programme.

Other national statistics on access to levels of service are collected by the Department on a regular basis.

The graph below illustrates the distribution of the Blue Drop (2011) scores by municipality.

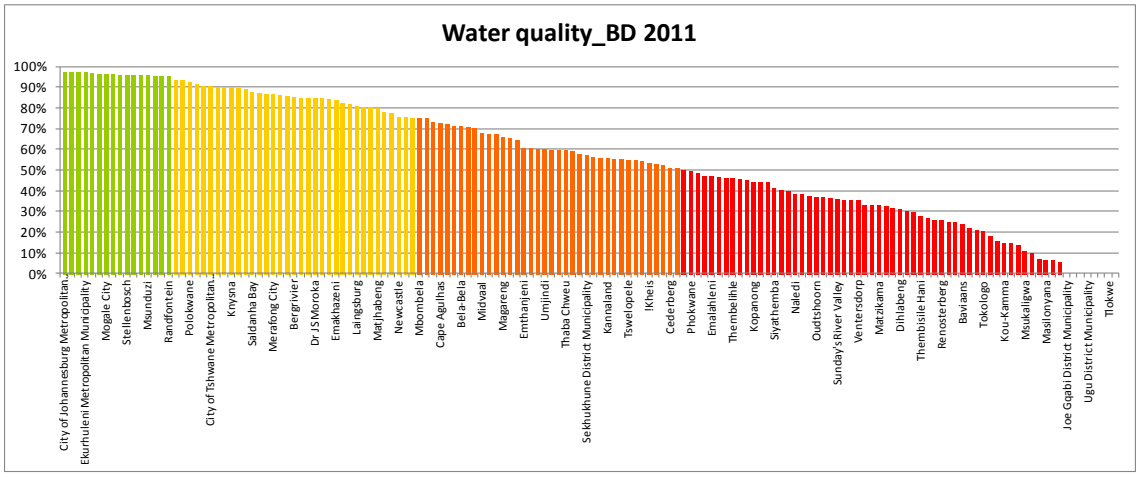


Figure 99: Blue Drop (2011) scores by municipality

Of the 144 (out of 152) WSAs for which there is data, 16 municipalities (11%) achieved Blue Drop status, while 63 municipalities (44%) scored below 50% and can be classified as 'poor' performers.

The graph below illustrates the Blue Drop and Green Drop (2011) performance by municipal category (excluding C1 municipalities as they are not WSAs).

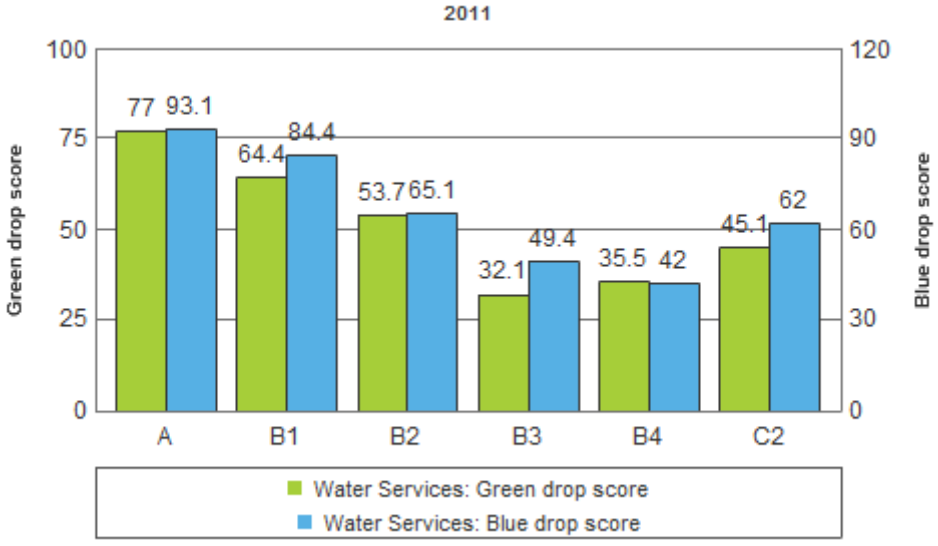


Figure 100: Blue Drop and Green Drop scores (2011) by MUNICIPAL category

There is a strong correlation between water services performance and municipal category (which is an indication of socio-geographic context). C2 municipalities on average perform slightly better than B3 and B4 municipalities.

The Blue Drop and Green Drop (2011) scores by province are shown in the graph below.

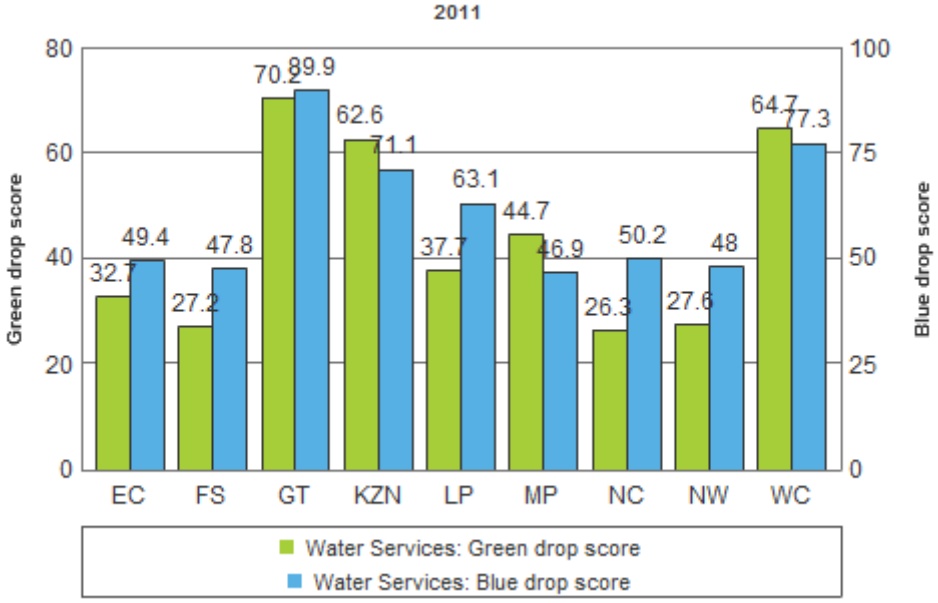


Figure 101: Blue Drop and Green Drop scores (2011) by province

The provinces containing large metros (Gauteng, KZN and the Western Cape) have higher average scores than the largely rural provinces of the Eastern Cape, Free State, Northern Cape and North West.

The data from the capacity assessment, together with other sources, can be used to analyse the relationship between capacity and performance. Both variables can be measured in a number of ways. In the two graphs below, capacity has been measured in terms of a range of capacity measures, while performance has been measured using the 2011 Blue Drop score only.

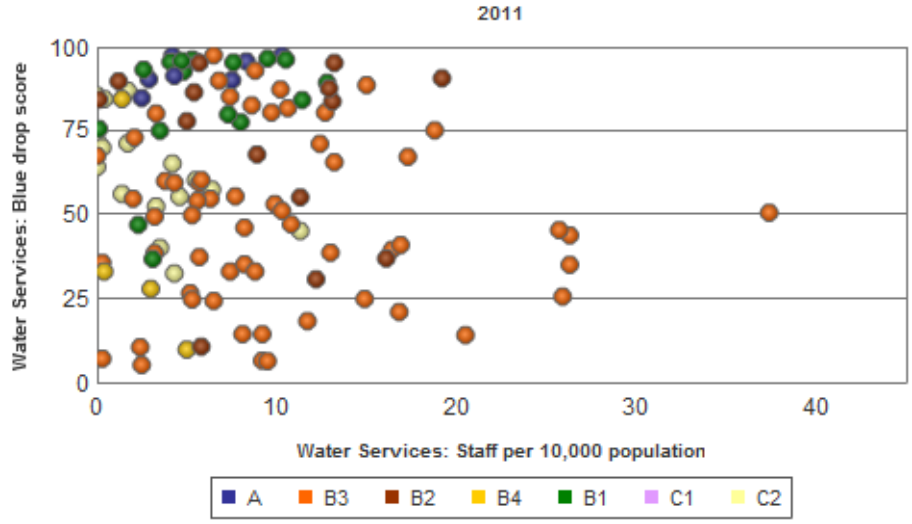


Figure 102: Staffing resources vs performance for water services

From the graph above, there appears to be little correlation between staffing resources and water services performance. If anything, there is an inverse relationship where high performing municipalities have lower staffing ratios than poorer performing

municipalities. It is possible that both variables, poor performance and high staffing ratios, are dependent on a third parameter, such as poor management and leadership.

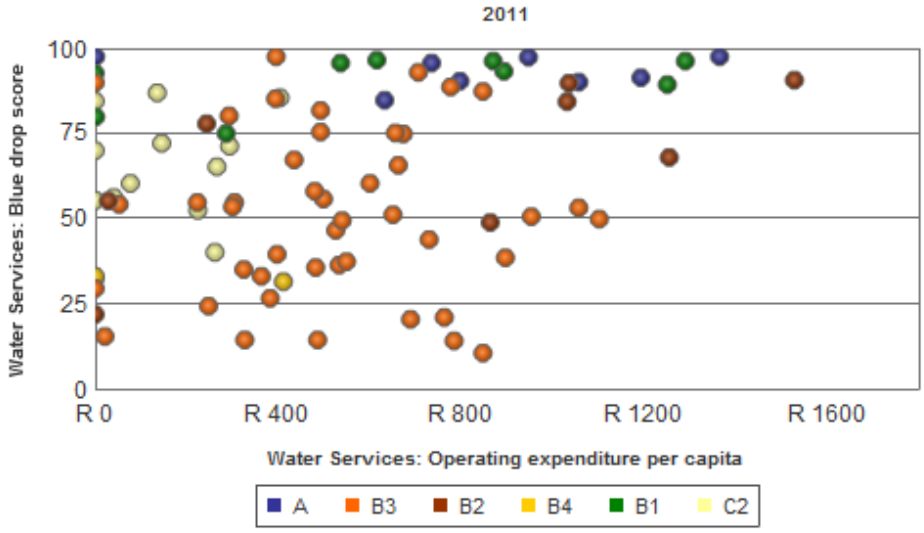


Figure 103: Financial resources vs performance for water services[9]

The analysis of financial resources versus water services performance shows a weak, but clearer correlation between the two variables. However, the spread of municipalities still show that it is possible to perform well with low financial resources, and conversely it is possible to perform relatively poorly with higher resources. The spread is most evident amongst B3 municipalities, which are a very heterogeneous group.

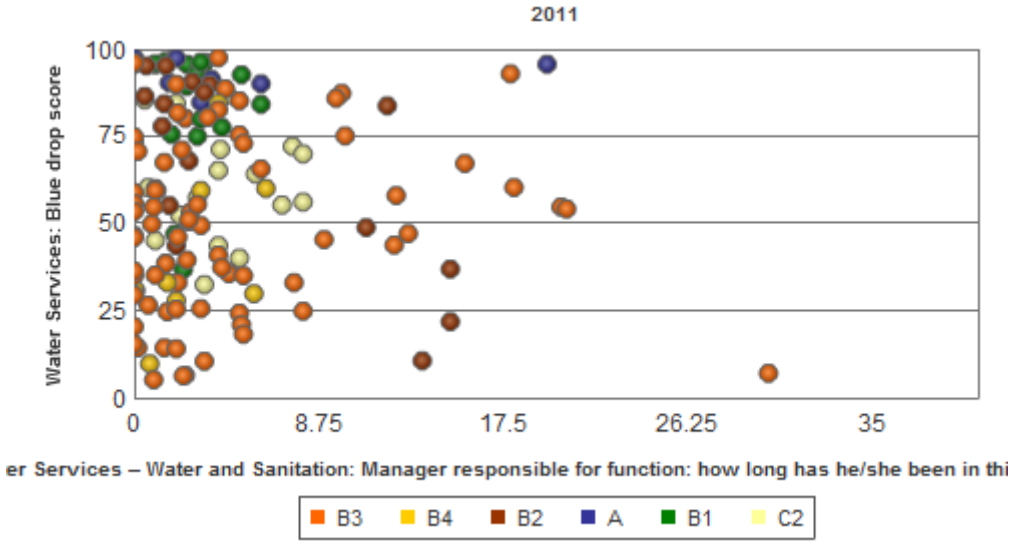


Figure 104: Length of term of water services manager vs performance

[9] Emfuleni, Sol Plaatjie and the City of Matlosana were excluded from the analysis since the raw data provided had anomalies.

There is no relationship between the length of stay of water services managers and their Blue Drop performance. However, what is of interest in the above graph is the fact that the majority of water services managers have been in their position for less than five years.

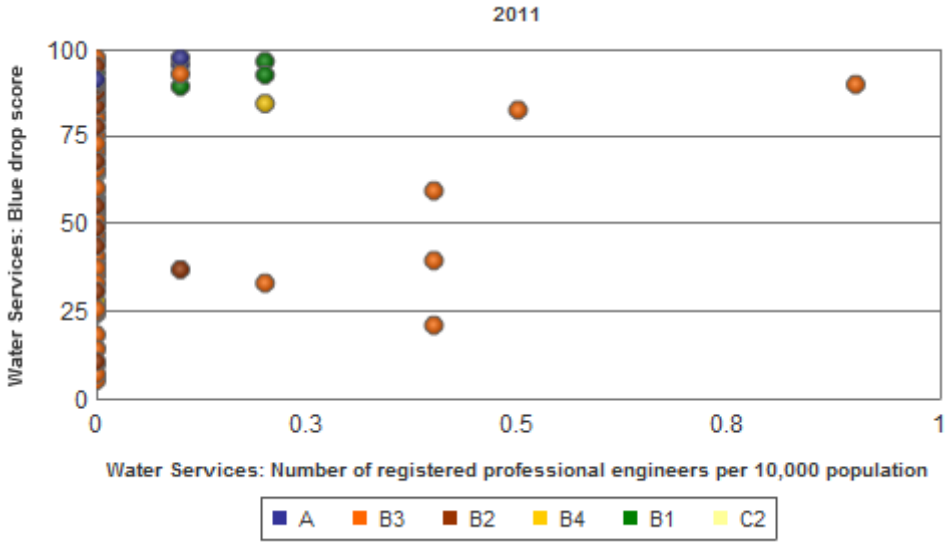


Figure 105: Engineers per 10,000 population vs performance

There is also no clear correlation between the density of engineers in the water services department and its performance (above) or the percentage of staff that are professional (below).

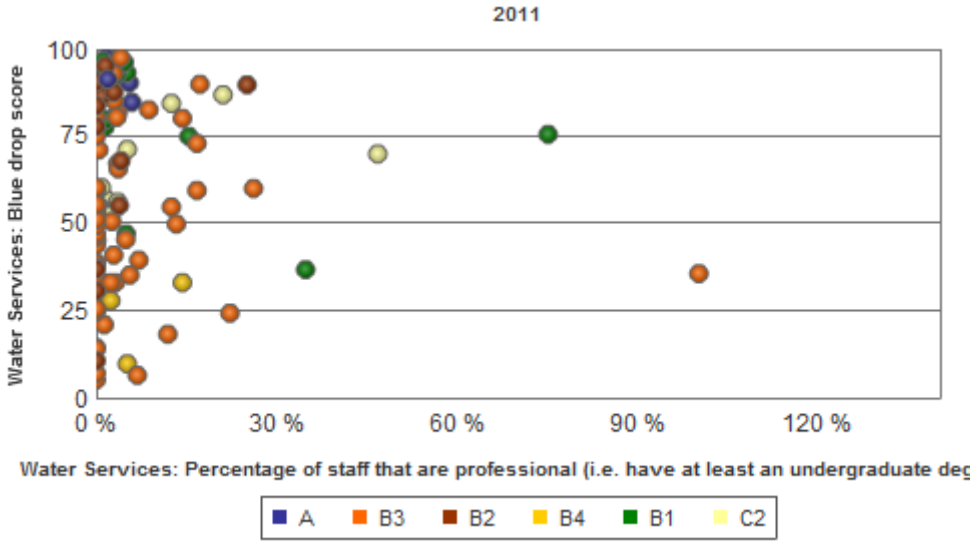


Figure 106: Percentage professional staff vs performance[10]

[10] Zululand, Dr Ruth Segomotsi Mompati and iLembe District Municipalities were excluded from the analysis since the raw data provided showed percentages greater than 100%.

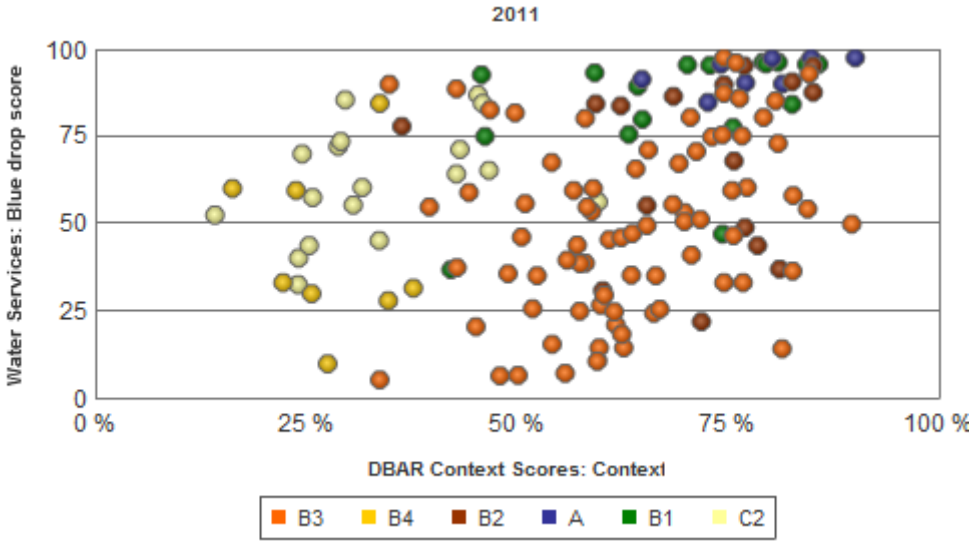


Figure 107: Socio-economic context vs Blue Drop score

The one indicator that does show a relatively clear correlation with the Blue Drop score is the overall socio-economic context of the municipality, as scored by DCoG[11]. This may indicate that there are underlying structural challenges within the municipalities, linked to a legacy of underdevelopment, that have an impact on current water services performance.

1.5 Summary

The scale of the water services function varies significantly across municipalities. Some municipalities are WSAs and WSPs, while others have no role to play. This makes it difficult to assess capacity and performance in this area without first categorising municipalities by the level of involvement in water services, which has not been possible in this analysis.

In terms of staffing capacity, B3 municipalities have the highest staffing ration per 10,000 population and the highest number of engineering professionals, while C2 municipalities have the highest proportion of their total staff working in water services. C2 municipalities are also the most understaffed, with 3.5 staff per 10,000 population compared to the national average of 7.3. These districts also invest the least financial resources into water services with an average of R190 per capita per annum. All other categories of municipalities (excluding the non-WSA B4 and C1 municipalities) are above the national average of R275 per capita per annum, with metropolitan municipalities investing the most financial resources at an average of R841 per capita. The Western Cape and Gauteng are the provinces that spend the most on water services which is strongly influenced by their urban characteristics.

[11] In the graph this is referred to as the "DBAR context scores". This composite indicator takes account of number and percentage of high income households, service backlogs, percentage of residents in informal and tribal settlements, and inter-census population growth. See Introduction chapter for further details of the components of this indicator under the section on DCOG Context Index.

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Water services performance in terms of Blue Drop and Green Drop scores decreases with municipal size; metropolitan municipalities perform the best and B4 municipalities perform the worst. There is no clear correlation between any of the capacity indicators measured in the capacity assessment and the Blue Drop scores, which would suggest that these are not critical variables for good service delivery performance. However, the correlation between performance and socio-geographic context seems to indicate that the underlying structural challenges in the municipality (poverty, informality, service backlogs, etc.) impact on water services performance.

8 Electricity and gas reticulation

8.1 Introduction

This section provides an analysis of staffing and financial resources for electricity and gas reticulation. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

8.1.1 Definition

For the purposes of the 2011 capacity assessment, electricity and street lighting are included under the electricity and gas grouping. Electricity is defined as the receiving of bulk electricity from Eskom or another supplier and the distribution of this electricity to individual consumers using the necessary powerlines, transformers, switching gear and meters, including the management of demand from consumers and the promotion of alternative sources of supply to grid electricity.

Street lighting is defined as provision of lighting to illuminate streets and other public places including high mast area lighting.

8.1.2 Municipal powers and functions

The Constitution defines electricity reticulation as a local government responsibility. The Municipal Structures Act's definition of electricity reticulation is:

> *Bulk supply of electricity which includes for the purpose of such supply, the transmission, distribution and, where applicable, the generation of electricity*

However, this is somewhat problematic since bulk supply is not a municipal function and 'transmission' typically applies to the national grid and not to municipal networks.

Street lighting is not mentioned in Section 84 of the Municipal Systems Act and therefore it is assumed to be a local municipality function.

8.2 Staffing resources

The figure below demonstrates the average numbers of staff employed in electricity and gas per 10 000 population according to municipal category (with the exclusion of the districts).[12]

[12] The analysis per 10,000 population is undertaken so as to rationalize the data and ensure that municipalities of different population sizes can be compared.

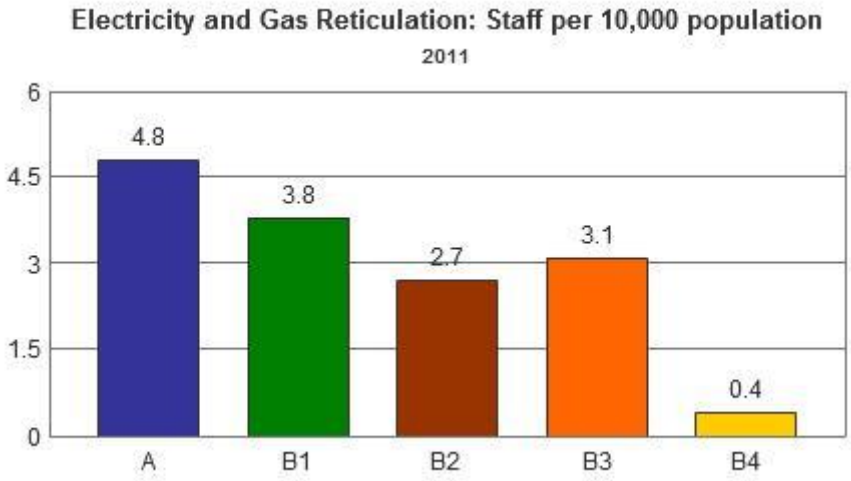


Figure 108: Electricity and gas staff per 10 000 population by municipal category

The graph shows that metros employ the most electricity staff per 10 000 population, followed closely by B1 municipalities. Although not shown above, it is worth noting that metros dedicate the largest proportion of their total staff complement (8.7%) to electricity and gas compared to the other municipal category types.

B4 municipalities employ the least electricity and gas staff per 10 000 population, and also dedicate the least proportion of their total staff to the function.

The figure below demonstrates the average numbers of staff employed in electricity and gas per 10 000 population according to province.

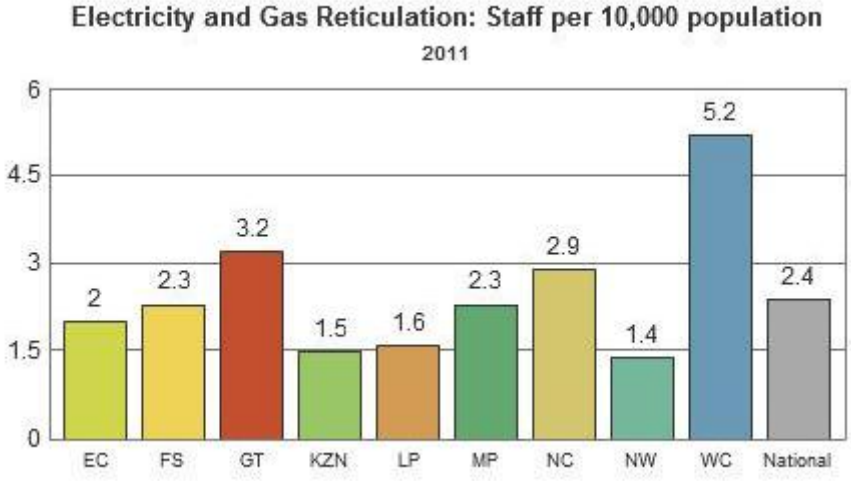


Figure 109: Electricity and gas staff per 10 000 population by province

The Western Cape employs the highest number of electricity and gas reticulation staff at 5.2 staff per 10 000 population. The Western Cape is followed by Gauteng and the Northern Cape at 3.2 and 2.9 per 10, 000 population respectively, which is above the national average of 2.4 staff per 10,000 population. The North West, KwaZulu-Natal and Limpopo are the least resourced, employing 1.4, 1.5 and 1.6 staff per 10 000 population respectively.

8.3 Financial resources

The figure below demonstrates the average operating expenditure on electricity and gas by municipalities per 10 000 population according to municipal category.

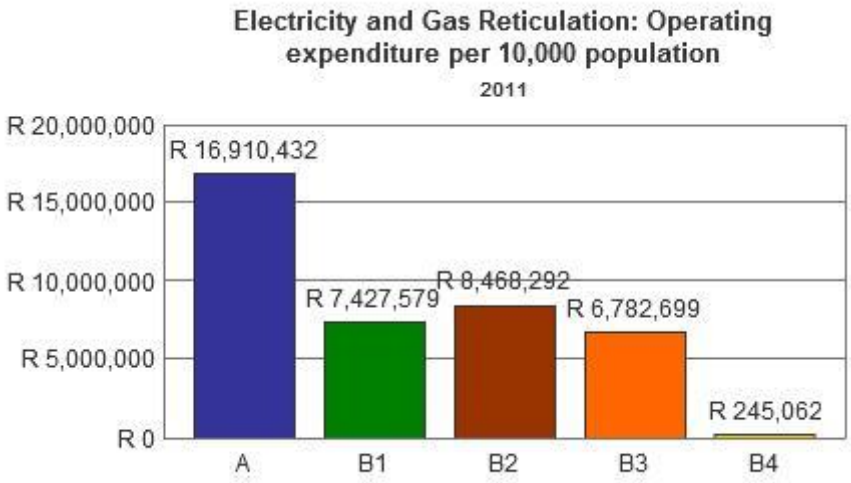


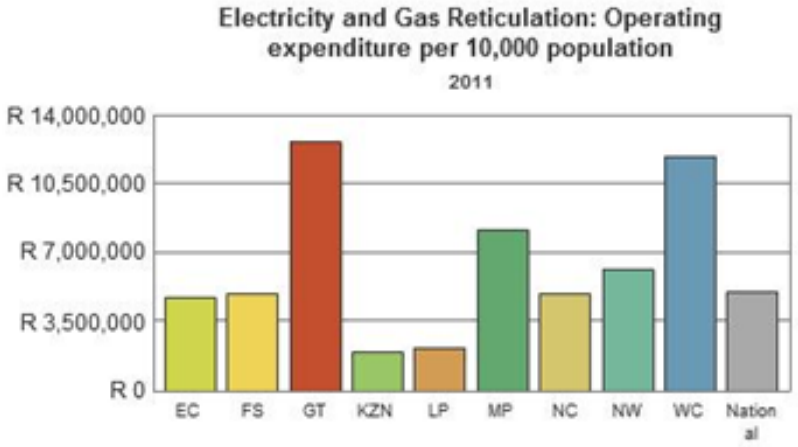
Figure 110: Electricity and gas operating expenditure per 10 000 people by municipal category[13]

The graphs depicts that metros spend the most on electricity and gas reticulation per 10, 000 population. Metros generally experience higher economic activity, which likely to contribute towards a higher demand for energy by large industries and increase in household consumption.

B1, B2 and B3 municipalities spend above the national average, while B4 municipalities spend the least per 10 000 population These operating expenditure trends reflect the staffing distribution across municipal categories.

The figure below portrays the average operating expenditure on electricity and gas reticulation by municipalities per 10 000 population according to province.

[13] The C1 and C2 columns have been removed as well as the City of Matlosana and Emfuleni, Sol Plaatje and Mopani LMs.



Province	Value
EC	R 4722957
FS	R 4877565
GT	R 12600627
KZN	R 1981179
LP	R 2181505
MP	R 8121456
NC	R 4939920
NW	R 6112814
WC	R 11899139
National	R 5026464

Figure 111: Electricity and gas operating expenditure per 10 000 people by province[14]

Gauteng and the Western Cape, spend the most on electricity and gas reticulation per 10 000 population. Mpumalanga is the next highest spender, and Steve Tshwete and Mbombela LMs contribute towards this high average. The North West, Eastern Cape, Free State and Northern Cape all cluster around the national average of R5 million per 10 000 population. KZN and Limpopo spend the least resources in electicity and gas per 10 000 population.

8.4 Summary

Metros employ the highest number of staff and spend the most operating expenditure on electricity and gas reticulation per 10,000 population, while B4 municipalities allocate the least resources on this function. B1, B2 and B3 municipalities allocate financial and staffing resources that are above the national averages.

While the Western Cape employs the highest number of staff per 10,000 population, Gauteng spends the most on electricity and gas reticulation per 10,000 population. The North West allocates the least staffing resources, whereas KZN spends the least on this function per 10,000 population.

9 Municipal transport

9.1 Introduction

This section provides an analysis of staffing and financial resources for municipal transport. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

For the purposes of the 2011 assessment reports, the municipal transport grouping is taken to include the constitutional functions:

[14] The City of Matlosana, Emfuleni, Sol Plaatje and Mopani LMs have been removed.

- municipal public transport,
- pontoons, ferries, jetties, piers and harbours, and
- municipal airports.

These functions are grouped together as they involve the transporting of people by land, water or air. The role of municipalities is typically to regulate the operators of the vehicles, crafts or planes required for the provision of the service. However, in some cases, it may also include the actual operating of the service (typically with regards to buses) and/or the provision of infrastructure.

9.1.1 Definition

Municipal public transport (land based)

A description of what is required of a municipality with regard to land-based public transport is provided in the National Land Transport Act (NLTA), Act 5 of 2009. This can be abbreviated to:

- the policy, planning and stakeholder engagement associated with public transport
- the regulation of public transport operators
- the setting up of public transport operational arrangements; and
- the financial aspects associated with public transport operations.

Water and air transport functions

The definition of 'pontoons, ferries, jetties, piers and harbours' and 'municipal airports' has mixed implications, in that in the former case reference is made only to regulation while in the latter it includes infrastructure provision. However, it is presumed that some municipalities actually provide infrastructure for water based transport activity (small harbours being an example). The key points in defining these functions seem to be:

- that there are some physical facilities which are provided by local government within a hierarchy of facilities which may be provided by provincial and national government,
- the municipality may actually operate the craft in the case of a pontoon or ferry, and
- the municipality may regulate the operation undertaken my others, typically private sector operators.

9.1.2 Municipal powers and functions

Land transport

The Municipal Systems Act provides for the 'Regulation of passenger transport services' to be carried out by district municipalities. This is inconsistent with the constitutional term 'municipal public transport' and the principles applied in the NLTA, which go beyond regulation to include planning and marketing. However, it is presumed that the intention with the Municipal Systems Act was to locate the full municipal public transport function at district level as there is little merit in separating the various activities which form part of the function. The NLTA does not recognise the two tier local government.

Air transport

Section 84 of the Municipal Structures Act provides for 'Municipal airports serving the area of the district municipality as a whole' to be a district function.

9.2 Staffing resources[15]

The graph below demonstrates the average number of staff employed in municipal transport per 10,000 population. The graph is useful because it allows for comparison across the municipal categories.

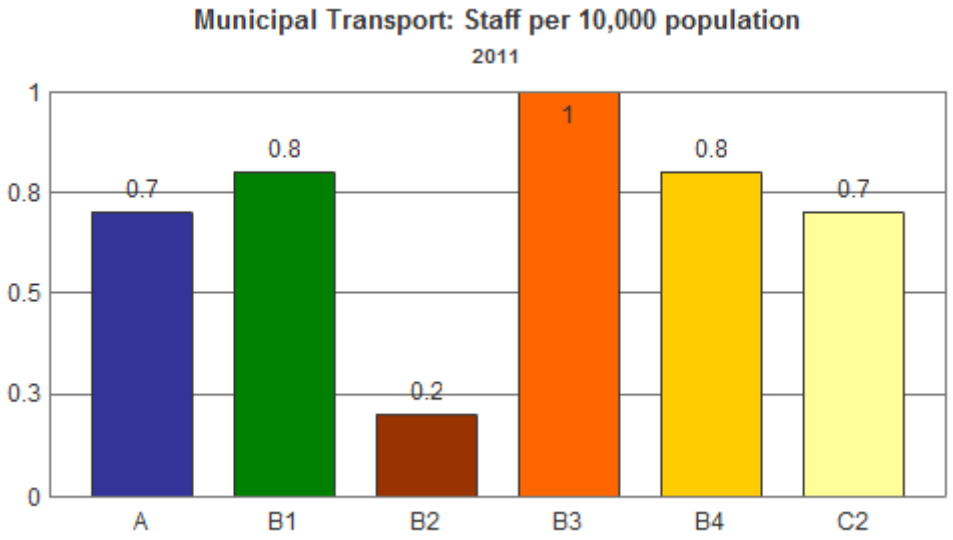


Figure 112: Staff per 10,000 population (2011) by municipal category

B3 municipalities employ the most staff per 10,000 population (1 staff per 10,000 population), while B2 municipalities are the least resourced and employ 0.2 staff per 10,000 population. The national average is 0.8 staff per 10,000 population, and B1 and B4 municipalities employ the same number of municipal transport staff as the national average.

In terms of allocating staff as a percentage of total staffing numbers, less than 2% are allocated to municipal transport across all municipalities.

[15] C1 municipalities have been excluded from this analysis since they do not typically deliver the function

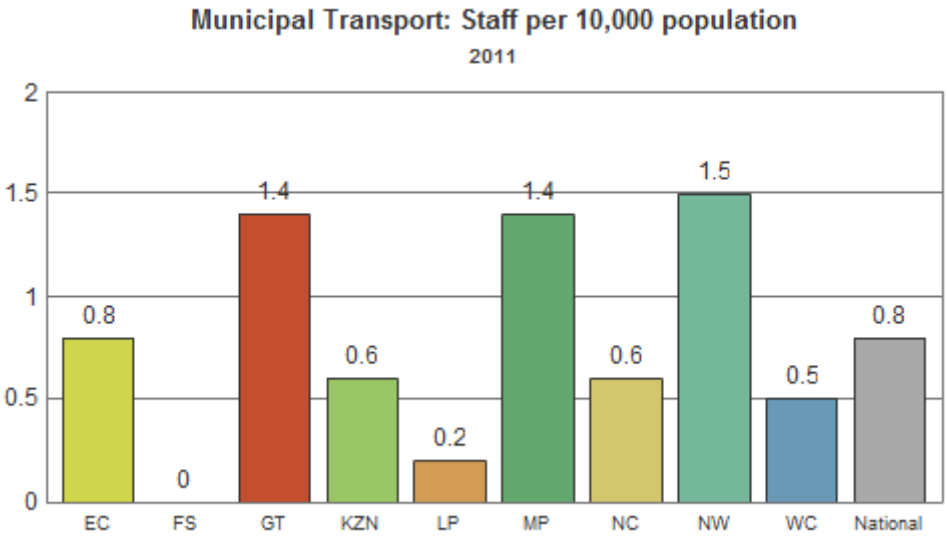


Figure 113: Staff per 10,000 population (2011) by province

The North West province has the most staffing resources, averaging 1.5 municipal transport staff per 10,000 population. Mpumalanga and Gauteng allocate 1.4 staff per 10,000 population towards municipal transport. The Free State allocates the least staffing resources towards this function, averaging 0.03 staff per 10,000 population.

9.3 Financial resources[16]

The graph below depicts the distribution of operating expenditure in municipal transport per 10,000 population, according to municipal category.

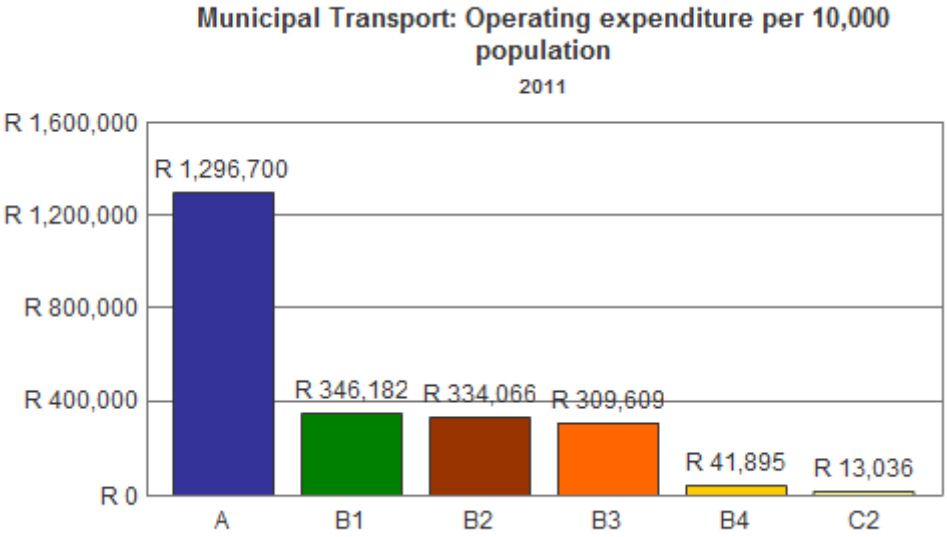
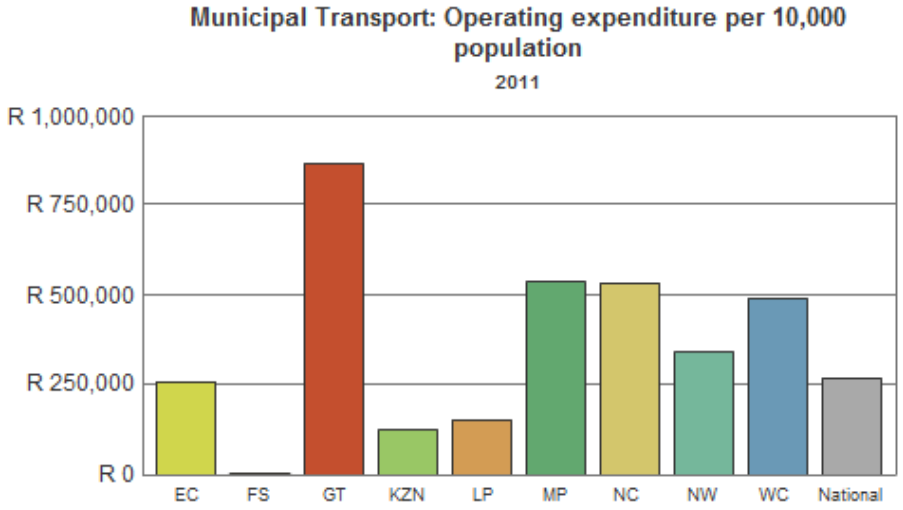


Figure 114: Operating expenditure per 10,000 population (2011) by municipal category

[16] Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities (B1 category municipalities) have been excluded from the analysis due to possible data anomolies.

Metros contribute the most towards municipal transport, spending an average of R1.3 million per 10,000 population. The City of Cape Town, Buffalo City and the City of Tshwane spend on average around R2.5million per 10,000 population, contributing to the high average.

Metros allocate the highest proportion of total operating expenditure towards municipal transport (2.8%), relative to other categories.



Province	Value
EC	R 259,798
FS	R 3,662
GT	R 866,432
KZN	R 125,032
LP	R 152,795
MP	R 535,443
NC	R 533,371
NW	R 341,113
WC	R 490,466
National	R 268,172

Figure 115: Operating expenditure per 10,000 population (2011) by province

Gauteng spends the most operating expenditure per 10,000 population towards municipal transport, which is probably not surprising given investments in transport in the three metrosof the province. On the other hand, the Free-State allocates the least financial resources, spending around R3 662 per 10,000 population. The national average is R268 172 per 10,000 population and therefore KwaZulu Natal, North West, Limpopo and the Free State spend below the national average.

9.4 Summary

B3 municipalities employ the most staff, in addition to allocating the highest proportion of total staff towards municipal transport. Metropolitan and C2 municipalities employ the same, at 0.7 staff per 10,000 population, while B1 and B4 municipalities allocate the same as the national average.

The North West allocates the most staff per 10,000 population. Gauteng spends the most financial resources towards municipal transport, and the Free State is the least resourced, in terms of both financial and human resources.

10 Waste management

10.1 Introduction

This section provides an analysis of staffing and financial resources for waste management. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

10.1.1 Definition

The solid waste management grouping for the 2011 capacity assessment report includes the functions in the Constitution:

- refuse removal, refuse dumps and solid waste disposal, and
- cleansing

The above items are grouped together since they are typically managed together by municipalities.

The waste management activity as defined in the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) means any activity or undertaking for which a license is required in terms of Schedule 2 of the Waste Act or a notice in terms of section 23 and typically includes:

- importation and exportation of waste;
- generation of waste, including the undertaking of any activity or process which will result in the generation of waste;
- handling of waste;
- treatment of waste;
- recovery, re-use or recycling of waste;
- trading in waste;
- transportation of waste;
- transfer of waste;
- disposal of waste; and
- remediation.

The term waste, as used above, can be divided into general waste and hazardous waste. General waste means waste that does not pose an immediate hazard or threat to people or the environment and includes:

- domestic waste;
- business waste;
- building waste; and
- garden waste.

Hazardous waste means any waste that may, by circumstances of use, quantity, concentration or inherent physical, chemical or toxicological characteristics have a significant adverse affect on health and the environment. Currently the legislation provides for hazardous waste to be a provincial function.

In practice the cleaning of public places is generally dealt with integrally with other solid waste management practices. The 'cleansing' activity fits within the overall waste management definition above and was thus grouped with the other waste functions for the 2011 questionnaire.

10.1.2 Municipal powers and functions

Section 156 of the Constitution (Act No. 108 of 1996) gives local government the executive authority over the functions of:

- cleansing,
- refuse removal,
- refuse dumps, and
- solid waste disposal.

Section 84 of the Municipal Structures Act provides for district municipalities to undertake the following:

'Solid waste disposal sites, in so far as it relates to-

i) the determination of a waste disposal strategy;
ii) the regulation of waste disposal;
iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality[17]'.

This provision in the Act, sub-divides the activities of an 'authority' for municipal solid waste management by having the planning and regulation of waste disposal separate from the actual provision of the service. It implies that a district has to set up a solid waste management unit in parallel with a local municipality with the latter responsible, correctly, for the provision of the service.

10.2 Staffing resources

The figure below shows the average number of staff employed in waste management per 10,000 population according to municipal category.

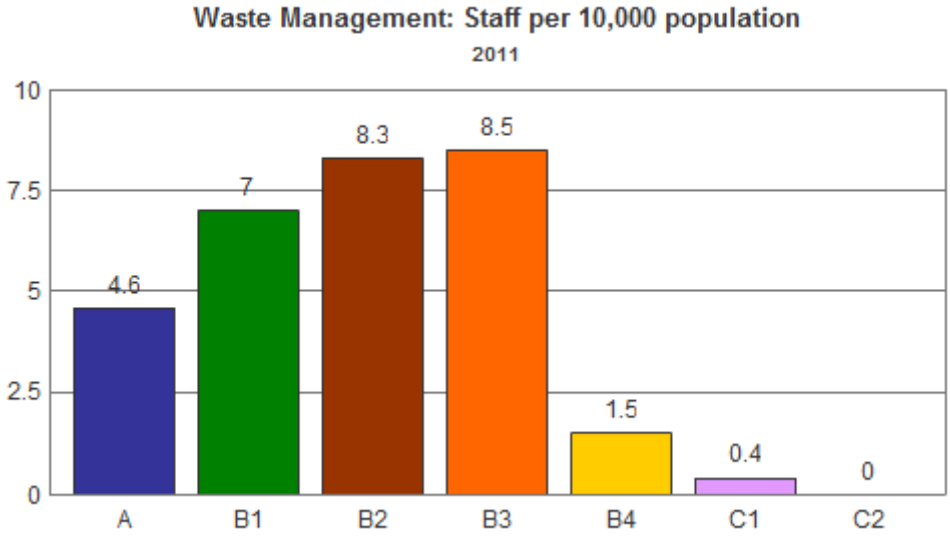


Figure 116: Staff per 10,000 population (2011) by municipal category

[17] This definition is problematic as it includes the superfluous term 'waste disposal site' which is a 'waste disposal facility' and it does not refer to recycling facilities which are probably the most likely facilities to be set up at district scale.

It demonstrates that B3 municipalities employ the highest numbers of staff for this function (average 8.5 staff per 10,000 population), followed closely by B2 municipalities.

Waste management staff constitutes 14.3% and 14.6% of the total number of staff within B2 and B3 municipalities respectively. This means that within these municipal categories, waste management forms the second largest employment category after governance and administration.

The national average is 5.8 waste management staff per 10,000 population, which means district, metropolitan and B4 municipalities employ below average and are the least resourced. The staffing allocation of district municipalities corresponds to the fact that they are not responsible for the actual provision of municipal waste services.

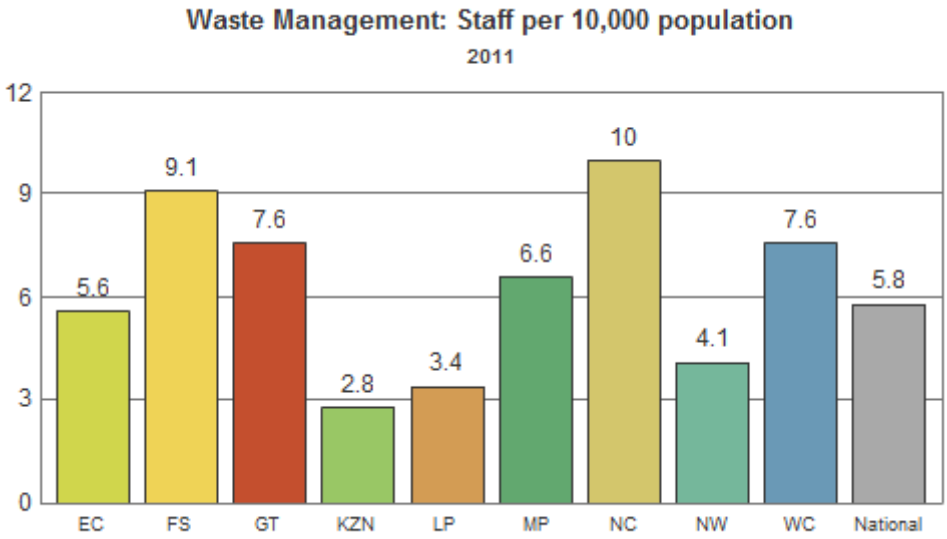


Figure 117: Staff per 10,000 population (2011) by province

The graph above demonstrates the average number of staff employed per 10,000 population, distributed according to province. The Northern Cape, followed by Free State, employ the highest number of staff in waste management, whereas KZN is the least resourced.

10.3 Financial resources

Metros spend the most in terms of waste management, compared to the other municipalities, as shown in the figure below.

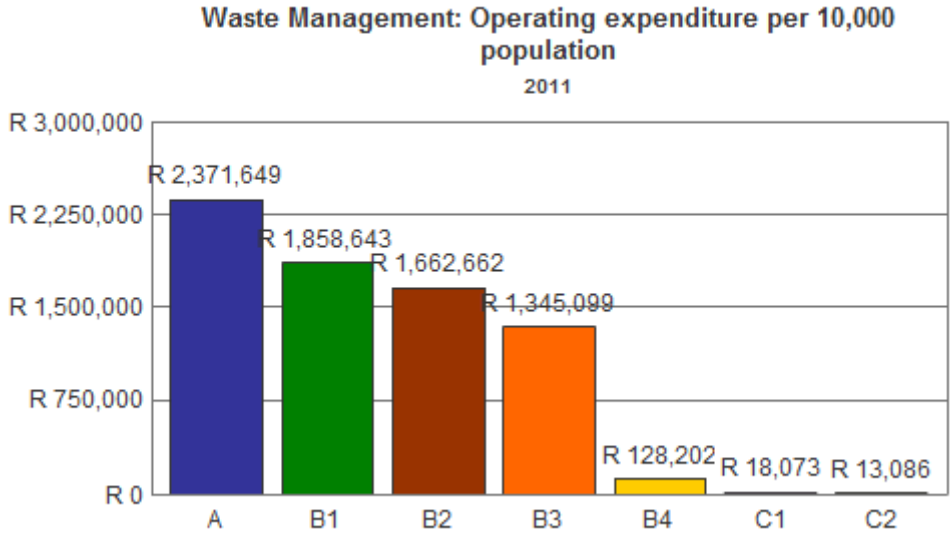
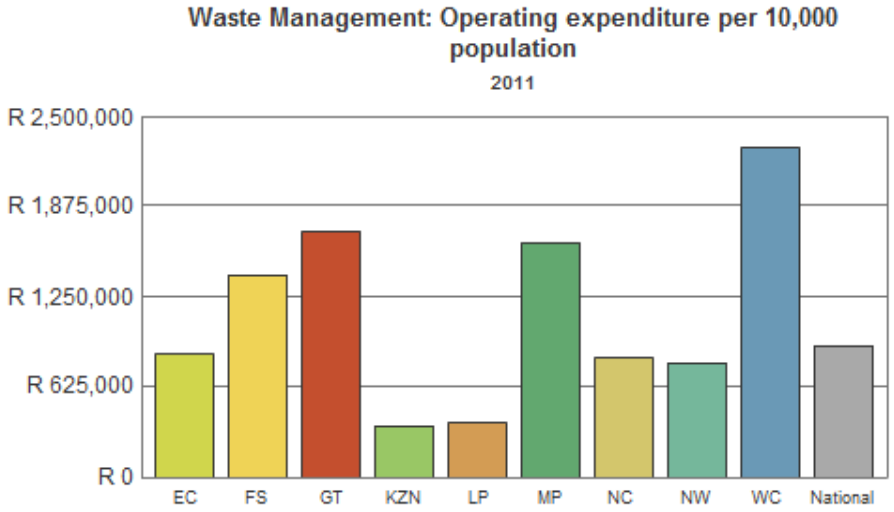


Figure 118: Operating expenditure per 10,000 population (2011) by municipal category

B1, B2 and B3 municipalities all spend above the national average of R914 285 per 10,000 population. District municipalities allocate the least towards waste management, which is expected since the activities involved are predominantly a local municipality function.



Province	Value
EC	R 849,225
FS	1,401,678
GT	1,701,054
KZN	R 359,006
LP	R 374,952
MP	1,623,235
NC	R 823,485
NW	R 794,456
WC	2,277,769
National	R 914,285

Figure 119: Operating expenditure per 10,000 population (2011) by province

The operating expenditures in waste management vary significantly across the provinces. The Western Cape spends the most towards waste management, averaging R2.28 million per 10,000 population. On the other extreme, KwaZulu Natal spends the least, averaging R359 006 per 10,000 population. The Eastern Cape spends just below the national average.

10.4 Service delivery indicators

Looking at service delivery indicators, the figure below shows the percentage of population that receives weekly curbside collection in 2011. At first glance, the figures

might appear too large; however this graph only measures service delivery amongst those proportion of citizens who are eligible to receive curbside collection.

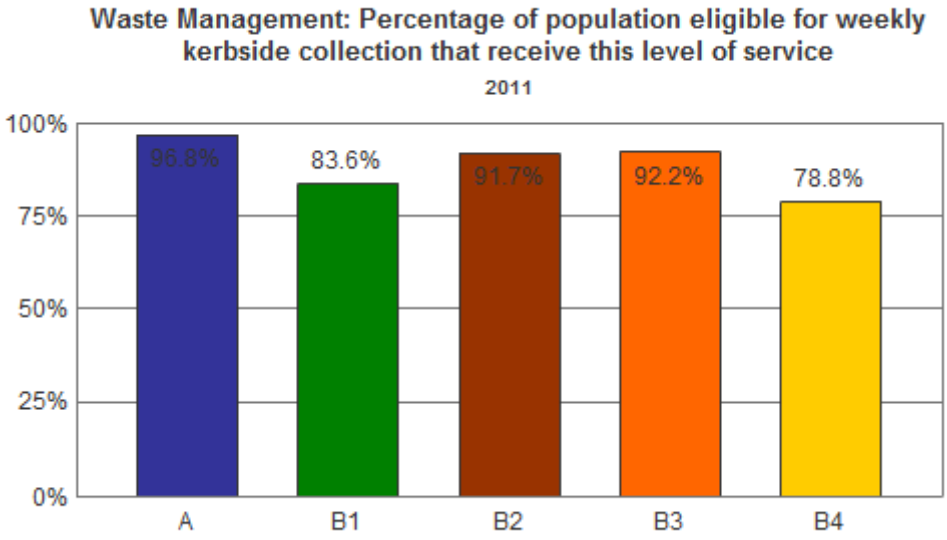


Figure 120: % population eligible for weekly kerbside collection that receive this level of service (2011)

The highest proportion (96.8%) of eligible residents who receive weekly curbside collection reside in metros. 78.8% of eligible residents in B4 municipalities receive this level of service, which is below the national average of 88%. District municipalities have been excluded from this analysis because they do not typically perform the function.

The graph below portrays the percentage of municipal-owned landfill sites that are registered according to the Environmental Conservation Act and the National Waste Act.

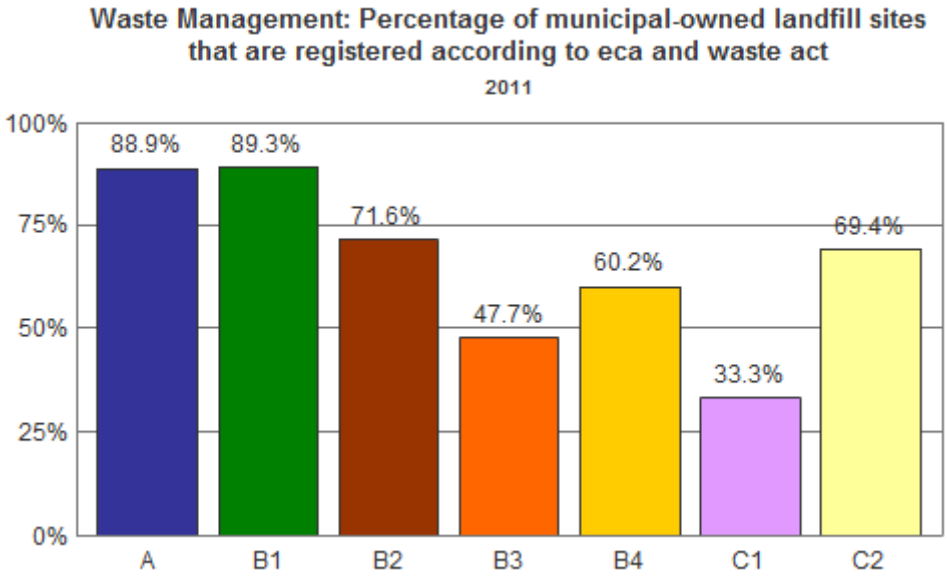


Figure 121: % of municipal-owned landfill sites that are registered according to ECA and the Waste Act

B1 municipalities, followed closely by metros, have the highest proportion of licensed landfill sites. C1 and B3 municipalities have the lowest proportion of registered landfill sites, and sit below the national average of 59.1%. District municipalities are included in this analysis because they are becoming increasingly responsible for the development and management of regional landfill sites.

The figure below[18] shows the percentage of waste recycled according to municipal category. This data was collected directly from municipalities as part of the capacity assessments.

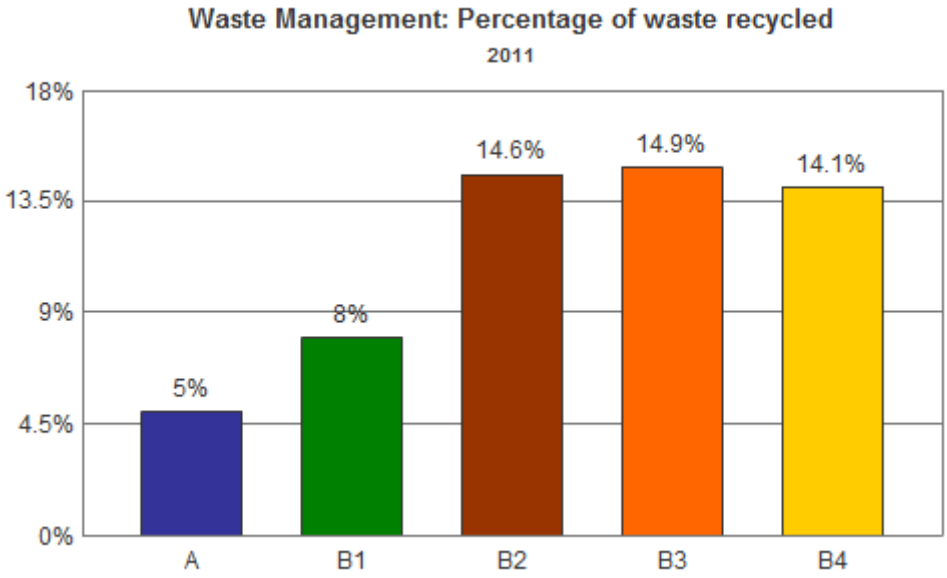


Figure 122: Percentage of waste recycled (2011)

On average, B3 municipalities recycle the most waste, followed closely by B2 and B4 municipalities. Metros recycle the lowest percentage of waste, which is below the national average of total waste recycled of 13.6%. This could suggest that recycling initiatives done at a smaller scale are more likely to have a significant impact, if managed effectively. District municipalities have once again been excluded from the analysis because they do not typically perform this function.

10.5 The link between capacity and performance

Where performance data is available, it presents an interesting opportunity to explore the relationship between capacity and performance. The section to follow analyses the relationships between a host of performance indicators (using data collected form municipalities through the capacity assessments) and capacity data, also collected from municipalities. Context is also considered in some cases.

The figure below analyses the relationship between municipal context and the performance of municipalities in delivering weekly kerbside collection to eligible households.

[18] Greater Giyani, Indaka and Intsika Yethu Local Municipalities have been excluded from this analysis since it is reported that they recycle 100% of their waste, which suggest data anomolies.

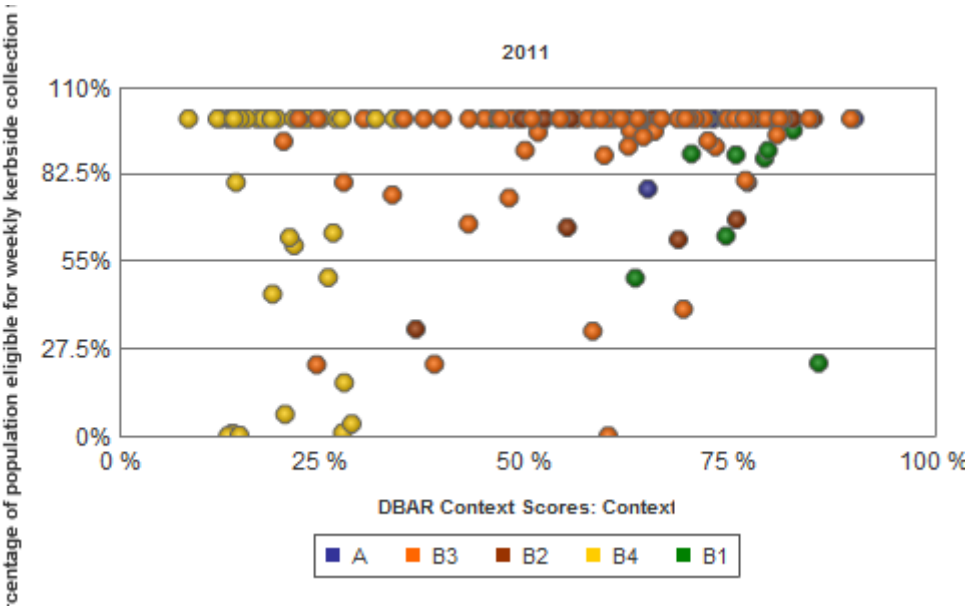


Figure 123: Context vs. delivery of kerbside collection

The clustering in the right hand corner of the graph shows a slight correlation between socio-economic context and the performance in providing this level of service, with the more urban municipalities performing somewhat better. However, there is a large deviation and the graph clearly shows municipalities (majority of B4 municipalities) in less favourable contexts that are also performing well.

The measurement of performance of delivering kerbside collection takes eligibility into consideration and this indirectly takes context into account. It is for this reason that there is very little correlation between these variables.

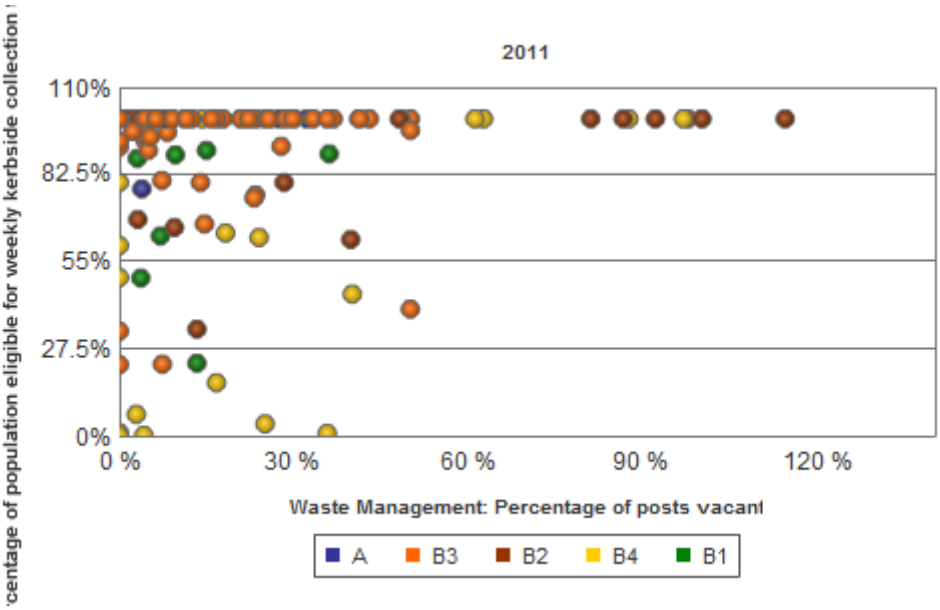


Figure 124: Vacant posts vs. performance

The scatterplot above assesses the relationship between the proportion of vacant posts and performance in terms of delivering a kerbside waste collection service. The clustering in the top left corner of the graph indicates an inverse correlation between these variables. It suggests that municipalities with low vacancies are associated with

better performance levels. However, there is some deviation and there are municipalities which have high numbers of vacant posts and yet still perform well.

The analysis below explore the relationship between management capacity (measured here in terms of the Waste service manager's years of relevant work experience) and performance in terms of registration of landfills.

Figure 125: Years of experience vs. performance of registered landfills

The graph above shows no correlation between managers' years of relevant work experience and the percentage of registered landfill sites.

A similar analysis of management capacity, in terms of years of service in current position and performance, in terms of recycling is provided below.

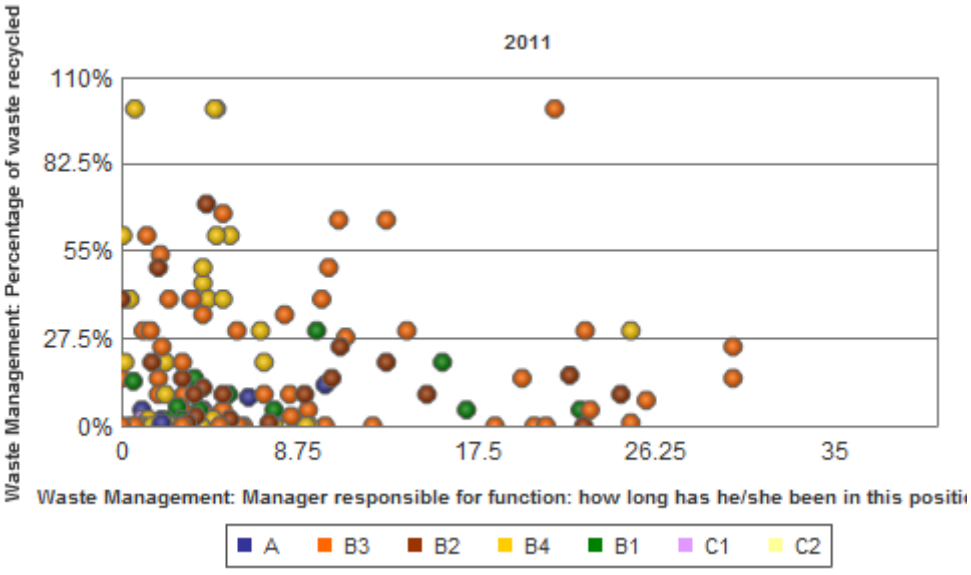


Figure 126: Duration of managers' position vs. recycling performance

There is no strongly apparent correlation between the duration of a manager's service in his/her current post and recycling performance. The clustering in the bottom left corner indicates a slight correlation between these variables suggesting that poor recycling performance is associated with a shorter duration.

10.6 Summary

The Western Cape spends the most towards waste management, while KwaZulu Natal invests the least per 10,000 population. It should be noted that there have been no authorisations made in either of these provinces (2005 data). The Eastern Cape allocates resources, both financial and staff, which closely reflect the national average.

While the highest proportion of eligible residents to receive weekly kerbside collection resides in metros, metros recycle the lowest proportion of waste. B1 municipalities, followed closely by metros, have the highest percentage of licensed landfill sites and B3 municipalities recycle the largest proportion of waste.

A slight correlation between favourable contexts and the performance in delivering kerbside collection was found. There was also a weak inverse correlation between vacant posts and high performance levels. However, there are significant deviations on both these graphs.

11 Roads and storm water systems

11.1 Introduction

The Constitution determines that local government has responsibility for 'municipal roads' and 'stormwater systems in built-up areas'. They are included in one grouping here as stormwater systems are typically provided as part of a road both with regard to construction and ongoing maintenance.

Typically the roads for which municipalities are responsible are Classes 3 to 6 as defined in the Roads infrastructure Strategic Framework for SA (Department of Transport, 2006). While 'municipal roads' (typically Classes 5 and 6) are the responsibility of a local municipality, the responsibility for 'district roads' (typically classes 3 and 4) has been assigned unequally between LMs and DMs. The current situation is that road asset information is poor and with some provinces the differentiation between roads which are provincial, DM and LM responsibility is uncertain. The total road lengths for which the municipalities are responsible, as provided in the capacity assessment, are shown below:

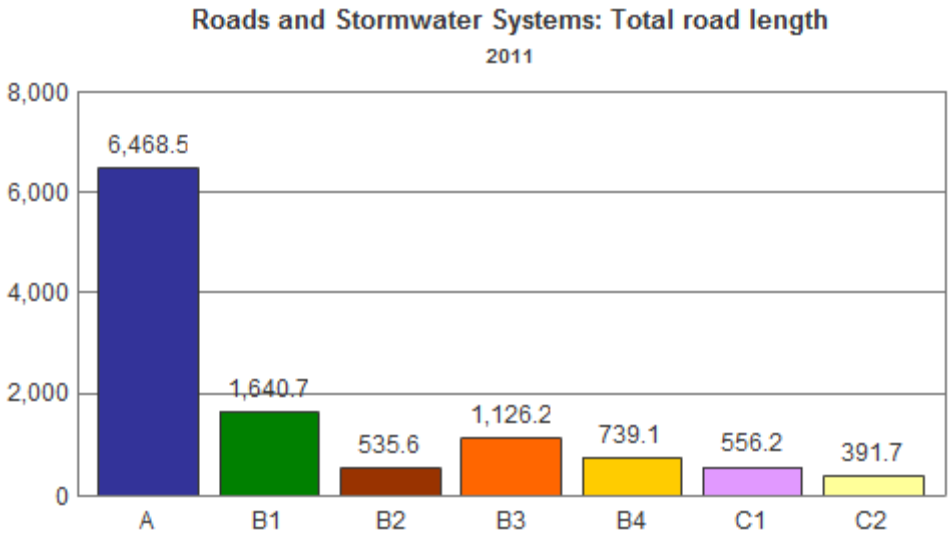


Figure 127: Average road length by municipal category[19]

This data only represents 146 out of the 278 municipalities that supplied data in this section.

For the purposes of the capacity assessment, service delivery performance was measured through reference to the Visual Condition Index (VCI)[20].

11.2 Staffing resources

The graphs below show staffing resources for the roads and stormwater function per kilometre of total road length per municipal category and by province.

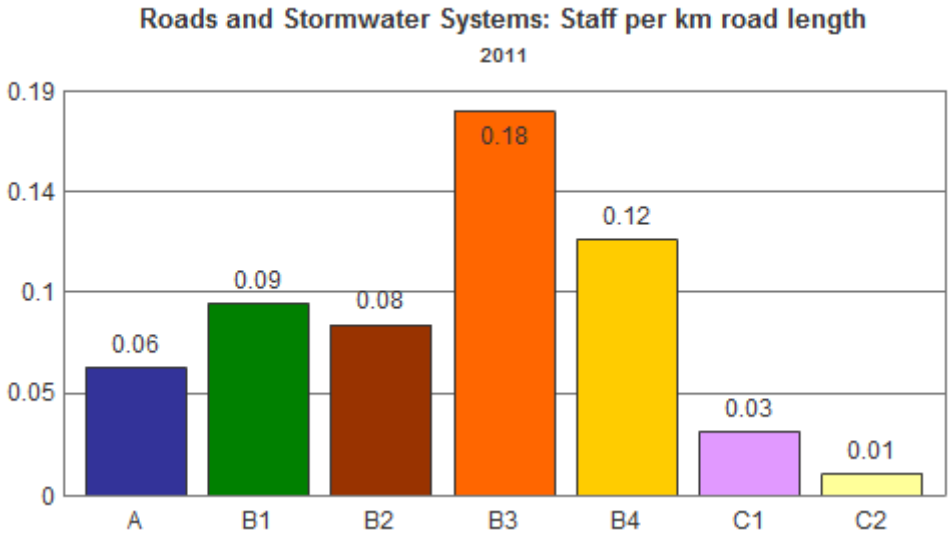


Figure 128: Roads staff per km total road length by municipal category[21]

[19] Beaufort West has been excluded from the analysis since the raw data provided has anomalies.

[20] A standard method of assessing road condition, by classifying road segments into one of five condition categories: very poor, poor, average, good, very good.

The graph above shows that the staffing resources in A, B1 and B2 municipalities are similar, but that C1 and C2 municipalities are relatively understaffed with regards to the roads function. B3 and B4 municipalities have relatively the most staff resources per kilometre of road length. This indicator is obviously affected by the distribution of functions between district and local municipalities.

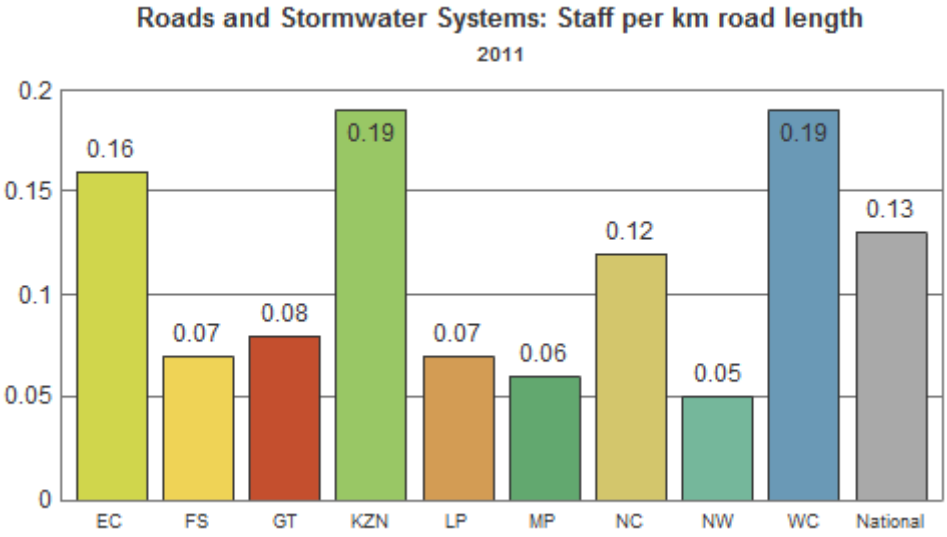


Figure 129: Roads staff per km total road length by province[22]

By province, the highest levels of staffing are found in the Western Cape, KwaZulu Natal and the Eastern Cape. The most poorly staffed provinces are the North West, Mpumalanga and Free State and Limpopo.

11.3 Financial resources

The financial resources allocated to the roads and stormwater function has been assessed as operating expenditure per km of total road length, as shown below.

[21] Beaufort West has been excluded from the analysis since the raw data provided has anomalies.

[22] Beaufort West has been excluded from the analysis since the raw data provided has anomalies.

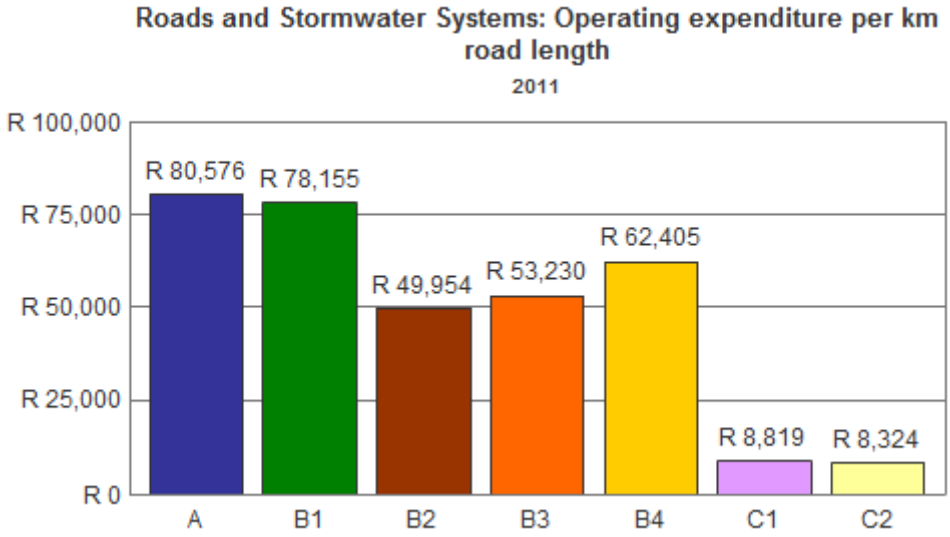


Figure 130: Operating expenditure on roads and stormwater per km total road length by municipal category[23]

Metropolitan municipalities allocate the highest level of financial resources to roads – R80,576 per km of total road length per year, with B1 municipalities spending only slightly less. This is a function of the high service levels and the additional infrastructure (stormwater, signage, sidewalks, etc) that is provided along with roads in larger cities. B2, B3 and B4 municipalities are relatively well funded, with a surprising trend of higher expenditure in B4 municipalities. There is a dramatic drop off in funding in C1 and C2 municipalities, and it is not known how much of this is affected by some of these municipalities not performing the roads function. The debates around financial resources and responsibility for particular roads are inseparable, and the uncertainty around which institution is responsible for which roads means that an analysis of the adequacy of resources is problematic.

[23] Results for City of Matlosana, Emfuleni and Sol Plaatjie and Mopani have been excluded as their operating expenditure was given as negative in the raw data

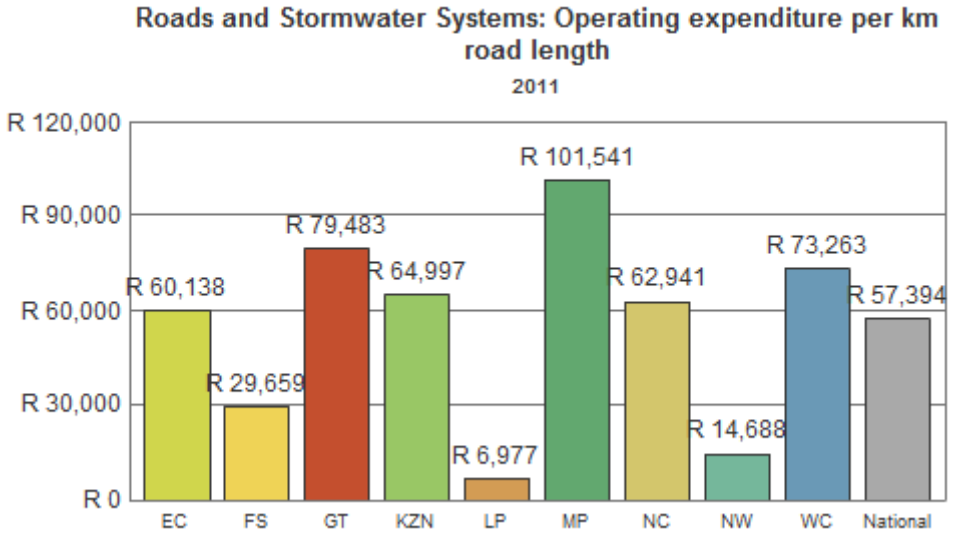


Figure 131: Operating expenditure on roads and stormwater per km total road length by province (cleaned)[24]

Operating expenditure per km in Mpumalanga is high in relation to the other provinces. As for staff resources, Limpopo and the North West are the poorest served in terms of financial resources for roads and stormwater.

11.4 The link between capacity and performance

There is no national data set for road condition or any other roads performance data. The only roads performance indicator that was measured as part of the 2011 Municipal capacity assessment was the Visual Condition Index for a municipality's roads. From this data, the percentage of road length that was classified as 'good' or 'very good' was used as a proxy measure for roads performance. The results of this indicator by municipal category and province are shown in the graph below.

[24] Results for City of Matlosana, Emfuleni and Sol Plaatjie and Mopani have been excluded as their operating expenditure was given as negative in the raw data

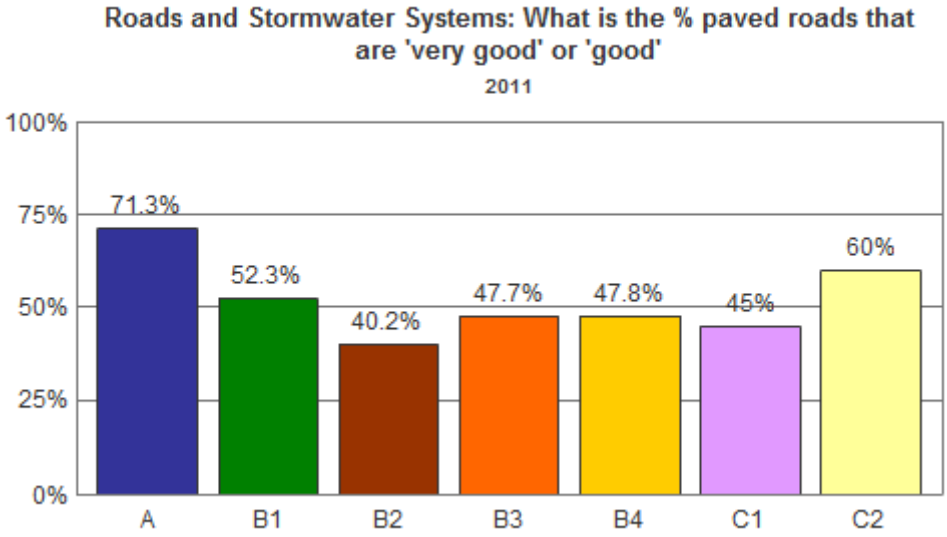


Figure 132: Roads performance by municipal category

Roads performance is expectedly highest in metropolitan municipalities where the greatest staff and financial resources are allocated to this function. C1 municipalities are the next highest performers, with 60% of the road network classified as 'good' or 'very good'. The remaining municipal categories are relatively similar, with B2 municipalities the weakest performers at 40%.

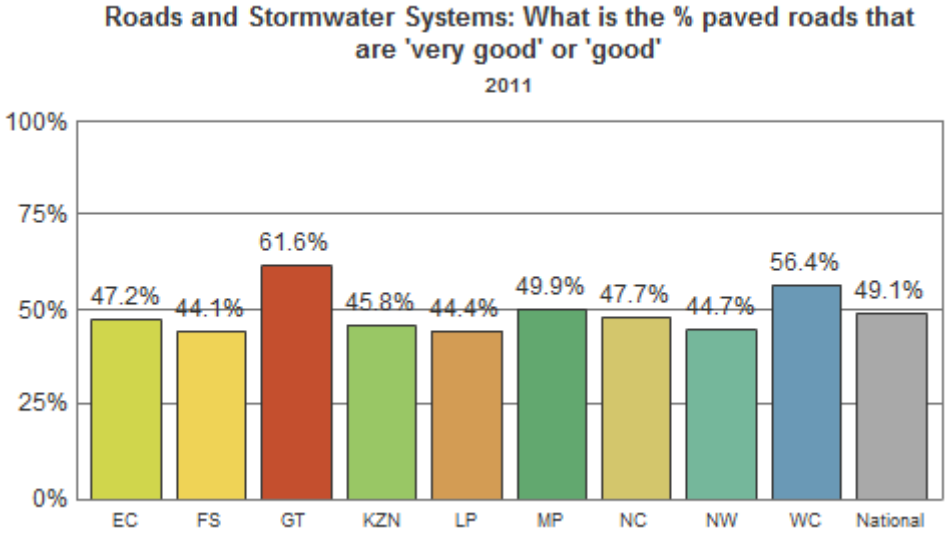


Figure 133: Roads performance by province

The similarity in roads performance by province is notable. All provinces, except for Gauteng and the Western Cape (which are influenced by the metro scores), are clustered around the national average of 49.3%. This reflects a situation where half the total road length in the country can be classified as being in 'good' or 'very good' condition.

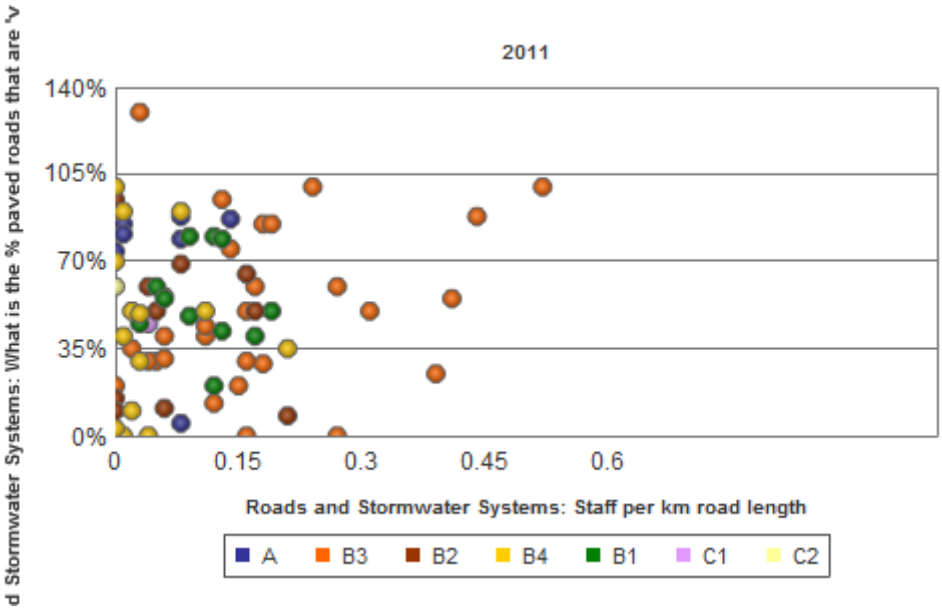


Figure 134: Staff resources per road km vs. road performance

There is no apparent correlation between staff resources and road performance. The graph emphasises the fact that most municipalities allocate less than 0.3 roads staff per kilometre of road.

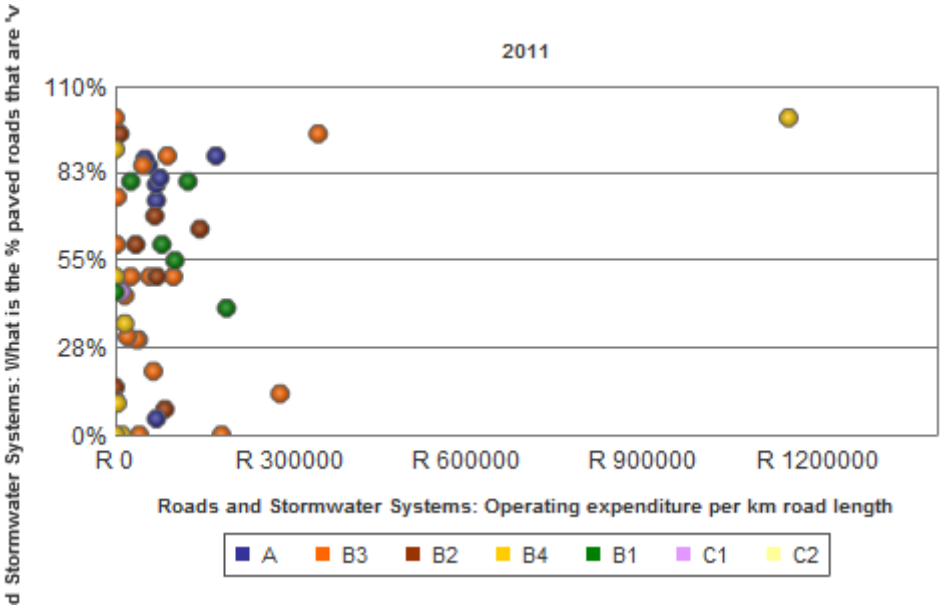


Figure 135: Financial resources per road km vs. road performance[25]

The figure above shows that there is no obvious correlation between operating expenditure and road performance. Most of the municipalities invest less than R300 000 per kilometre of road per year, except for Umzimkhulu, which allocates the highest operating expenditure, and achieves the highest road performance.

[25] Results for Emfuleni and Sol Plaatjie Local Municipalities and Mopani District Municipality have been excluded as their operating expenditure was given as negative in the raw data

11.5 Summary

Roads data in the country is very poor, yet the capacity assessment has succeeded in gathering data for 146 municipalities and some indication of the road conditions in those municipalities. B3 and B4 municipalities are relatively well staffed and metropolitan and B1 municipalities are relatively well financed. C1 and C2 municipalities are the least resourced, and C2 municipalities do not typically have the roads function. Provincially, the roads staffing resources are highest in KwaZulu Natal and the Western Cape, and lowest in the North West and Mpumalanga. Mpumalanga followed by Gauteng invest the most in terms operating expenditure.

The performance data indicates that roads are in a slightly better condition in metropolitan municipalities, but that all other categories are fairly similar in the condition of their roads. All provinces seem to have equivalent road conditions, despite disparities in staff and financial resources.

The comparative graphs between capacity and performance do not show any apparent correlations.

12 Community and social services

12.1 Introduction

This section provides an analysis of staffing and financial resources for community and social services. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

12.1.1 Definition

This grouping of functions as evaluated in the capacity assessment is held to include:

- beaches and amusement facilities,
- local amenities,
- local sports facilities,
- municipal parks and recreation,
- public places,
- cemeteries and crematoria,
- child care facilities,
- libraries, and
- museums.

It is important that there is a mix of direct service provisions (for example: parks), regulation (child care facilities) and management of partnerships with civil society (for example: sports and recreation facilities).

12.1.2 Municipal powers and functions

District municipalities do not usually perform the community and social services functions, however Section 84 of the Municipal Structures Act provides for cemeteries and crematoria to be undertaken at a district level[26]. Nevertheless, the dependency of these functions on fiscal provision is apparent, since the district has no means of generating revenue to service this function.

Library and museum services, which are typically provincial functions, are provided by many municipalities, even though no assignments have been made, as far as can be ascertained. Municipalities view these services as an integral part of their societal and community responsibilities and therefore continue to provide the services as an unfunded mandate[27].

12.2 Staffing resources

The graph below depicts the staffing numbers employed in community and social services per 10,000 population.

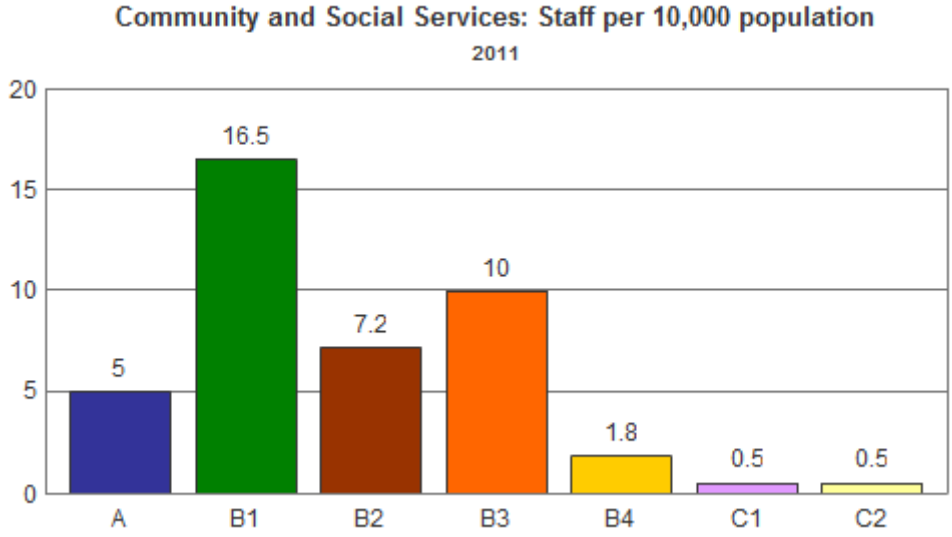


Figure 136: Staff per 10 000 population by municipal category

B1 municipalities employ the highest number of staff for community and social services per 10,000 population, and allocate, on average, 18.5% of their total staff to this function. Nationally, municipalities employ on average seven community services staff per 10,000 population. **Error! Reference source not found.** The graph above shows hat B1, B3 and B2 municipalities employ above national average staff numbers, while district municipalities employ the least number of staff, averaging 0.5 staff per 10,000 population. This is expected since districts do not typically provide services related to this function.

[26] Defined as "The establishment, conduct and control of cemeteries and crematoria serving the area of a major portion of municipalities in the district".

[27] There are some transfers from provinces to cover library costs incurred by some municipalities

The figure below reveals the average staffing numbers employed in community and social services per 10,000 population according to province.

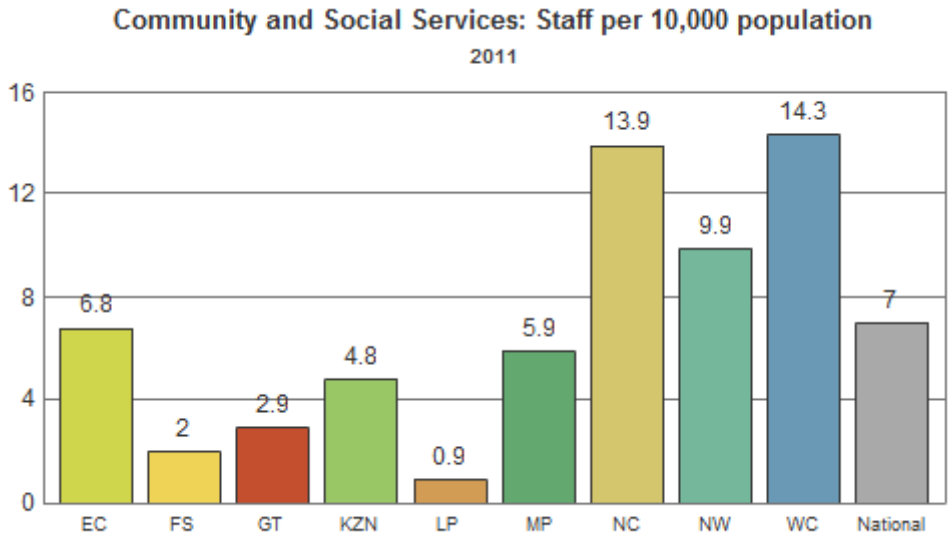


Figure 137: Staff per 10 000 population by province

The graph demonstrates that the Northern Cape, Western Cape and North West employ more than the national average. Limpopo, followed by the Free State, has the least staffing resources and employ 0.9 and 2 community services staff per 10,000 population respectively.

12.3 Financial resources

The graph below demonstrates the operating expenditure for community and social services per 10,000 population by municipal category.

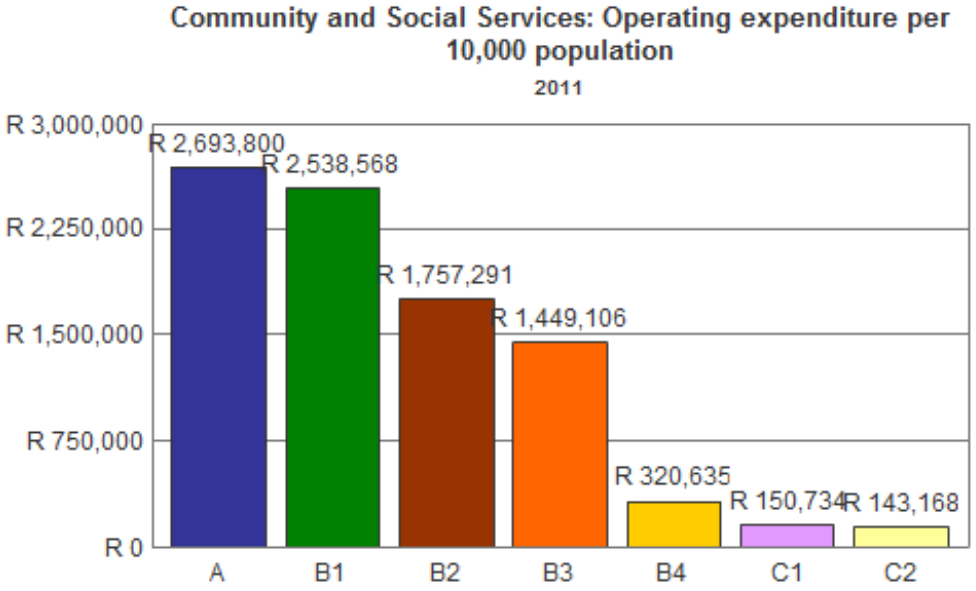
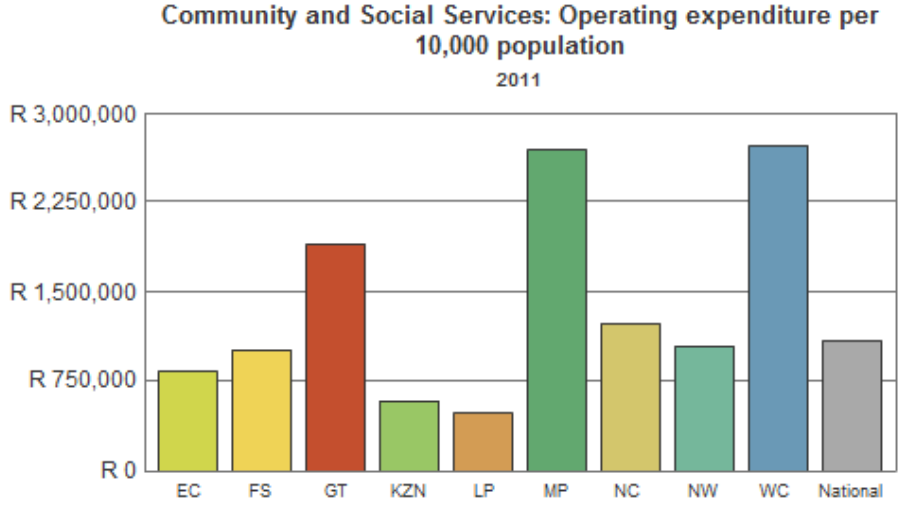


Figure 138: Operating Expenditure per 10 000 population (2011) by municipal category[28]

On average, metros spend R2.69 million per 10,000 population in community and social services, and the B1 municipaliies spend only slightly less than this proportionately.

Metros spend on average 5.9% of their total expenditure on community and social services, which is above the national average of 4.8%. However, B1 municipalities spend 10% of their total operating expenditure on community and social services, which the highest proportion spent on this function compared to the municipal categories. The district municipalities spend substantially below the national average and this is expected since they don't usually perform services related to this function.

The analysis below demonstrates the operating expenditure for community and social services per 10,000 population according to province. The national average is R1.09 million per 10,000 population, which makes up 4.8% of the total expenditure.



Province	Value
EC	R 830,903
FS	R 1011,121
GT	R 1,896,268
KZN	R 586,406
LP	R 481,540
MP	R 2,690,231
NC	R 1,233,628
NW	R 1,044,713
WC	R 2,723,635
National	R 1,093,165

Figure 139: Operating Expenditure per 10 000 population by province

The Western Cape, followed closely by Mpumalanga, spends the most in community and social services, per 10, 000 population. KZN and Limpopo spend considerably less per 10, 000 population.

12.4 Summary

When looking at the distrubtion of staff and operating expenditure within municipalities, B1 municipalities, on average, allocate the highest proportion of staff to community and social services, in addition to spending the largest proportion of operating expenditure to this function, compared to other municipal groups. Metros spend the most operating expenditure in absolute figures; more than double the national average.

[28] Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities (B1 category municipalities) and Mopani District Municipality have been excluded from the analysis.

The Western Cape allocates the most resources into community and social services compared to the other provinces. The Northern Cape and North West allocate more staff than the national average, and Mpumalanga, Gauteng and the Northern Cape spend operating expenditure that is above national average. Limpopo is consistently the least resourced in terms of both staffing and operating expenditure.

13 Emergency services

13.1 Introduction

This section provides an analysis of staffing and financial resources for emergency services. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

13.1.1 Definition

For the purposes of the 2011 capacity assessment reports, the grouping of functions is held to include:

- fire fighting,
- rescue services,
- disaster management, and
- ambulance services.

Fire fighting is included in the list of municipal functions in the Constitution while the others are not. The ambulance service is a provincial function and is included in the capacity assessment because it is performed by municipalities in a few cases, most notably in Gauteng. Rescue services are now typically aligned with fire fighting in larger municipalities and are thus essentially one function. Disaster management is listed in Schedule 4 and is a functional area of concurrent national and provincial legislative competence. As such, it was not held to be a municipal function but has been created as such through the Disaster Management Act.

13.1.2 Municipal powers and functions

The Municipal Structures Act creates a sub-division within the fire fighting service with planning, coordination, regulation, training and specialised fire services located at district level[29]. Around 22% of local municipalities were authorised to perform the

[29] 'In relation to the district municipality, "fire fighting" means fire brigade services serving the area of the district municipality as a whole intended to be employed for preventing the outbreak or spread of a fire, and includes-

i. planning, co-ordination and regulation of fire services;
ii. specialised fire fighting services such as mountain, veld and chemical fire services;
iii. co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
iv. training of fire officers.

In relation to the local municipality, "fire fighting" means any function not included in the definition applicable to a district municipality, and is thus deemed to include fighting and extinguishing of all fires;

function in 2005. In some cases, the district municipalities were authorised to perform the local fire fighting function instead.

With regard to disaster management, the Disaster Management Act[30] (Act 57 of 2002) has broadened the function and places a heavy onus of responsibility for disaster risk management on local government as a district function. Implied in the definition of "disaster" in the Act, is a step-wise declaration of a disaster from local, through provincial to national disaster, as the magnitude of the occurrence rises or is recognised to be beyond each of these spheres' ability to cope.

With regard to ambulance services, there is a sharing of responsibility between provinces and municipalities, mainly in Gauteng.

13.2 Staffing resources

The graph to follow demonstrates the number of staff employed in emergency services according to the municipal categories.

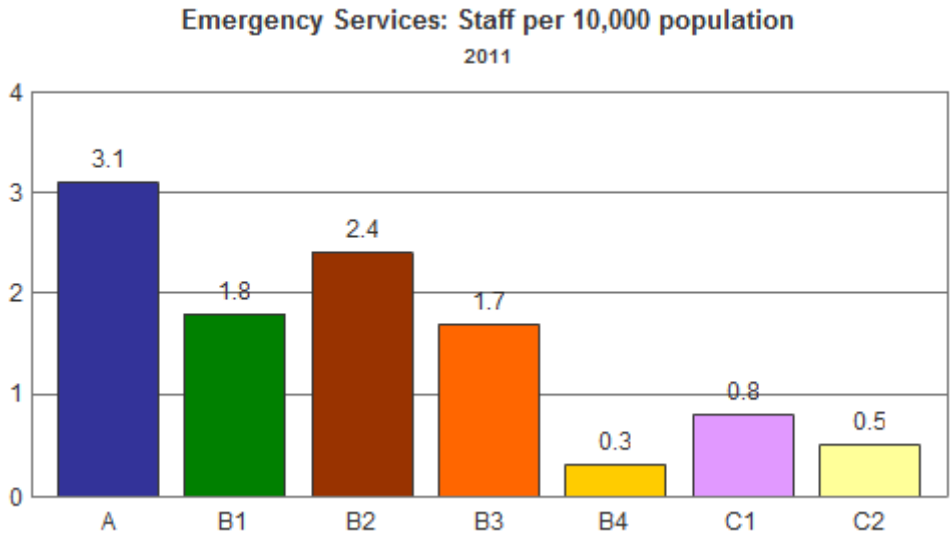


Figure 140: Staff per 10,000 population (2011) by municipal category

Metros are the most resourced, employing 3.1 staff per 10,000 population (6.8% of total staff in metros are dedicated to this function, on average), while B4 municipalities are the least resourced, employing 0.3 staff per 10,000 population (1.5% of total staff are dedicated to this function, on average). The number of staff that B4 and district

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the rescue and protection of any person, animal or property in emergency situations not covered by other legislation or powers and functions'.

[30] "disaster management" means a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at-

a) preventing or reducing the risk of disasters;

b) mitigating the severity or consequences of disasters;
c) emergency preparedness;
d) a rapid and effective response to disasters; and
e) post-disaster recovery and rehabilitation. (Disaster Management Act, No 57 of 2002)

municipalities employ is less than the national average of 1.4 staff per 10,000 population.

C1 municipalities, district municipalities which are not water services authorities, dedicate 21.6% of their total staff towards emergency services on average - the highest proportion compared to the other municipal categories. The staffing figures are consistent with the fact that the disaster management component of emergency services is most often performed at the district level.

The comparison of the staffing distribution for emergency services across the provinces per 10,000 population is shown below.

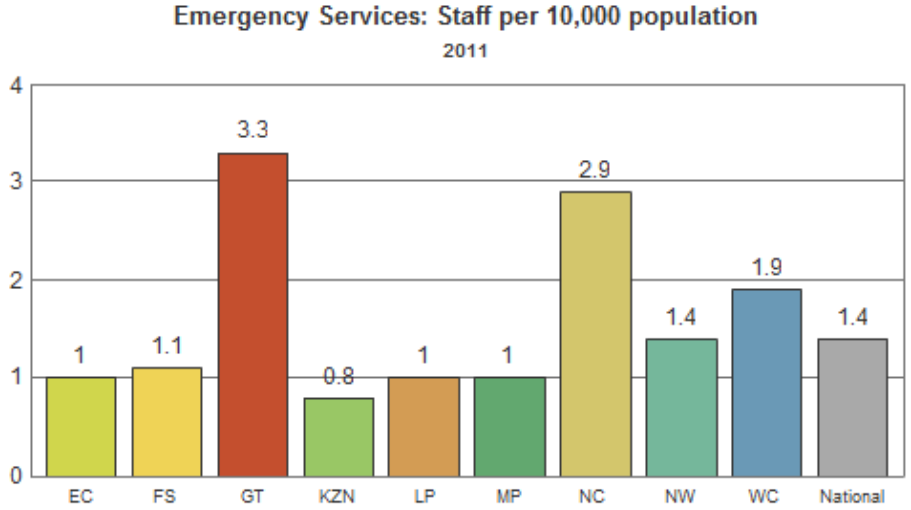


Figure 141: Staff per 10,000 population (2011) by province

Gauteng allocates the most staffing resources (mainly because of ambulance services being provided by municipalities), followed by the Northern Cape. The Western Cape also employs more staff for emergency services than the national average of 1.4 staff per 10,000 population, while the North West employs at the average. KwaZulu Natal is the least resourced in terms of staffing, although the remaining provinces also experience low staffing resources.

13.3 Financial resources

Metros spend the largest amount towards emergency services per 10,000 population, as shown below.

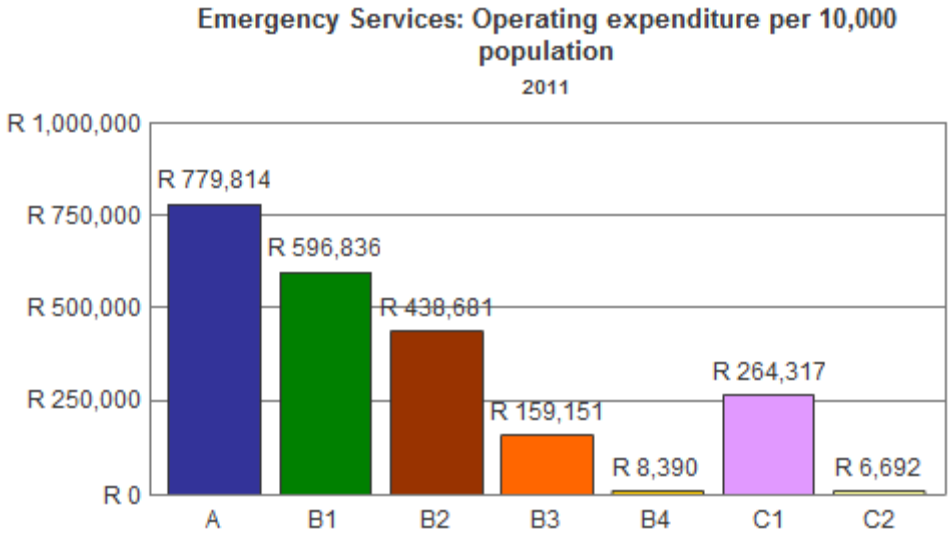


Figure 142[31]: Operating expenditure per 10,000 population (2011) by municipal category

Expenditure on emergency services constitutes 1.5% of the metro's total operating expenditure, on average. C2 municipalities spend the least on emergency services, while C1 municipalities devote relatively the largest proportion of their total expenditure towards this function (7.8%).

There is a large difference in terms of operating expenditure spent on emergency services across the provinces, as shown below.

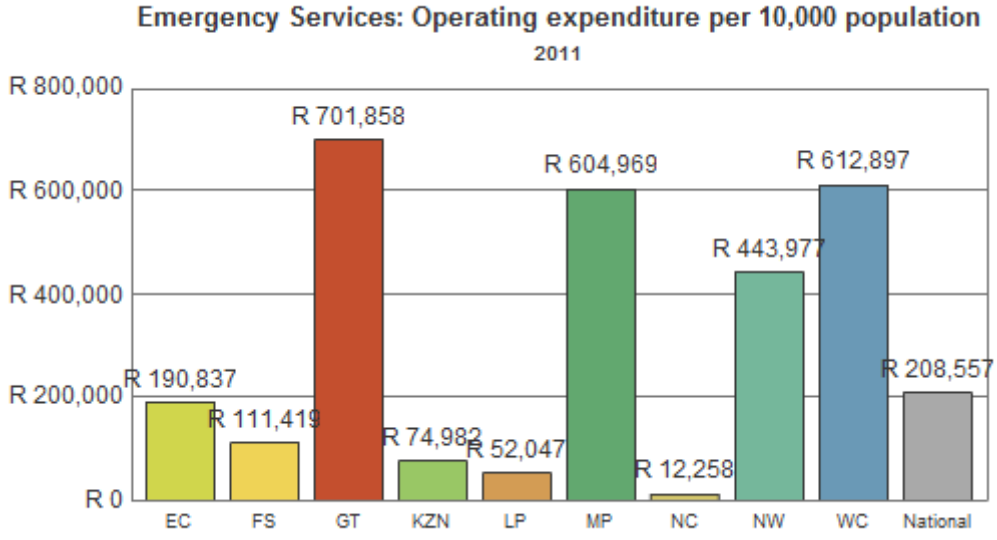


Figure 143[32]: Operating expenditure per 10,000 population (2011) by province

[31] Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities (B1 category municipalities) and Mopani District Municipality have been excluded from the analysis due to possible data anomolies.

[32] Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities (B1 category municipalities) and Mopani District Municipality have been excluded from the analysis

The national average is R208 557 per 10,000 population and Gauteng spends around three times greater than the national average.

The Northern Cape spends the least on emergency services, averaging R12 258 per 10,000 population and Limpopo, spending not much more, averaging R52 047 per 10,000 population.

13.4 Further capacity indicators

In addition to the above, the capacity assessments also explored other indicators of capacity which are considered in the analysis below.

Ambulances

Since ambulance services is a provincial, and not a municipal function, it is apparent from the data provided that the majority of municipalities do not perform this function. Gauteng is the only province in which municipalities have ambulances.

Fire fighters

Metros are the most resourced in terms of fire fighters employing 2.5 fire fighters per 10,000 population as shown below.

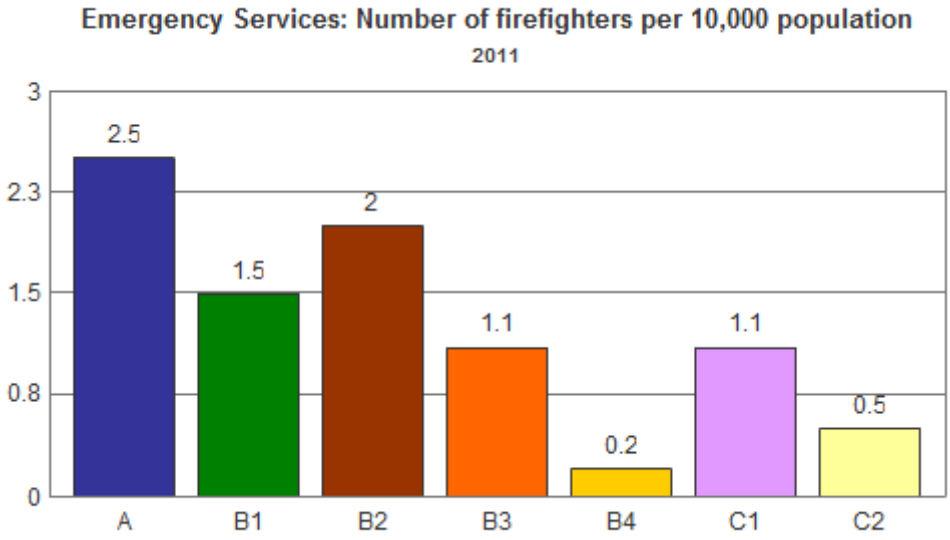


Figure 144: Number of fire fighters per 10,000 population (2011) by municipal category

The high average number of fire fighters is influenced by metros such as the City of Cape Town and the City of Johannesburg which employ between 3.72 and 4.45 fire fighters per 10,000 respectively. B4 municipalities are the least resourced and employ 0.2 fire fighters per 10,000 population.

The number of fire fighters per 10,000 population according to province is shown below.

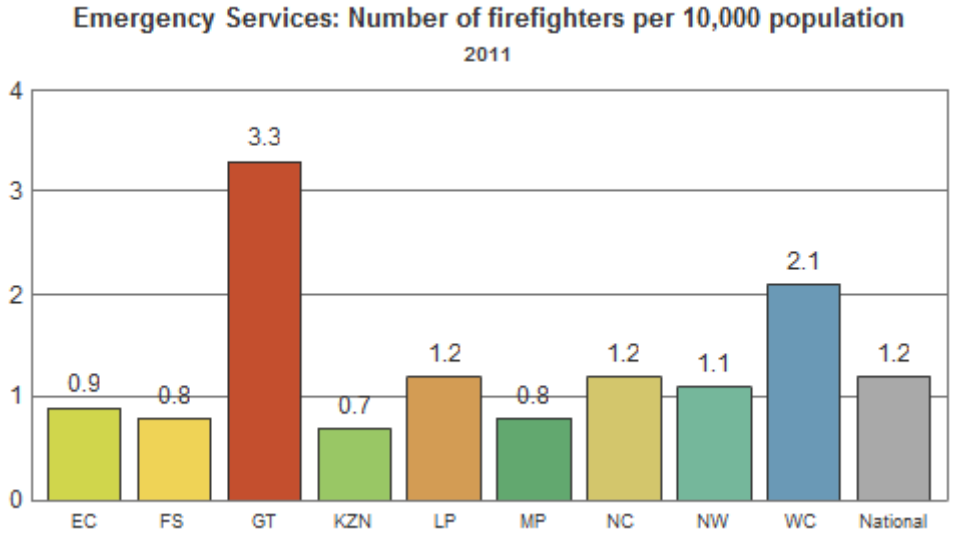


Figure 145: Number of fire fighters per 10,000 population (2011) by province

Gauteng has relatively the highest number of fire fighters, while KwaZulu Natal is the least resourced. The national average is 1.2 fire fighters per 10,000 population and thus only Gauteng and the Western Cape are above national average, with Limpopo and the Northern Cape equalling the average.

Fire stations

The figure below shows the number of fire stations per 10,000 population according to municipal category.

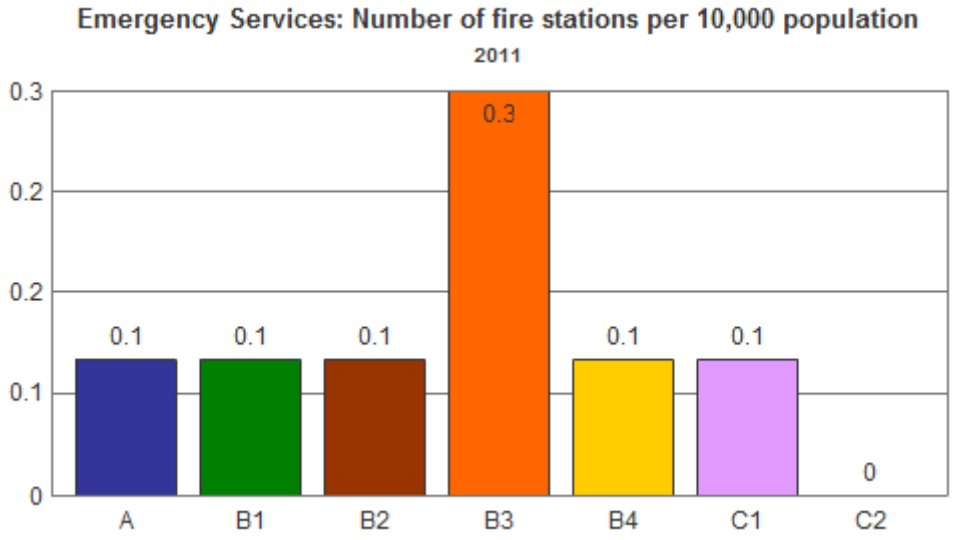


Figure 146: Number of fire stations per 10,000 population by municipal category

B3 municipalities possess relatviely the most fire stations, averaging 0.3 fire stations per 10,000 population. The majority of municipalities have the equal number of fire stations, equal to the national average of 0.1 staff per 10,000 population.

C2 district municipalities are the least resourced and have 0.04 fire stations per 10 000 population. The analysis below supports the reality that the fire fighting component of emergency services is predominantly performed at the local municipal level.

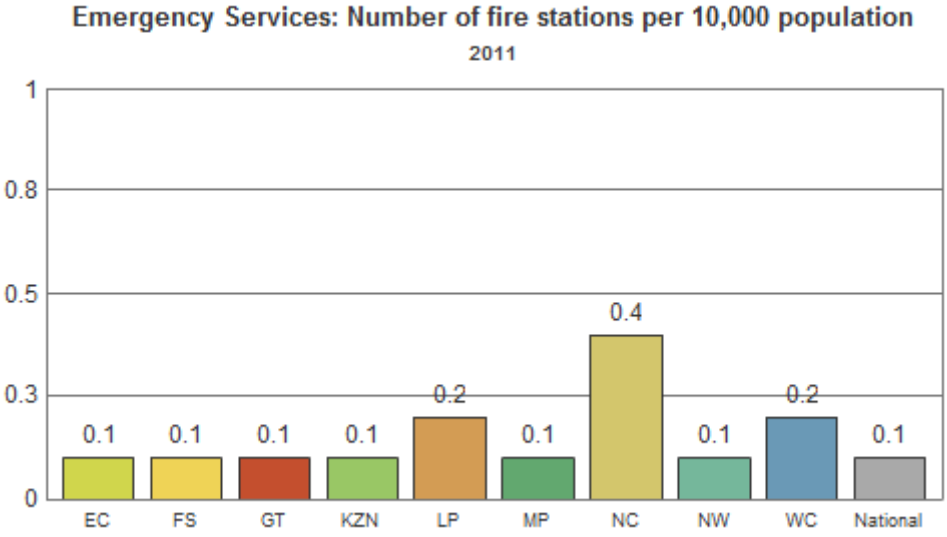


Figure 147: Number of fire stations per 10,000 population by province

The figure shows that most of the provinces are equally resourced as they have 0.1 fire stations per 10,000 population. The Northern Cape has the most fire stations, operating an average 0.4 fire stations per 10,000 population.

Fire trucks and specialised emergency vehicles

The graph below demonstrates the distribution of fire trucks and specialised emergency vehicles, analysed according to municipal category.

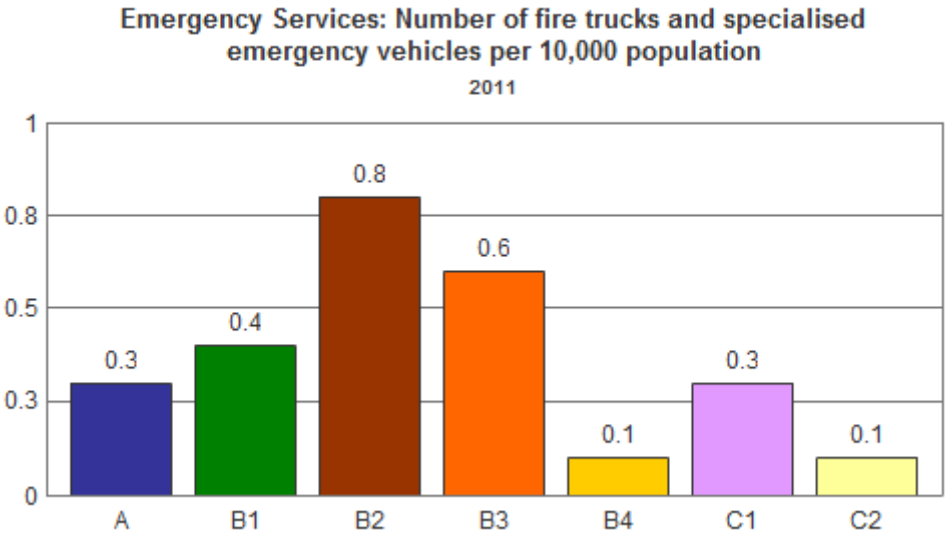


Figure 148: Number of fire trucks and specialised emergency vehicles per 10,000 population (2011) by municipal category

B2 municipalities have the most fire trucks and specialised emergency vehicles per 10,000 population, whereas B4 and C2 municipalities are the least resourced.

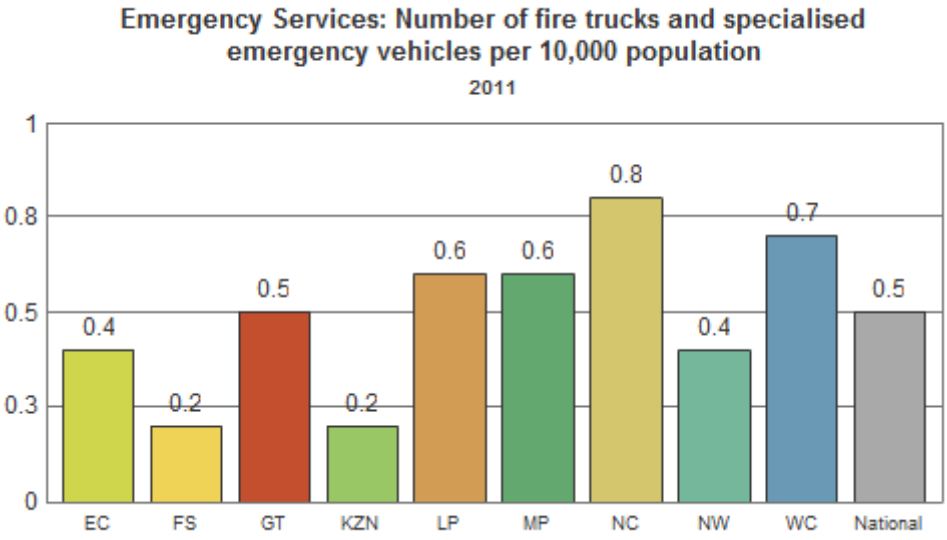


Figure 149: Number of fire trucks and specialised emergency vehicles per 10,000 population (2011) by province

The Northern Cape has relatively the largest number of fire trucks and specialised emergency vehicles, employing 0.8 per 10,000 population. The Free State and KwaZulu Natal are the least resourced and are below the national average of 0.5 per 10,000 population.

13.5 The link between capacity and performance

This section explores the link between capacity and performance. It investigates whether any correlation exists between context and capacity indicator variables and performance indicators.

Percentage of fire services calls responded to within 7 minutes as it relates to context

The graph below shows the correlation between context and the performance indicator: percentage of fire services calls that are responded to within 7 minutes.

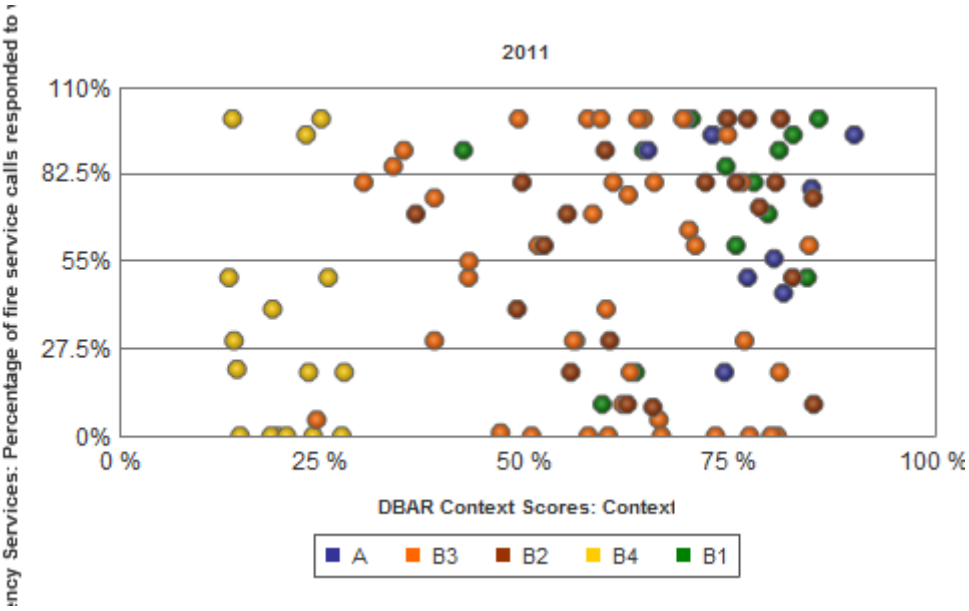


Figure 150: Fire service performance in relation to context

There is no distinct correlation between context and the performance of fire fighting as illustrated above. However, the clustering at the top right hand side, indicates a slight correlation between favourable context and better performance. Although there is a significant proportion of municipalities who are performing well in a conducive context, there is considerable deviation from a linear correlation between the two variables. The graph shows that there are many municipalities that are performing poorly in a conducive context, in addition to those municipalities situated in an unfavourable context, who are performing well.

Performance for fire fighting service as it correlates with resources

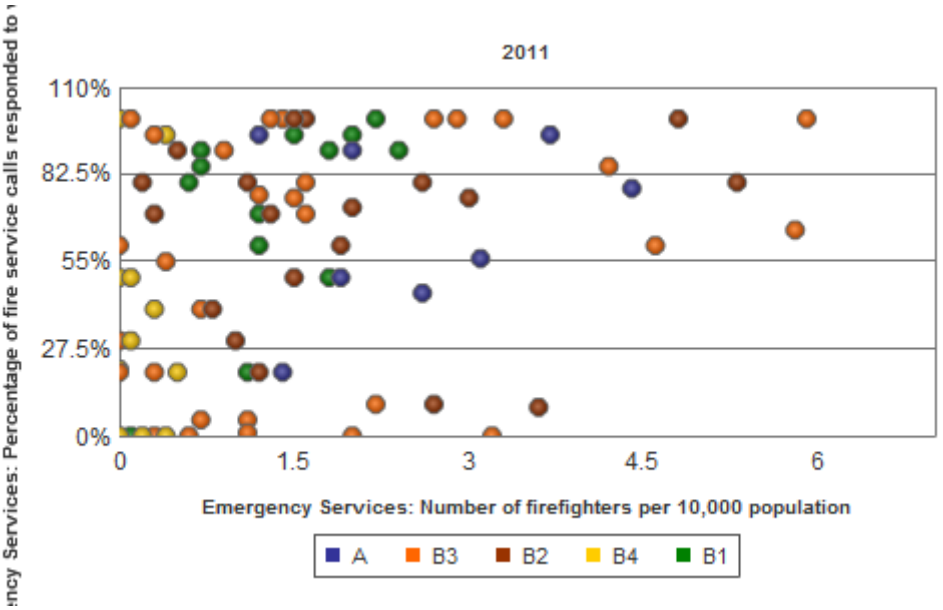


Figure 151: Performance in relation to number of fire fighters

There is no apparent correlation between the number of fire fighters per 10,000 population and the performance of the fire services response time, using the indicator: percentage of fire services calls responded to with seven minutes. The graph

emphasises that the majority of municipalities have less than three fire fighters per 10,000 population.

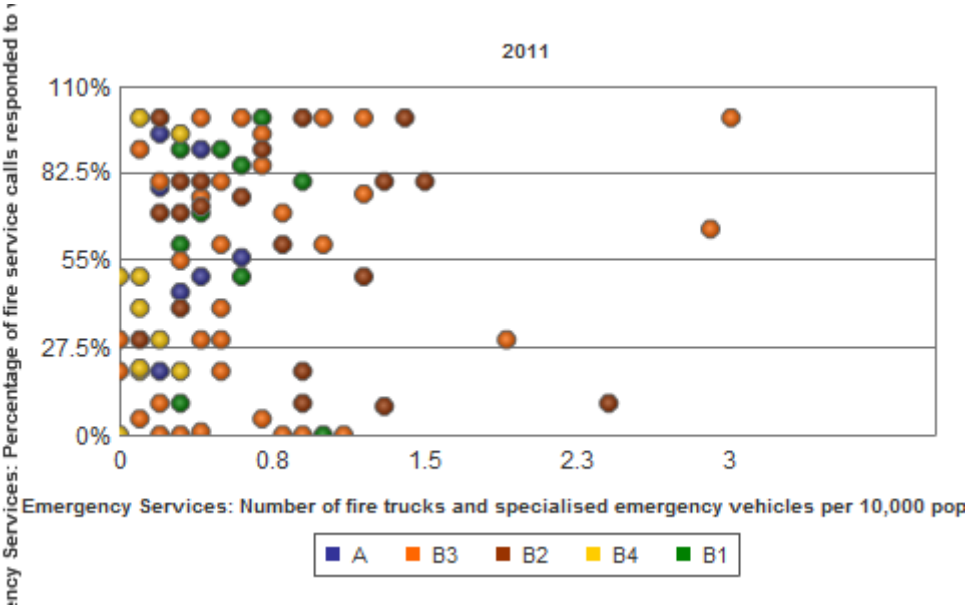


Figure 152: Performance in relation to the number of fire trucks and emergency vehicles

The graph above shows no correlation between the number of fire trucks and emergency vehicles per 10,000 population and the performance of the fire services response time, based on the indicator: percentage of fire services calls responded to within seven minutes. Most of the municipalities have less than 1.5 trucks and emergency vehicles per 10,000 population, with some exceptions.

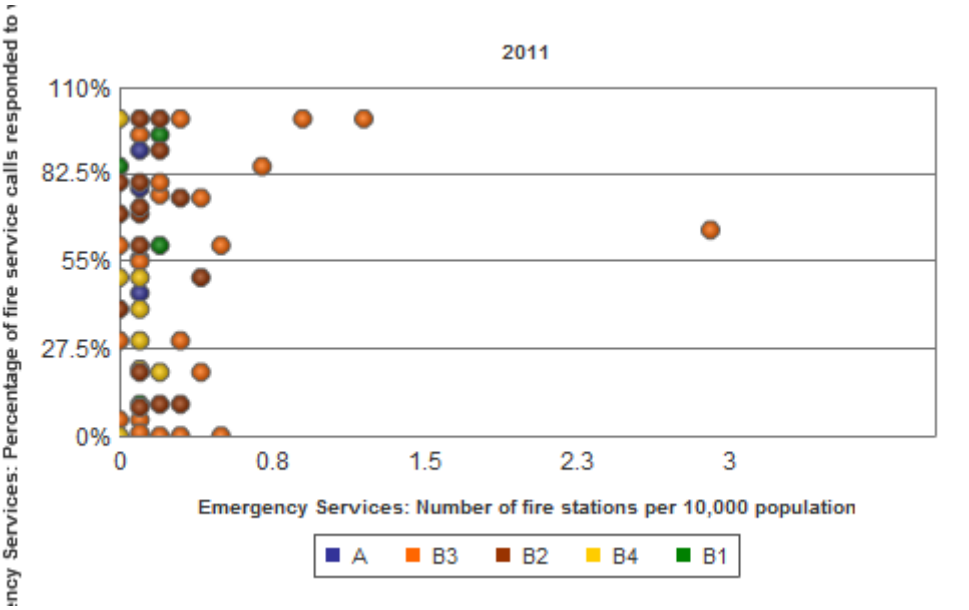


Figure 153: Performance in relation to the number of fire stations

There is no correlation between the number of fire stations and the response performance of fire services. The graph highlights that most municipalities have 0.1 fire station per 10,000 population.

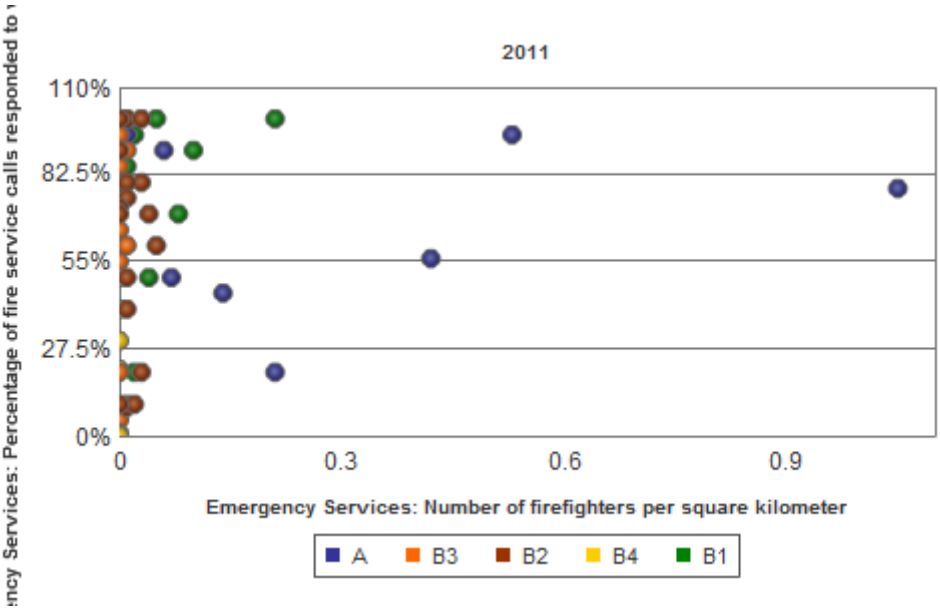


Figure 154: Performance in relation to fire fighters per area

The graph shows that there is no relationship between the number of fire fighters per square kilometre and performance. The City of Johannesburg, which is the furthest outlier on the graph, employs the greatest number of fire fighters per area, and has an 80% performance record in terms of the percentage of fire services calls responded to within seven minutes.

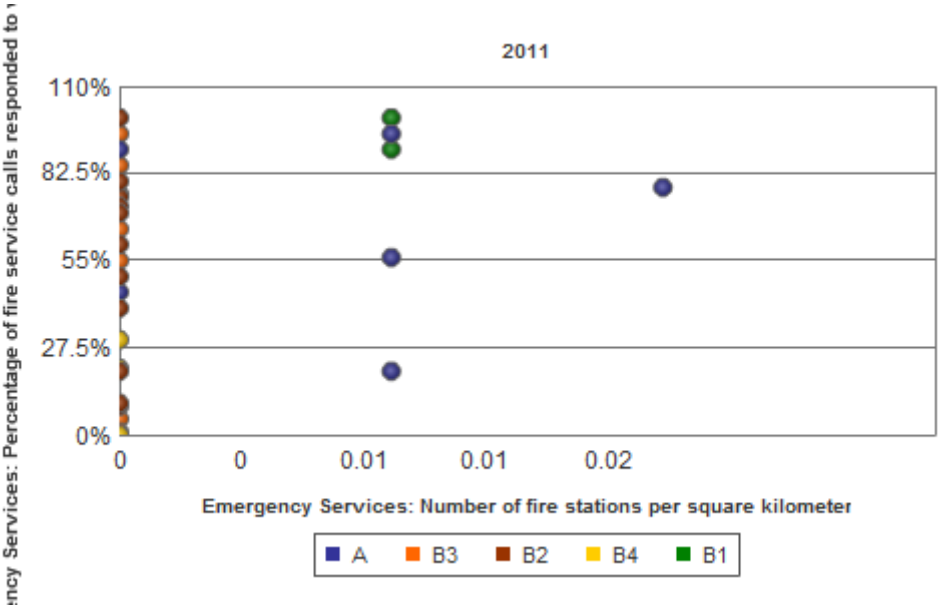


Figure 155: Performance in relation to fire stations per area

The graph above suggests no correlation between the number of fire stations per geographical size and the performance of the fire services in terms of response times to fires. The graph clearly suggest that the performance of fire fighting response times is dependent on other variables, since municipalities experience a range of performance levels, irrespective of resources such as staffing and facilities.

13.6 Summary

The metros allocate the most resources, both human and financial, to emergency services, while B4 municipalities are the least resourced. While metros employ the most fire fighters per 10,000 population, B3 and B2 municipalities have the most fire stations and fire trucks and emergency specialised vehicles per 10,000 population respectively. B4 municipalities have the least number of fire fighters and fire trucks and specialised vehicles.

Gauteng, followed by the Northern Cape employ the most staff in emergency services and KwaZulu Natal employs the least per 10,000 population. Gauteng, followed by the Western Cape and Mpumalanga, spend the most on emergency services.

Gauteng is the only province in which there are municipal ambulances, and is also the province which employs the largest number of fire fighters per 10,000 population. The Northern Cape, however has the most fire trucks and emergency specialised vehicles in addition to the most fire stations per 10,000 population.

The link between context and performance indicates a slight correlation - there is a significant proportion of municipalities who are performing well in a conducive context, however there is a considerable deviation. There is no obvious correlation between the capacity indicators when analysed on a 10,000 population basis or when based on municipalities' geographical area.

14 Municipal health services

14.1 Introduction

This section provides an analysis of staffing and financial resources for municipal health services. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

14.1.1 Definition

For the purposes of the capacity assessment, the municipal health functions have been defined as:

- municipal health,
- licensing and control of undertakings that sell food to the public,
- noise pollution,
- pounds,
- accommodation, care and burial of animals; and
- licensing of dogs.

14.1.2 Municipal powers and functions

Municipal health refers to a basket of services which relate to creating a healthy environment through regulatory activity. It is thus not directly related to primary healthcare. The constitution and the Health Act provide the background to the legal responsibilities of municipalities in this regard.

The services included within the municipal health function (see below) are purely regulatory activities. Where there is a service to be performed i.e. for the functions of *Waste management* and *Disposal of the dead*, only the regulation of these activities falls under municipal health, the actual provision of the services are covered elsewhere.

The National Health Act (Act 61 of 2003) places the responsibility for regulating the provision of the municipal health services with the relevant district or metropolitan municipality.

Municipal health services are defined in the Health Act as:

- water quality monitoring,
- food control,
- waste management[33],
- health surveillance of premises,
- surveillance of prevention of communicable diseases, excluding immunisations,
- vector control,
- environmental pollution control,
- disposal of the dead[34], and
- chemical safety.

14.2 Staffing resources

The figure below demonstrates the average numbers of staff employed in municipal health per 10 000 population according to municipal category.

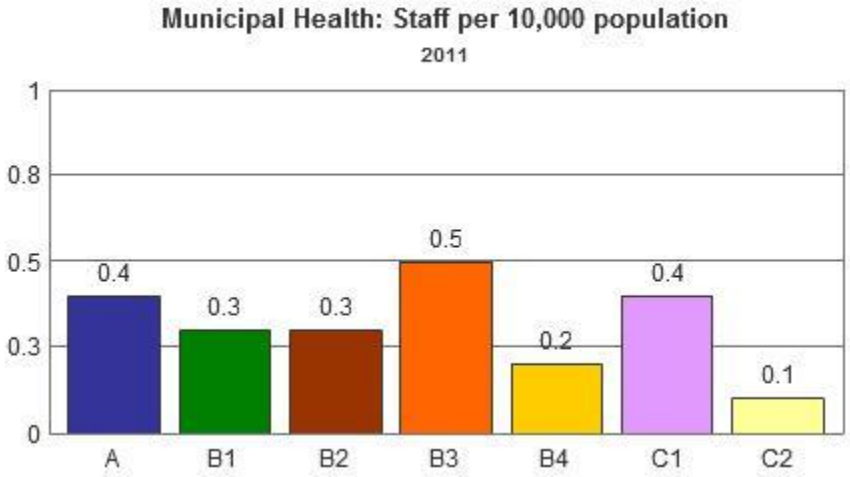


Figure 156: Municipal health staff per 10 000 population by municipal category[35]

[33] Waste management is covered in the structure of functions as its own function and disposal of the dead is included under cemeteries leaving only regulatory activities here.

[34] See footnote above.

The graph reveals that B3, followedby metropolitan and C1 municipalities, employ the most municipal health staff per 10 000 population. C2, followed by B4 municipalities allocate the least resources towards municipal health, employing 0.1 and 0.2 staff per 10, 000 population respectively.

C1 municipalities employ the highest proportion of total staff in municipal health compared to all other municipal categories, averaging 11.2%. This is unsurprising given that certain municipal health functions are the responsibility of district municipalities and yet districts typically have smaller staff complements than category B municipalities. C1 municipalities, municipalities which are not water services authorities, employ on average a much larger municipal health staffing complement than C2 municipalities.

With a national average of 0.4 staff per 10,000 population, the graph also shows that B1, B2 and B4 municipalities employ below national average staff numbers, while metropolitan, C1 and B3 municipalities allocate average or above average staff resources.

The figure below demonstrates the average numbers of staff employed in municipal health per 10 000 population according to province.

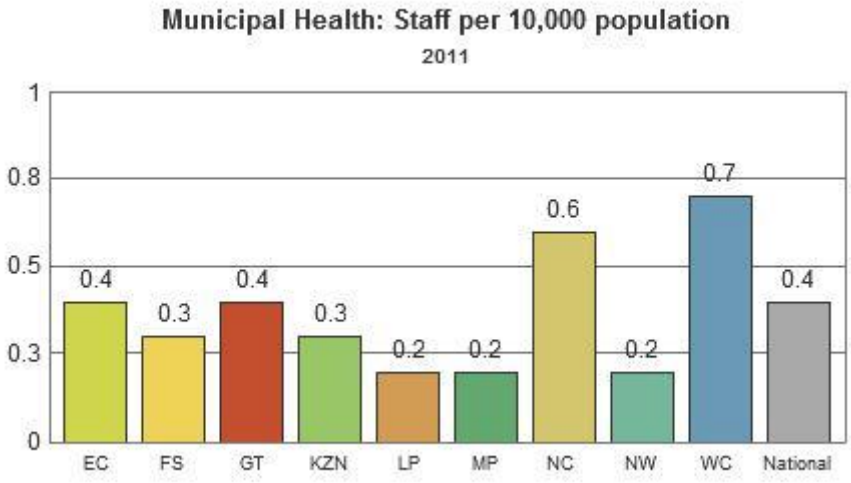


Figure 157: Municipal health staff per 10 000 population by province[36]

The graph depicts that the Western Cape and Northern Cape are employ the most municipal health staff per 10 000 population.

When examining the total municipal health staffing numbers across provinces, it is found that KZN and the Eastern Cape have higher total numbers of staff than the Northern Cape, although the Northern Cape is still highly resourced relative to the other provinces.

[35] Lekwa, Emalahleni, Umlalazi, Blue Crane Route and Saldanha Bay have been removed as outliers.

[36] Lekwa, Emalahleni, Umlalazi, Blue Crane Route and Saldanha Bay have been removed as outliers.

The Eastern Cape and Gauteng employ 0.4 municipal health staff per 10,000 population, which is equal to the national average. The North West, Limpopo and Mpumalanga, have the least staffing resources at 0.2 staff per 10 000 population.

14.3 Financial resources

The figure below demonstrates the average operating expenditure on municipal health by municipalities per 10 000 population according to municipal category.

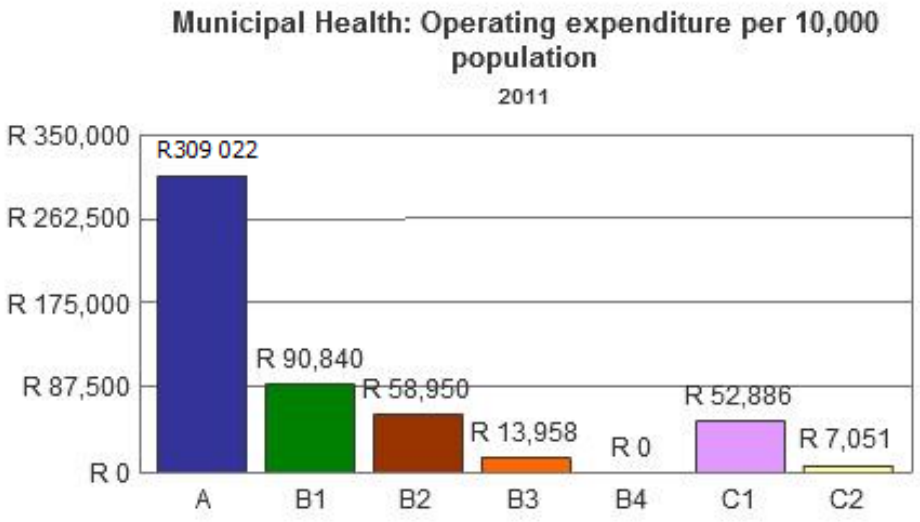


Figure 158: Municipal health operating expenditure per 10 000 people by municipal category[37]

The graph clearly portrays that metros spend the most on municipal health services, allocating around R300 000 per 10,000 population. This exceeds the national average of R33 000 per 10,000 population significantly. Buffalo City Metropolitian's spending contributes towards this high average. B1 municipalities, followed by, B2 and C1 municipalities also spend above the national average, while C2, B3 and B4 municipalities spend the least.

The proportion of the total budget spent on municipal health within each municipal category ranges from 0% in B4 municipalities, to 0.1% in B1 and B3 municipalities, 0.2% in B2, C2 and metropolitan municipalities, and 11.2% in C1 municipalities. Despite C1 municipalities spending the highest proportion of their budget on municipal health relative to other functions, their spending per 10,000 population remains significantly lower that the metros, B1 and B2 municipalities.

The figure below demonstrates the average operating expenditure on municipal health by municipalities per 10 000 population according to province.

[37] City of Cape Town, eThekwini, Ekurhuleni, Emfuleni and Sol Plaatje local municipalities have been removed.

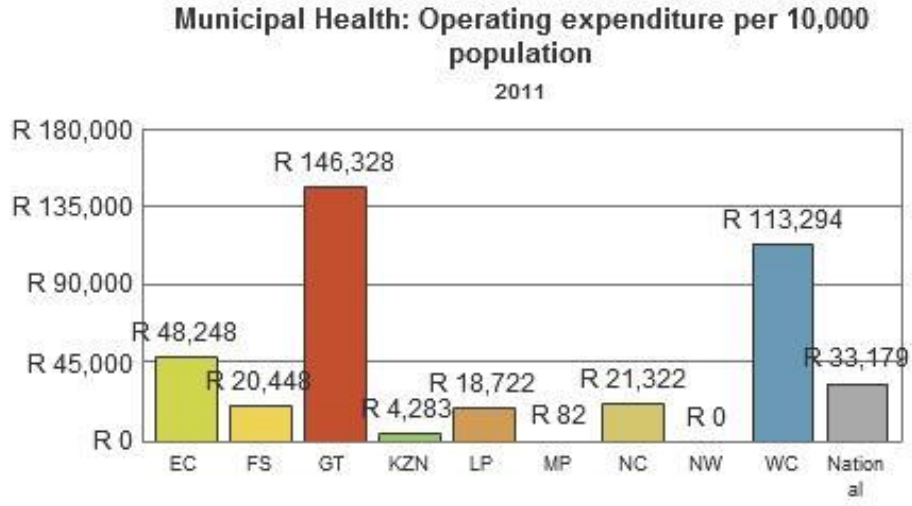


Figure 159: Municipal health operating expenditure per 10 000 people by province[38]

The graph reveals that Gauteng, followed by the Western Cape spend far more on municipal health than the other provinces per 10 000 population. This is possibly the result of greater economic activity and the higher proportion of an urban population. The City of Tshwane contributes towards the high average in the Gauteng, while the three municipalities of George, Overberg and Cape Winelands contribute towards the the high Western Cape average.

The Eastern Cape spends just above the national average of R33 000 per 10,000 population. The Northern Cape and Limpopo spend below the national average, whereas the North West, Mpumalanga, Free State and KwaZulu-Natal allocate the least financial resources towards municipal health per 10 000 population.

14.4 Summary

B3 and municipalities employ the most staff (0.5 municipal staff per 10 000 population), followed by metropolitan and C1 municipalities which employ the same as the national average of 0.4 staff per 10,000 population. Metros allocate the most financial resources towards municipal staff per 10,000 population, spending more than nine times that of the national average. B4 and C2 muncipalities allocate the least staffing and financial resources per 10,000 population towards this function. C1 municipalities also consistently allocate more resources, human and financial, to municipal health than C2 municipalities do.

The Western Cape employs the highest number of staff for municipal health and allocates the second highest in terms of financial resources. Gauteng spends the most operating expenditure on municipal health per 10 000 population despite having only medium levels of staff resources. The North West and Mpumalanga allocate the lowest staff and financial resources towards municipal health.

[38] City of Cape Town, eThekwini, Ekurhuleni, Emfuleni and Sol Plaatje municipalities have been removed due to possible anomolies.

15 Primary health care

15.1 Introduction

This section provides an analysis of staffing and financial resources for primary health care. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

15.1.1 Definition

For the purposes of the 2011 capacity assessment, the primary healthcare function has been defined as 'primary healthcare facilities' including day hospitals and clinics.

15.1.2 Municipal powers and functions

Primary healthcare is a provincial function but is included here as it is sometimes performed by municipalities, particularly in metros and secondary cities.

Primary healthcare is defined in the Natiional Health Act (No. 61 of 2003) loosely as 'such health services as may be prescribed by the Minister to be primary healthcare services'.

15.2 Staffing resources

15.2.1 Sample size

The table below shows the numbers of municipalities which, according to municipal category and province, filled in data on staffing for the primary health care function, or indicated that they perform the primary health care function.

Table 8: Sample size: Primary health care

Municipal category	Sample size	Province	Sample size
A	7	Gauteng	6
B1	8	Eastern Cape	5
B2	6	North West	1
B3	10	Northern Cape	1
B4	5	Western Cape	1
C1	0	Limpopo	1
C2	1	KwaZulu-Natal	19
		Mpumalanga	3
		Free State	0
Total	37	Total	37

Since primary health care is a provincial function, the sample sizes of municipalities performing the function, or assisting in its performance, tend to be small, shown in the table. In total only 37 municipalities across the country filled in staffing information for primary healthcare. The table demonstrates that there are more B3 municipalities that practice primary health care compared to other municipal categories. No C1 municipalities, and only one C2 municipality, perform primary health care functions. C1 and C2 municipalities are therefore excluded from the graphs which follow.

KZN contains the most municipalities practicing primary health care, while in the North West, Northern Cape, Western Cape and Limpopo each only have one municipality performing this function. There are no municipalities in the Free State performing the primary health care function and thus the Free State is excluded from the graphs which follow.

15.2.2 General staff per 10 000 population

The figure below demonstrates the average numbers of staff, of the municipalities which filled in data, employed in primary health care per 10 000 population according to municipal category.

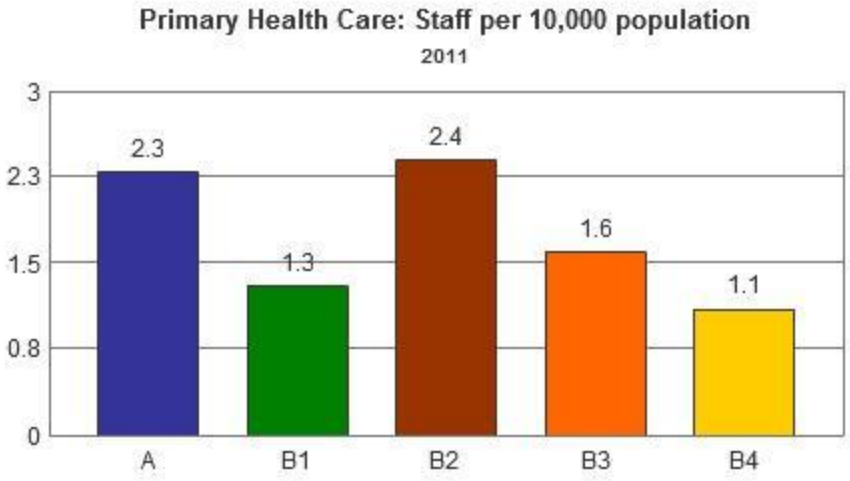


Figure 160: Primary health care staff per 10 000 population by municipal category[39]

B2, followed bymetropolitan municipalities allocate the greatest staff resources, with regards to primary healthcare, employing 2.4 and 2.3 staff per 10 000 population respectively.

On average municipalities allocate between 1% to 4% of their total staff complement to primary healthcare provision. Metros dedicate the largest proportion of total staff to the primary health function, averaging 4.1% of the total staff complement, whereas B2 municipalities allocate 1.2% of its total staff to the function.

B4 municipalities employ the lowest numbers of staff per 10 000 people and dedicate 0.8% of their staff to the function.

The figure below demonstrates the average numbers of staff employed in primary health care per 10 000 population according to province.

[39] C1 and C2 municipalities have been removed.

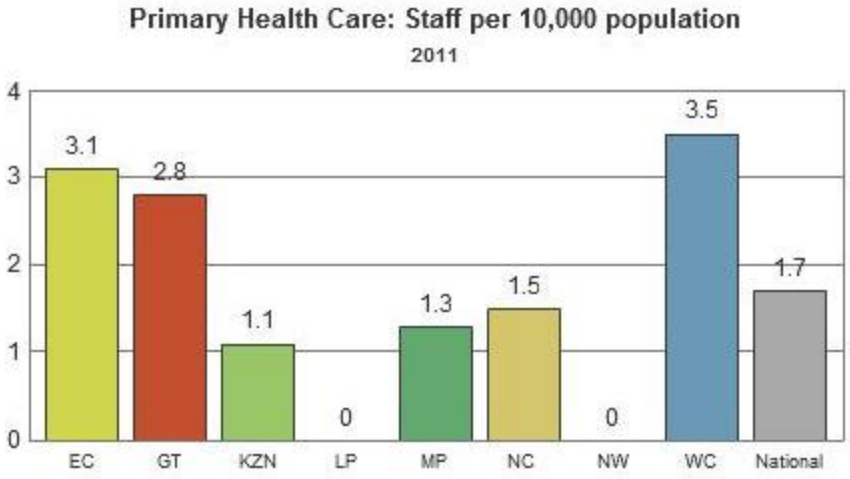


Figure 161: Primary health care staff per 10 000 population by province[40]

The Western Cape, Eastern Cape and Gauteng, employ 3.5, 3.1 and 2.8 primary healthcare staff per 10 000 population respectively, and have significantly higher staff resources than the remainder of the provinces. The Western Cape figure is purely a reflection of the City of Cape Town's staffing resource data, while Gariep and Midvaal LMs contribute towards the high Eastern Cape and Gauteng staff averages.

The Northern Cape, Mpumalanga and KZN employ below the national average of 1.7 staff per 10 000 population, employing with 1.5, 1.3 and 1.1 staff per 10,000 population respectively. Limpopo and the North West have no staff resources, reporting 0 staff per 10 000 population.

15.2.3 Nurses per 10 000 population

The figure below demonstrates the average numbers of nurses employed in primary health care per 10 000 population according to municipal category.

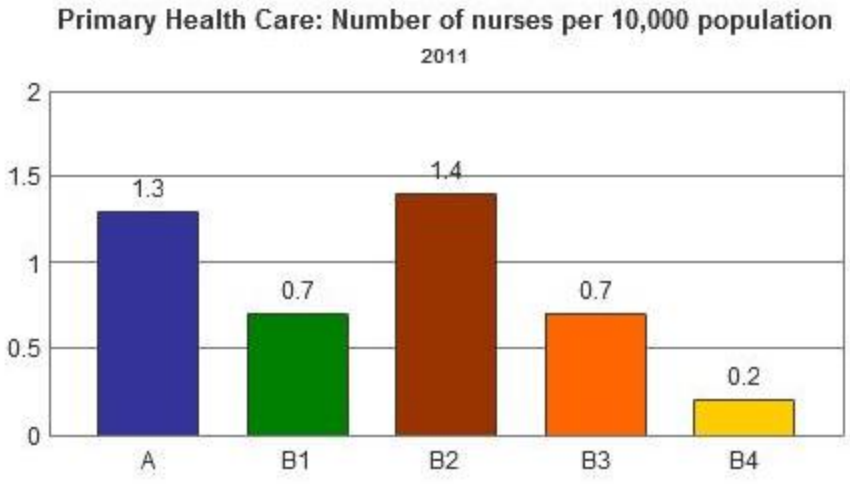


Figure 162: Number of nurses per 10 000 population per municipal category

[40] The Free State has been removed.

B2 municipalities have the highest nursing resources, employing 1.4 nurses per 10 000 population, and Midvaal LM contributes to this average. Metros also have high nurse resources employing 1.3 nurses per 10 000 population. Nelson Mandela Bay and the City of Cape Town contribute towards this average. B1 and B2 municipalities have equal staffing resources, and B4 municipalities are the least resourced municipalities employing 0.2 nurses per 10 000 population.

The national average is 0.9 nurses per 10 000 population. Metros and B2 municipalities are therefore above the national average, while B1, B2 and B4 municipalities employ below the nursing national average.

The figure below demonstrates the average numbers of nurses employed in primary health care per 10 000 population according to province.

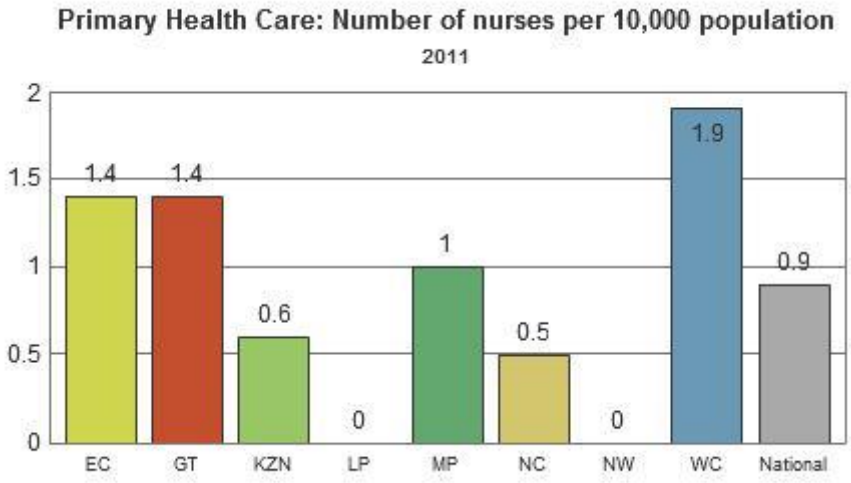


Figure 163: Number of nurses per 10 000 population by province

The Western Cape employs the most nurses per 10, 000 population, followed by the Eastern Cape and Gauteng which employ 1.4 nurses per 10 000 population. The national average is 0.9 nurses per 10,000 population, and remaining municipalities employ below this average. Limpopo and the North-West report to employ zero nursesper 10 000 population.

15.3 Financial resources

15.3.1 Operating expenditure per 10 000 population

The figure below demonstrates the average operating expenditure, spent on primary health care by municipalities per 10 000 population according to municipal category.

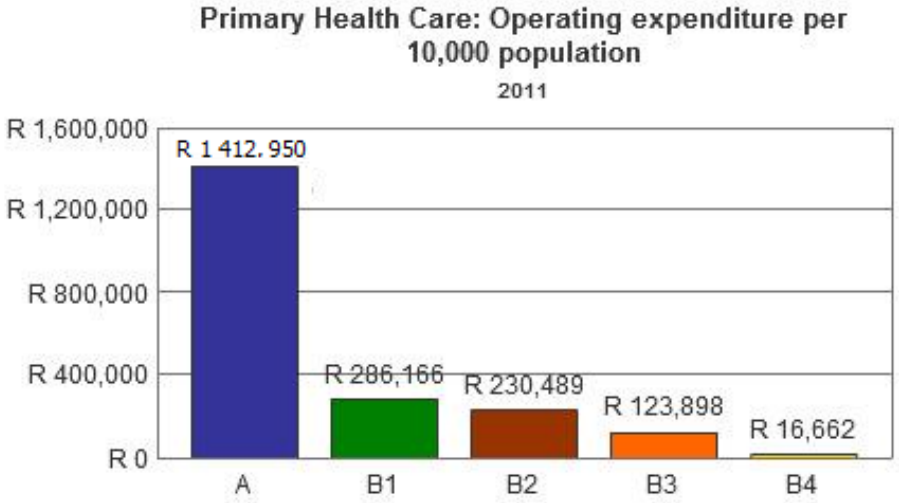


Figure 164: Primary health care operating expenditure per 10 000 population by municipal category[41]

Metros spend on average R1.4 million on primary healthcare per 10, 000 population, which is significantly higher than all other municipal categories and allocate on average higher proportions of their total operating expenditure (2.4%) to this function. B1 and B2 municipalities spend just above the national average of R195 000, allocating R286 000 and R230 000 towards primary healthcare per 10 000 population respectively. B4 municipalities allocate the least towards primary healthcare, and spend on average R16 600 per 10 000 population.

The figure below demonstrates the average municipal operating expenditure per 10 000 population on primary healthcare, of the municipalities which filled in data, according to province.

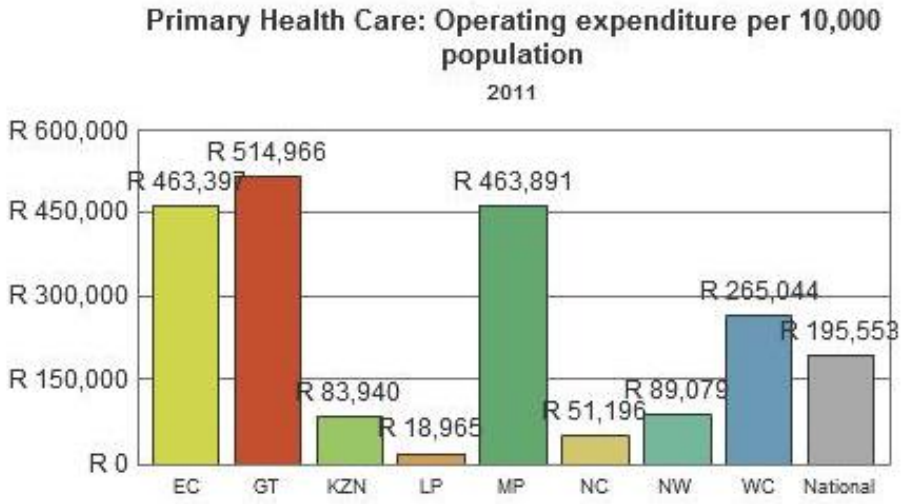


Figure 165: Primary health care operating expenditure per 10 000 population by province[42]

[41] C1 and C2 municipalities, as well as Emfuleni and Sol Plaatje municipalities have been removed.

The graph shows that Gauteng spends the most of primary health care per 10,000 population. This is followed by Mpumalanga and the Eastern Cape which both spend around R463 000 per 10,000 population respectively. Gauteng's figures are influenced by Ekurhuleni and Lesedi LM's high levels of spending.

The Western Cape spends closest to the national average of R195 500 per 10,000 population. Limpopo, followed by the Northern Cape spend the least financial resources per 10,000 population.

15.4 Summary

B2 municipalities have the highest overall staff resources and employ the highest number of nurses, while metros employ the second highest number of staff and nurses per 10,000 population, but contribute the most towards financial resources. B4 muncipalities have the least overall staffing and nursing resources and spend the least financial resources.

Western Cape, Eastern Cape and Gauteng all reflect the highest staffing resources both for general staff and nursing. The North West and Limpopo allocate the least staffing resources towards primary healthcare. While Gauteng spends the most on primary healthcare per 10,000 population, Limpopo allocates the least financial resources towards this function per 10,000 population.

16 Environmental management

16.1 Introduction

This section provides an analysis of staffing and financial resources for environmental management. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

16.1.1 Definition

An understanding as to what the term 'environment' entails is necessary since the institutional and legislative frameworks for environmental management and protection are highly fragmented in South Africa. As a result, any interpretation based on the responsibilities of any particular 'environmental' institution would likely be too narrow.

Although the 'environment' is a complex concept and can be defined in many ways, an appropriate definition is found within the South African national framework legislation for the environment, namely the National Environmental Management Act (Act 107 of 1998) (hereafter known as NEMA)[43].

[42] C1 and C2 municipalities, as well as Emfuleni and Sol Plaatje municipalities have been removed.

[43] Definition taken from the National Environmental Management Act No. 107 1998 Section 1 (xi)):

"the surroundings within which humans exist and that are made up of:

i) the land, water and atmosphere of the earth

ii) micro-organisms, plant and animal life

iii) any part or combination of i) and ii) and the inter-relationships among and between them and

iv) the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence health and well-being.

It should be noted that since the promulgation of NEMA, the courts have ruled that because NEMA was drafted in terms of the 'environmental right,' as stated in Section 24 of the Constitution, NEMA's definition is the agreed definition for the term 'environment' within the Constitution and its schedules.

Although the importance of environmental management for local government is increasing, 'air pollution' is the only local government function as defined in the Constitution.

The environmental management functional grouping for the purpose of this capacity assessment is held to include:

- environmental planning,
- bio-diversity management,
- climate change interventions,
- alternative energy planning, and
- air pollution.

16.1.2 Municipal powers and functions

Schedules 4 and 5 of the Constitution allocate powers and functions across the three spheres of government. Within the schedules (which pre-date NEMA) there are several 'functional areas' of government which relate to elements of the environment and its management. Thus the Constitution does not simply contain one function for the 'environment,' but instead contains several functions which are related to the environment or environmental management activities.

The relationship between these functional areas is not explained in the schedules and the functions are not formally grouped as 'environmental' functions within the Constitution. The Municipal Systems Act does not allocate any environment-related functions to districts. However, in practice air pollution arrangements are being implemented at a district level.

16.2 Staffing resources

The figure below shows the staffing per 10,000 population, with analysis by municipal category.

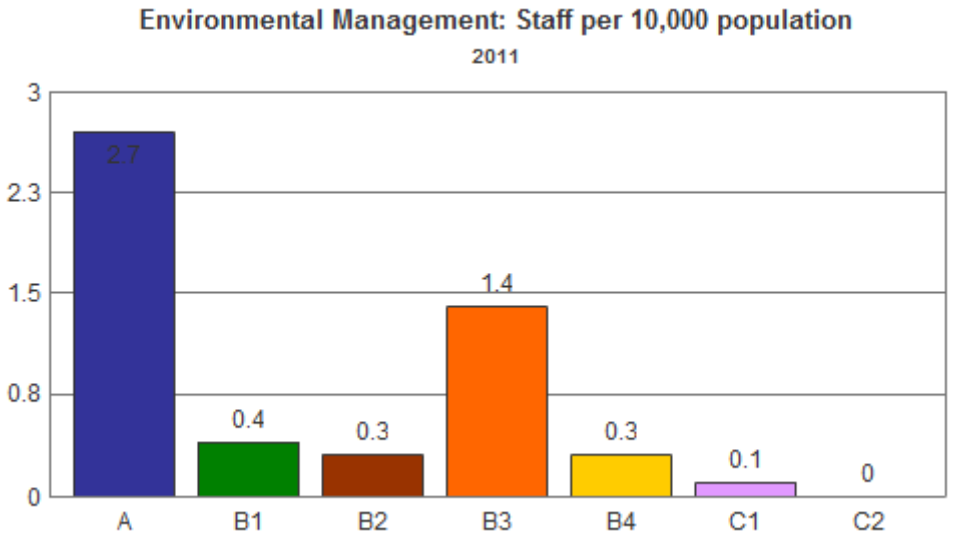


Figure 166: Staff per 10,000 population by municipal category (2011)

Metros employ a greater number of staff for environmental management, compared to the other municipal categories. Metros allocate 2.7 staff per 10 000 population, followed by B3 municipalities who employ 1.4 staff per 10 000 population. All municipalities, except metropolitan and B3 municipalities, employ staff numbers which are below the national average of 0.7 staff per 10,000 population.

C2 municipalities employ the least number of staff, at 0.04 staff per 10 000 population. This is explained by the earlier point that the Municipal Systems Act does not allocate any environment-related functions to districts, apart from air pollution arrangements, which are being implemented at a district level.

Ekurhuleni contributes significantly to the metros' high average of staff, since it allocates 4 000 staff members (13% of its total staff) in environmental management. On average, metros allocate 5.4% of total staff to this function.

Langeberg, Lekwa and Mookgopong local municipalities devote the highest number of staff to environmental management of all the B3 municipalities. 28% of Langeberg LM's and 15% of Mookgopong LM's total staff are dedicated to environmental management. This is a significantly higher proportion than the average for B3 municipalities, which allocate 0.9% of their total staff to environmental management.

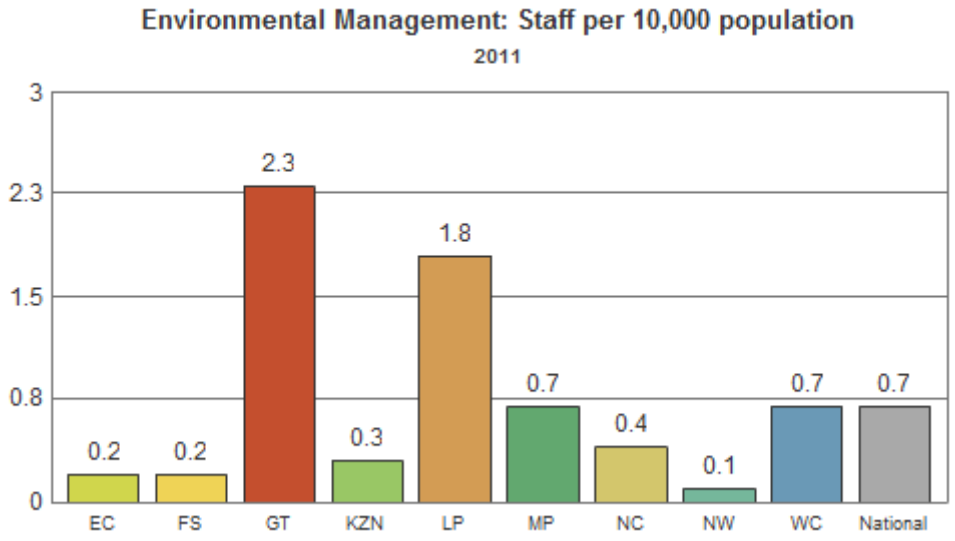


Figure 167: Staff per 10,000 population by province (2011)

The graph above illustrates the relative staffing figures distributed across the provinces. Gauteng dedicates the highest number of staff per 10 000 population to the function, followed by Limpopo. Ekurhuleni is the major contributing factor to Gauteng's high average. Mpumalanga and the Western Cape allocate the same number of staffing resources as the national average.

16.3 Financial resources

The analysis below compares the operating expenditure per 10,000 population across municipal categories.

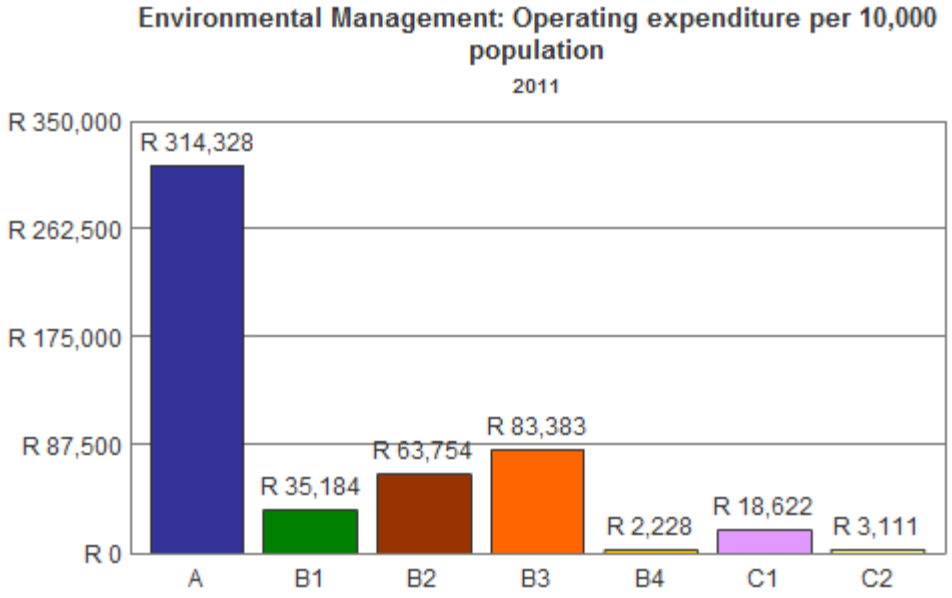


Figure 168: Operating Expenditure per 10,000 population (2011) by municipal category

The graph above depicts that metros spend the highest amount of operating expenditure in environmental management, averaging R313 330 per 10,000 population. This is significantly larger than the national average of R56 095 per 10,000

population. B4 municipalities spend the least on environmental management, averaging R2 234 per 10 000 population. The distribution of the operating expenditure distribution across municipal category is similar to that of the staffing distribution.

Within the metros, Nelson Mandela Bay spends the largest amount at R852 610 per 10 000 population, followed by the City of Cape Town at R760 260 per 10 000 population. On average, 0.3% of metros total operating expenditure is spent on environmental management.

The figure below shows operating expenditure on the environment function, per 10,000 population.

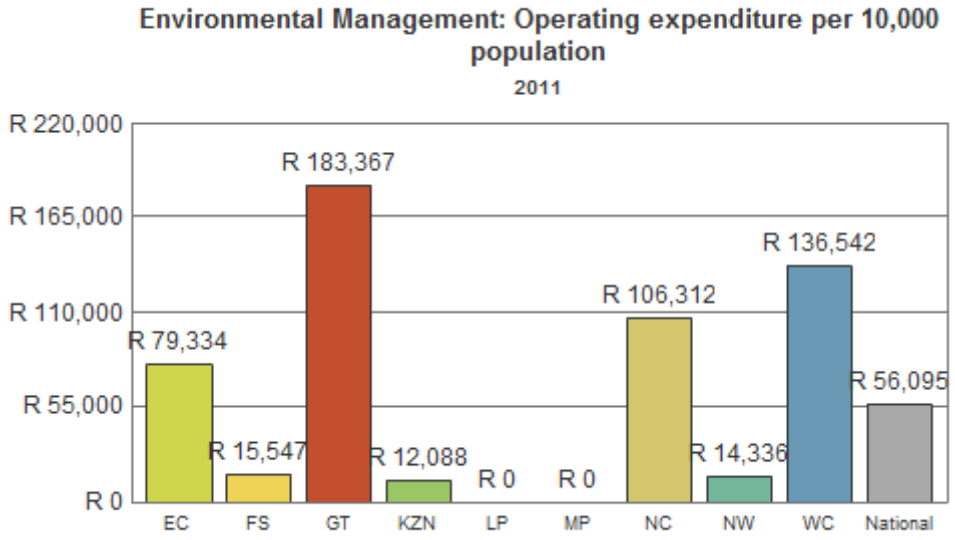


Figure 169: Operating Expenditure per 10,000 population (2011) by province

Gauteng spends the most, averaging R183 367 per 10,000 population, which is more than three times greater than the national average. Municipalities in Limpopo and Mpumalanga spend significantly less on this function.

In terms of spending on environmental management as a percentage of total operating expenditure, less than 1% is spent across all provinces on average. Relatively, both the Free State and Gauteng spend the highest proportion in environmental management, constituting 0.6% of their total operating expenditure.

16.4 Summary

Metros spend the most resources, both human and financial, in environmental management. This is not surprising since they are often seen to be at the forefront of climate change initiatives, both in terms of promoting the reduction of carbon emissions and in dealing with the impact of global warming. B3 municipalities spend a significant amount in environmental management, and this is largely due to a handful of local municipalities, such as Lesedi and Gamagara local municipalities. The national average in terms of operating expenditure is R56 100 per 10 000 population and 0.7 staff per 10 000 population.

Gauteng devotes the most staff and resources to environmental management and this is largely influenced by Ekurhuleni's significant financial contributions.

Municipalities are expected to increase their role with respect to the environment, especially in terms of climate change initiatives. However, since it is not a constitutional mandate and is not recognised in local government legislation, it is not adequately provided for in the fiscal framework. Attention needs to be given to the lack of integration and understanding in terms of environmental legislation.

17 Economic development

17.1 Introduction

This section provides an analysis of staffing and financial resources for economic development. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

17.1.1 Definition

The functional grouping of economic development for the purposes of the 2011 capacity assessment report is held to include:

- trading regulations,
- control of undertakings that sell liquor to the public,
- billboards and the display of advertisements in public places ,
- local tourism,
- markets,
- municipal abattoirs,
- street trading,
- fencing and fences, and
- local economic development.

All of the functions, except local economic development, are listed in the Constitution. Local economic development has been included in the capacity assessment since it is a concept that is widely promoted in national policy and is applied in practice extensively.

Local economic development has been defined in the capactity assessment to include:

- setting up an effective 'platform' for enterprises to function effectively largely through effective municipal services,
- providing information relating to the local economy,
- promoting partnerships between public bodies and between the public and private sectors,
- marketing the municipality as a business location, and
- supporting emerging enterprises.

17.1.2 Municipal powers and functions

The Municipal Structures Act provides for district municipalities to undertake the establishment, management and control of fresh produce markets and abattoirs serving the area of a major portion of the municipalities, in addition to the promotion of local tourism for the area of the district municipality. All local municipalities in

Mpumalanga have been authorised to undertake the tourism, markets and abattoirs function.

17.2 Staffing resources

The graph below demonstrates the numbers of staff employed in economic development per 10,000 population according to municipal category.

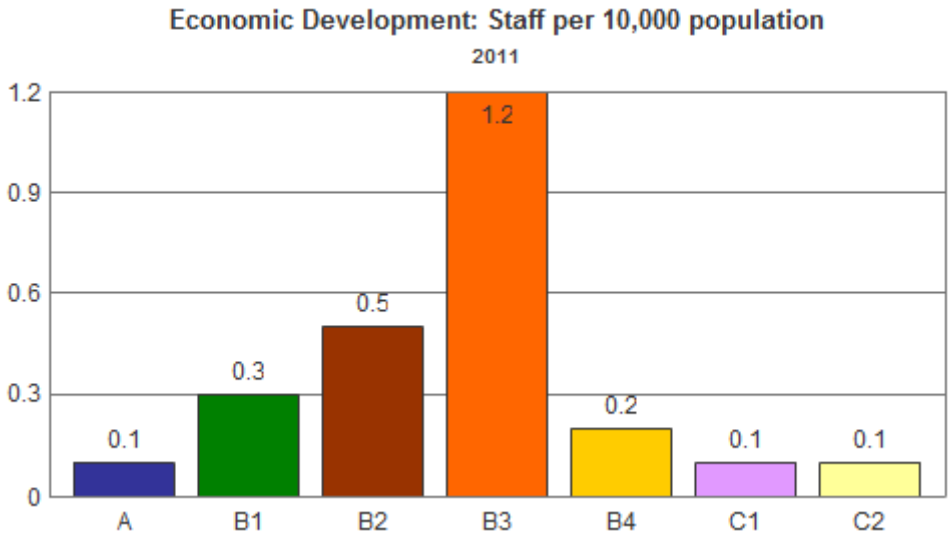


Figure 170: Staff per 10,000 population (2011) by municipal category

B3 municipalities employ the highest number of staff per 10,000 population for this function. This may be explained by the significant need for municipalities in this category to promote economic development. B2 municipalities allocate the same numbers of staff to economic development as the national average of 0.5 staff per 10,000 population.

An analysis of the staff employed in economic development as a percentage of total staff suggests that C1 municipalities on average allocate 2.2% of their total staff to the function while metros allocate less than 1% of their total staff to the function.

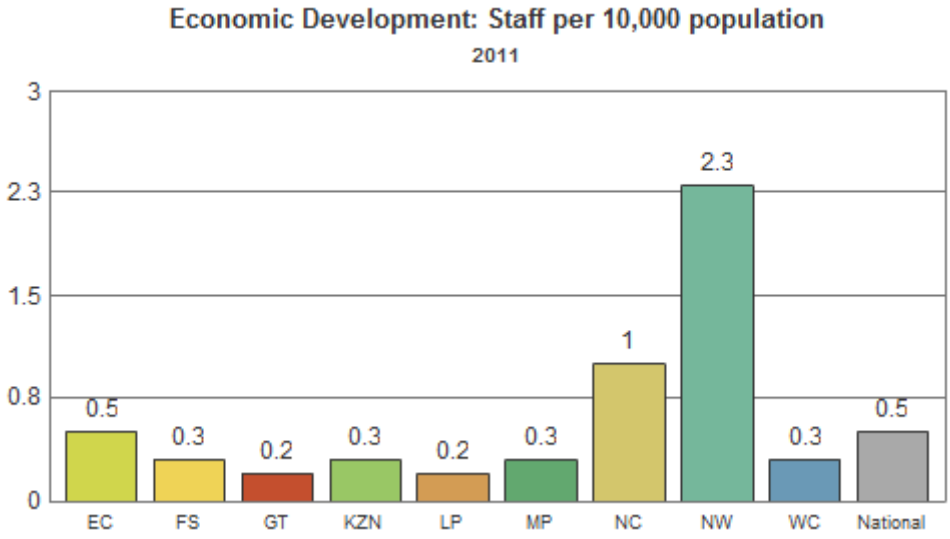


Figure 171: Staff per 10,000 population (2011) by province

The analysis above shows that the North West allocates the highest number of staff to economic development. This is in addition to having the highest proportion of total staff dedicated to this function (6.8%). All the provinces, except the North West and the Northern Cape, allocate staff numbers that are below the national average. Limpopo and Gauteng allocate the least number of staff per 10,000 population to economic development.

The lowest percentage of total staff employed in economic development is found in the Western Cape, with 0.6% of total staff allocated to economic development, on average.

17.3 Financial resources

The graph below depicts the distribution of operating expenditure on economic development per 10,000 population, according to municipal categories.

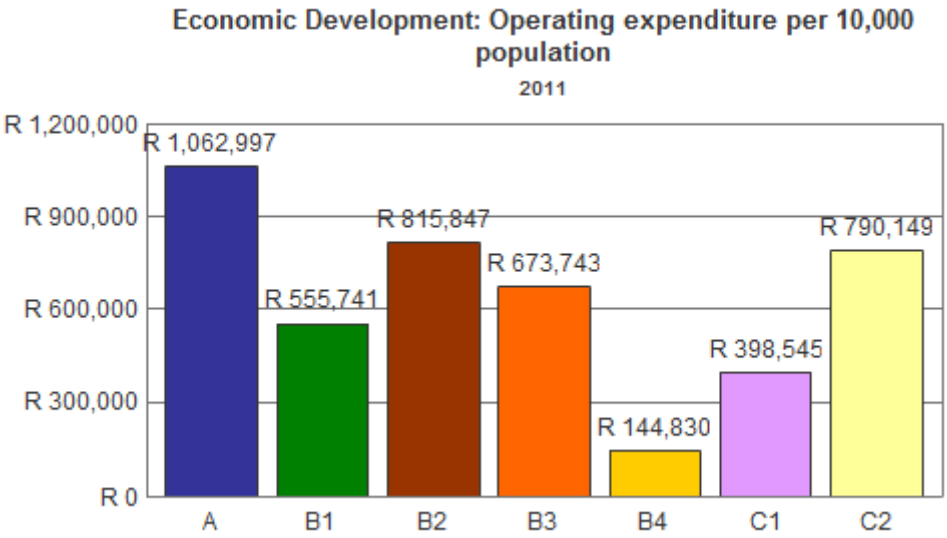


Figure 172: Operating expenditure per 10,000 population (2011) by municipal category[44]

Metros spend the most on economic development compared to the other municipal categories, averaging R1.06 million per 10,000 population. Buffalo City and eThekwini are the main contributors to this high average, since they spend R2.25 million and R2.05 million per 10,000 population respectively.

Compared to the other municipal categories, C1 and C2 municipalities spend the highest proportion of their total operating expenditure on economic development, at 8.2% and 11.9% of their operating budget respectively. This is in line with the provisions specified in the Municipal Structures Act, discussed above. B1 municipalities allocate the lowest proportion of their total operating expenditure to the function.

[44] Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities (B1 category municipalities) and Mopani District Municipality have been excluded from the analysis since they display negative total operating expenditures

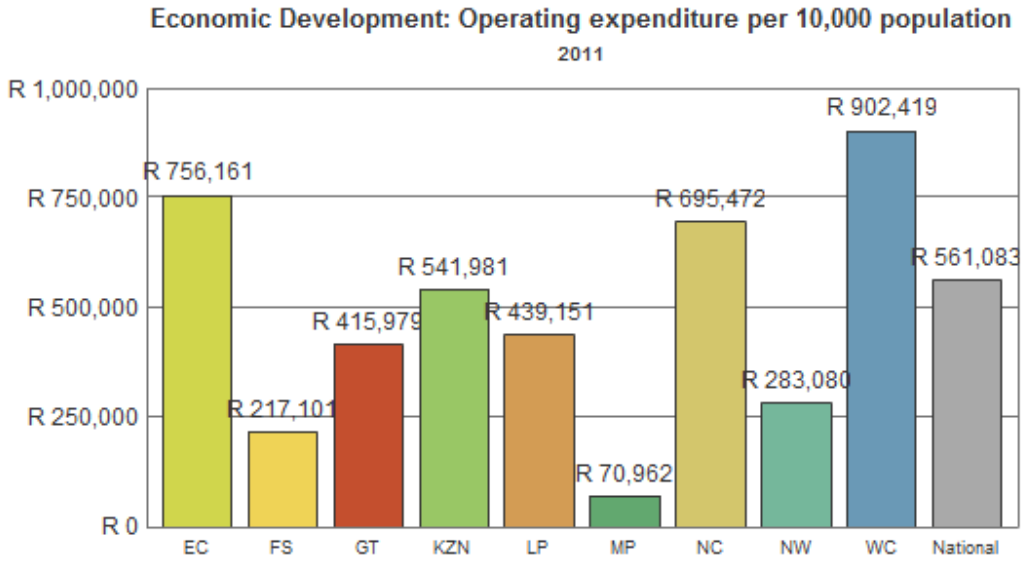


Figure 173: Operating expenditure per 10,000 population (2011) by province[45]

The Western Cape has the highest spending levels per 10,000 population, followed by the Eastern Cape, as displayed in the graph above. The national average is R561 083 per 10,000 and the Eastern Cape, Northern Cape and Western Cape all spend above this average. Mpumalanga spends the least financial resources towards economic development.

Although there are large differences between the absolute spending in economic development across the provinces, all the provinces, except Mpumalanga, dedicate between 1.4% and 5.6% of their total operating expenditure towards this function.

17.4 Summary

Although B3 municipalities allocate the most staff per 10,000 population, metros spend most on economic development. However, as a proportion of total staff and total operating expenditure, district municipalities spend significant resources towards this function.

The North West employs the highest number of staff per 10,000 population in economic development, however the province is comparatively under resourced in terms of operating expenditure. The Western Cape and the Eastern Cape spend the most towards economic development at R902 419 and R756 161 per 10,000 population respectively.

[45] Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities (B1 category municipalities) and Mopani District Municipality have been excluded from the analysis

18 Housing

18.1 Introduction

This section provides an analysis of staffing and financial resources for the housing function. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

18.1.1 Definition

For the purposes of the 2011 capacity assessment, the housing function has been defined as the development of the property upon which the housing unit is located, whether this be in a formal or informal situation. More specifically:

- housing facilitation (managing developers, engaging with communities, housing lists etc.),
- acting as developer of housing projects (typically for low income residential developments), and
- landlord (owning and managing housing stock).

18.1.2 Municipal powers and functions

The definition of housing development in the Housing Act (107 of 1997) is the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities and to health, educational, and social amenities in which all citizens and permanent residents of the Republic will on a progressive basis have access to:

(a) permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and

(b) potable water, adequate sanitary facilities and domestic energy supply.

Housing is a provincial function however it is included here because many local municipalities play a role in the delivery of housing. A municipality may also request accreditation from the MEC to administer one or more national housing programmes. All metros and many other local municipalities are in the process of being accredited for various stages of housing provision but none have reached the stage of full responsibility with receipt of fiscal transfers.

18.2 Staffing resources

18.2.1 Sample size

The table below shows the numbers of municipalities which, according to municipal category and according to province, provided data on staffing for the housing function.

Table 9: Sample size: Housing

Category	N-value	Province	N-value
A	8	Gauteng	12
B1	19	Eastern Cape	45
B2	27	North West	23
B3	110	Northern Cape	32
B4	70	Western Cape	27
C1	20	Limpopo	30
C2	21	KwaZulu-Natal	61
		Mpumalanga	21
		Free State	24
Total	275	Total	275

18.2.2 Staff per 10 000 population

The graph below demonstrates the average numbers of staff, of the municipalities which filled in data, employed in housing per 10 000 population according to municipal category.

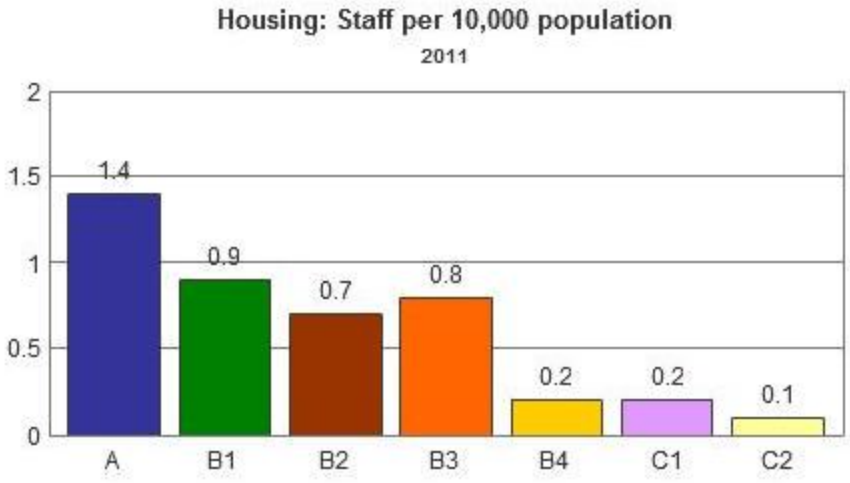


Figure 174: Housing staff per 10 000 population by municipal category

Metros have, on average, the largest numbers of staff per 10 000 population employed in housing. Considering that the in-migration to urban areas is constant, metros are constantly required to build housing to eradicate new backlogs. Metros also dedicate the largest proportion of their total staff complement to housing at 2.7% on average.

C1 municipalities, employ the least housing staff per 10 000 population, followed by B4 and C1 municipalities which employ 0.2 staff per 10,000 population. These

municipalities employ staff numbers which are below the national average of 0.6 housing staff per 10,000 population.

The figure below demonstrates the average numbers of staff employed in housing per 10 000 population according to province.

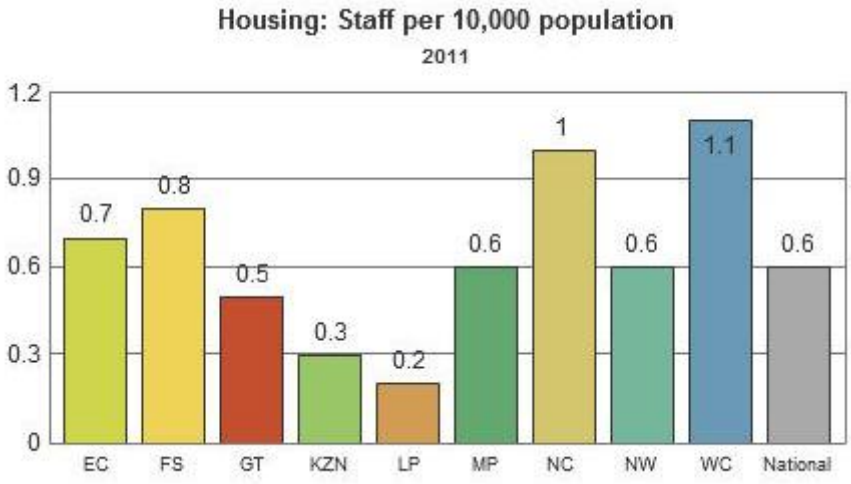


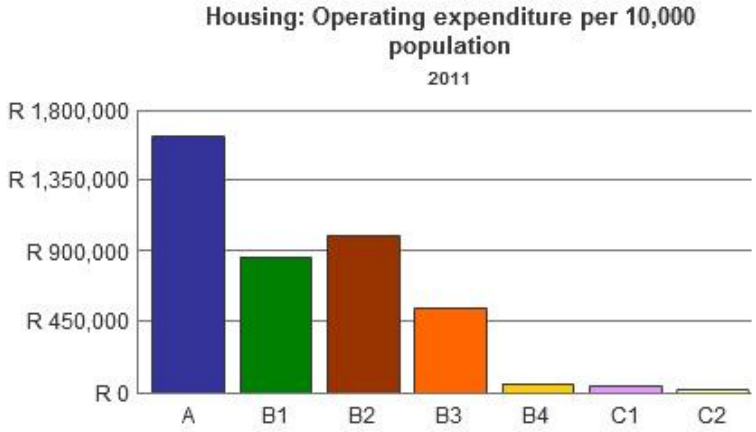
Figure 175: Housing staff per 10 000 population by province

The graph demonstrates that the Western Cape has the highest housing staff resources employing 1.1 staff per 10 000 population, closely followed by the Northern Cape with 1 staff employee per 10 000 population. The Free State and the Eastern Cape have above the national average staff figures, employing 0.8 and 0.7 respectively. Mpumalanga and the North West province employ housing staff which equal the national average. , Limpopo has the least housing staff resources, employing 0.2 staff per 10 000 population.

18.3 Financial resources

18.3.1 Operating expenditure per 10 000 population

The figure below demonstrates the average operating expenditure, of the municipalities which filled in data, spent on housing by municipalities per 10 000 population according to municipal category.

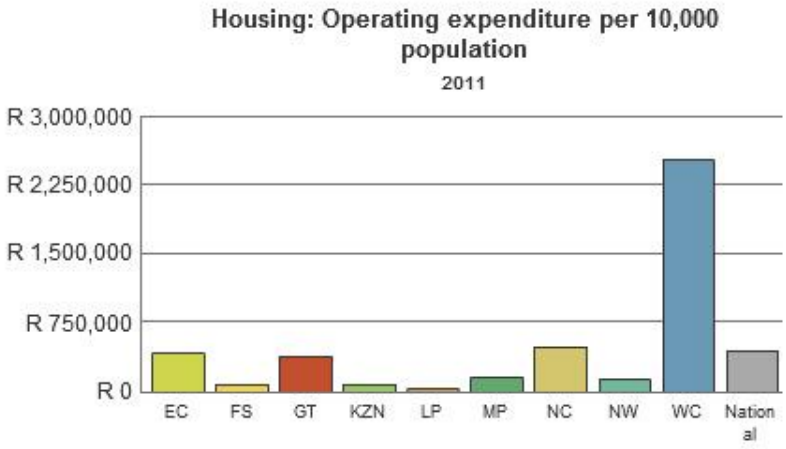


Subcategory	Value
A	R 1634090
B1	R 861559
B2	R 1001364
B3	R 534908
B4	R 49692
C1	R 43760
C2	R 13569

Figure 176: Primary health care operating expenditure per 10 000 population by municipal category[46]

Metros have the highest financial resources, spending the most per 10 000 population. Unfortunately the small sample size of B1 and B2 municipalities performing the function, has yielded insignificant results. However, the graph reveals that B4, C1 and C2 municipalities spend the lowest on housing, spending far below the national average of R447 000 per 10,000 population.

The figure below demonstrates the average operating expenditure, of the municipalities which filled in data, spent on housing by municipalities per 10 000 population according to province.



Province	Value
EC	R 412474
FS	R 84366
GT	R 389994
KZN	R 81695
LP	R 23647
MP	R 148683
NC	R 491417
NW	R 135151
WC	R 2520678
National	R 447112

Figure 177: Housing operating expenditure per 10 000 population by province[47]

The operating expenditure graph is largely consistent with the provincial staffing distribution above. The Western Cape spends the most on housing, spending R2.5 million per 10,000 population. The second highest spender per 10 000 population is the Northern Cape followed by the Eastern Cape and Gauteng which both spend at

[46] The city of Matlosana and Sol Plaatje have been removed.

[47] The city of Matlosana, and Sol Plaatje have been removed.

around the national average of R447 000 per 10,000 population. Limpopo, followed by KZN spend the least on housing per 10,000 population.

18.4 Service delivery indicators

The capacity assessment asked municipalities to estimate the number of serviced sites handed over to low-income beneficiaries, the findings of which are shown below.

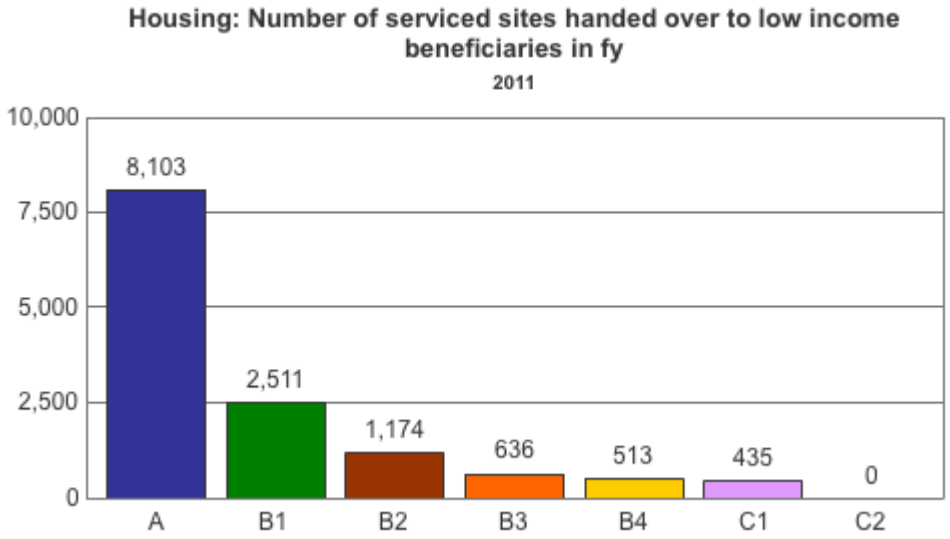


Figure 178: Number of service sites handed over in FY by municipal category

The graph portrays that metros deliver the highest number of sites handed over to low income beneficiaries, on average. This is not surprising given the demand and thus resource allocation for housing in highly urbanised municipalities. The graph below shows the number of top structures delivered, with a similar trend observed.

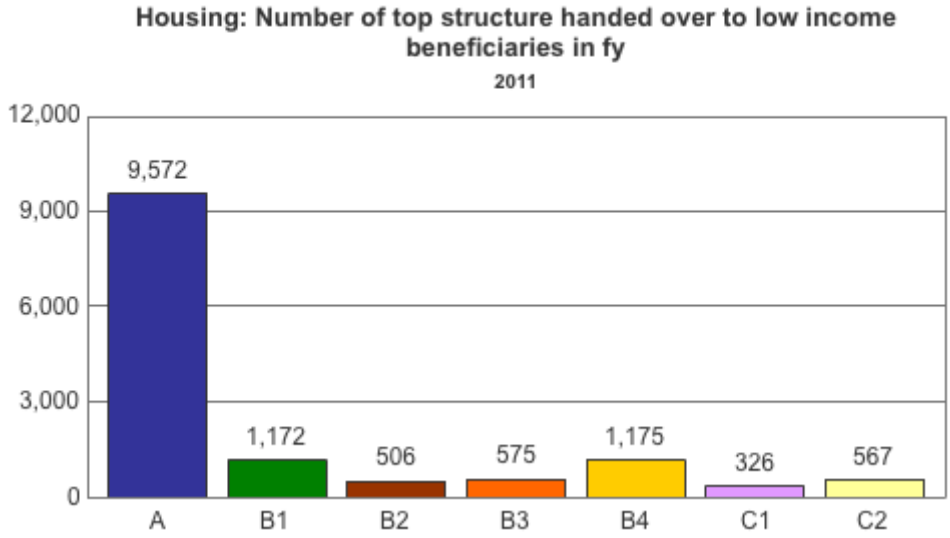


Figure 179: Number of top structures handed over in FY by municipal category

The analysis above aligns with the expected demand for housing, which is greater in more urban municipalities.

18.5 Summary

Metros allocate the highest financial and staffing resources towards housing per 10,000 population, while C1 municipalities employ the least housing staff and C2 municipalities spend the least operating expenditure per 10,000 population.

The Western Cape and the Northern Cape both employ the most housing staff per 10 000 population and spend the highest operating expenditure on housing per 10 000 population. However, the operating expenditure gap between the Western Cape and the other provinces widens to the point where the Western Cape is spending five-times that of the the next highest spender, the Northern Cape. KwaZulu-Natal and Limpopo allocate the least staff and financial resources per 10 000 population.

As expected the larger municipalities are delivering housing at a much higher rate, in response to the high demand experienced as cities grow.

19 Traffic and policing

19.1 Introduction

This section provides an analysis of staffing and financial resources for the traffic and policing function. It begins with a brief definition and overview of the legal powers and functions for municipalities with respect to this function.

19.1.1 Definition[48]

For the purposes of the capacity assessment, the traffic and policing section includes:

- traffic and municipal police,
- community safety,
- control of public nuisances,
- driver licensing, and
- motor vehicle testing (where assigned).

Traffic and policing relates broadly to the area of safety and security.

There is no definition of 'safety and security' in relevant statutes. The Bill of Rights refers to 'freedom and security of the person' which includes the following rights:

- freedom from deprivation of freedom without just cause,
- freedom from detention without trial,
- freedom from violence from either public or private sources,
- freedom from torture and cruel, and
- the right to bodily and psychological integrity.

[48] This section is largely based on the Sector Report: Safety and Security, developed by ML Dugmore as part of the Local Government Policy Review undertaken by PDG and partners for the former DPLG, in 2007-08.

The Constitution does however set out the 'objects' of the police service as:

- to prevent, combat and investigate crime,
- to maintain public order,
- to protect and secure the inhabitants of the Republic and their property, and
- to uphold and enforce the law.[49]

The South African Police Service Act[50] and South African Police Service Amendment Act[51] sets out the functions of the South African Police Services (SAPS) and Municipal Police Services (MPS):

The SAPS are responsible for the following:

- to ensure the safety and security of all persons and property in the national territory;
- to uphold and safeguard the fundamental rights of every person as guaranteed by the Constitution
- to ensure co-operation between the Service and the communities it serves in the combating of crime;
- to reflect respect for victims of crime and an understanding of their needs;[52]

The SAPS perform a range of activities in achievement of these functions. These include responding to complaints and reports of crime, activities related to the investigation of crime; public order policing; visible policing activities aimed at the prevention of crime such as patrols and community education.

Municipal Police Services (MPS) are responsible for:

- traffic policing,
- policing of municipal by-laws and regulations which are the responsibility of the municipality in question, including national and provincial legislation and regulations, and
- prevention of crime.[53]

South Africa has a national police service which operates at national, provincial and local level.[54] Executive authority is vested in a national cabinet minister who is

[49] Constitution of the Republic of South Africa, Act 108 of 1996

[50] SAPS Act No 68 of 1995

[51] SAPS Amendment Act No 83 of 1998

[52] SAPS Act

[53] S64(E) SAPS Amendment Act

[54] S205(1) The Constitution provides for a national police service 'structured to function in the national, provincial and, where appropriate, local spheres of government.'

responsible for determining policing policy.[55] Operational control of the SAPS vests in the national commissioner.[56]

The provincial commissioners report to the national commissioner and are responsible for policing in their respective provinces[57]. The provinces are responsible for provincial traffic management services. The location of this function varies according to provinces; whilst originally located in provincial transport departments these functions and personnel have been relocated to the Department of Community Safety.

Municipal police services (MPS) may be established at municipal level (subject to certain criteria) but have limited powers and functions. Municipalities who have opted not to, or are unable, to establish MPS continue to deliver traffic and by-law enforcement under existing arrangements.

Legislatively, the primary responsibility for the provision of 'safety and security' resides with state policing agencies. However, the substantial increase in non-state policing initiatives has resulted in calls for a review of security governance arrangements.[58] The State no longer has a monopoly over the provision of policing services or the governance of security arrangements.

19.1.2 Municipal powers and functions

The Constitution lists that one of the objects of local government is 'to promote a safe and healthy environment'.[59] Municipalities have executive authority and the right to administer local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 and any other matter assigned by national or provincial legislation.[60] A municipality may also make and administer by-laws for the effective administration of matters which it has the right to administer.[61] Section 11 of the Local Government Municipal Systems Act[62] vests executive and legislative authority of a municipality in the council of the municipality subject to Chapter 5 of the Municipal Structures Act; and other applicable national legislation.

The Constitution also makes provision for 'security services other than those mentioned specifically in the Constitution'[63] which must be regulated by national legislation.[64] In

[55] S206(1)

[56] S207 (1) and (2)

[57] S207(4)

[58] See Berg J 'Plural Policing in Cape Town: Recent Trends' and Challenges to Oversight' and The Accountability of South Africa's Private Security Industry for detailed account of these debates.

[59] S158(1)(d) Constitution

[60] S156 (1) Constitution

[61] S156 (2) Constitution

[62] No 32 of 2000

[63] S199 (3) unlike Interim Constitution which made specific provision of municipal police services in terms of 221(3)

[64] S199 (4) and s205(2)

1998 the SAPS Amendment Act was promulgated to provide for municipal police services.[65]

The National Commissioner may in terms of S64L(1) of the SAPS Amendment Act determine national policing standards for municipal police services for example the National Policing Standard for Municipal Police Services: Domestic Violence which provides direction to a *member* on how to respond to a complaint of domestic violence in order to comply with the obligations imposed upon him or her in terms of the Domestic Violence Act.[66]

MPSs are accountable to the Municipal Council which is directly responsible for the appointment of the Executive Head of the MPS and liable for legal actions instituted against the MPS or members thereof.

19.2 Staffing resources[67]

The graph below relates the staffing resources in traffic and policing across municipal categories:

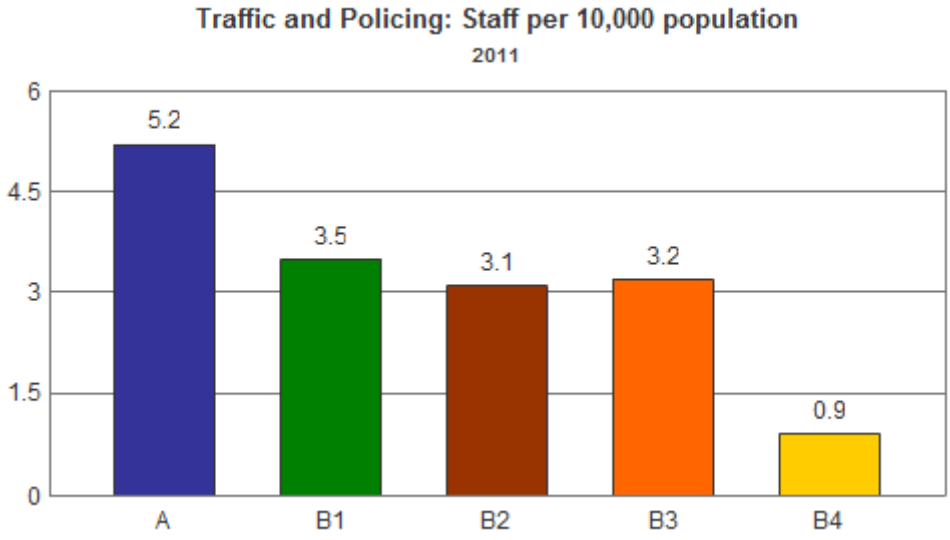


Figure 180: Staff per 10,000 population (2011) by municipal category

Metros employ the most staff in traffic and policing, allocating on average 5.2 staff per 10,000 population. Metros also allocate the highest proportion of total staff to traffic and policing (8.7%), compared to other municipal groups. B4 municipalities are the least resourced, employing 0.9 traffic and policing staff per 10,000 population.

[65] S64(A) S64A inserted by s.3 of SAPS Amendment Act

[66] Government Gazette 3 March 2006 No. 28581 3

[67] C1 and C2 municipalities have been excluded in this analysis because the municipalities indicated that they do not perform this function.

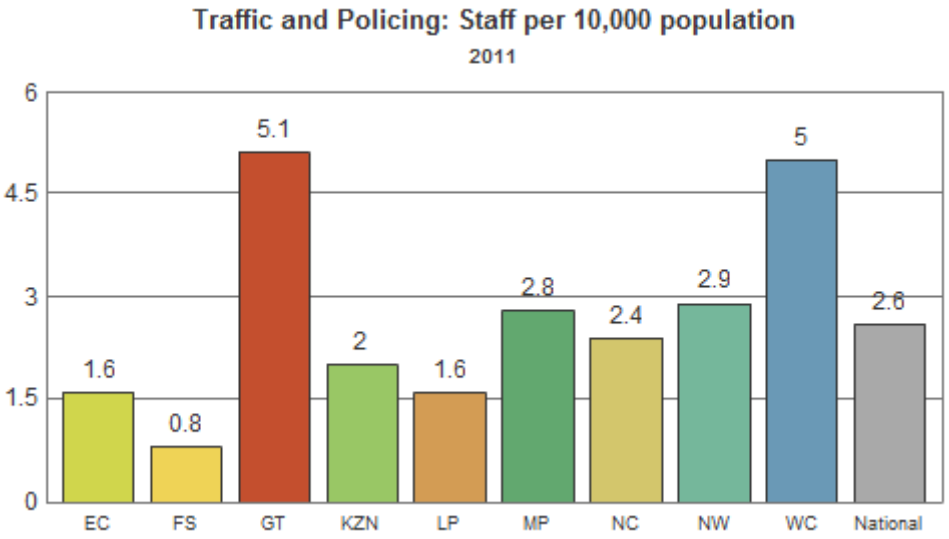


Figure 181: Staff per 10,000 population (2011) by province

The figure above demonstrates the number of traffic and policing staff employed per 10,000 population, distributed across provinces. Gauteng, followed by the Western Cape allocates the most staff to this function. Free State is the least resourced, employing only 0.8 staff per 10,000 population. Limpopo, the Eastern Cape, KwaZulu Natal and the Northern Cape are also below the national average of 2.6 traffic and policing staff per 10,000 population.

19.3 Financial resources[68]

This graph explains the distribution of operating expenditure according to municipal category.

[68] C1 and C2 municipalities have been excluded in this analysis because the municipalities indicated that they do not perform this function. Emfuleni, City of Matlosana, Sol Plaatjie Local Municipalities have also been excluded due to possible data anomolies.

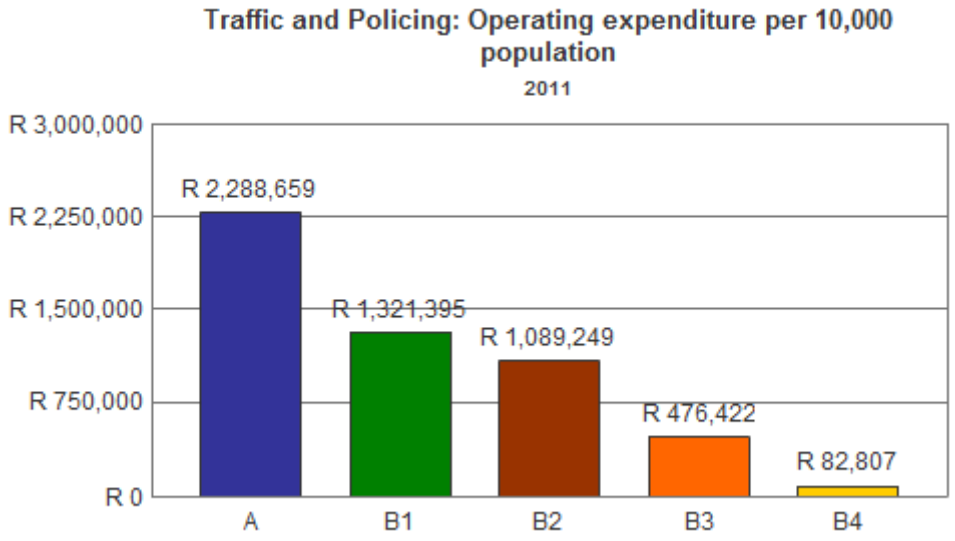


Figure 182: Operating expenditure per 10,000 population (2011) by municipal category

Metros spend substantially more than all the other municipal groups in traffic and policing, contributing on average R2.3 million per 10,000 population. Ethekwini and Ekurhuleni contribute towards this high average since they spend R4.08 million and R3.6 million per 10,000 population respectively.

An analysis of the staff employed in traffic and policing as a percentage of total staff suggests that metros spend on average 5% of their total operating expenditure towards traffic and policing.

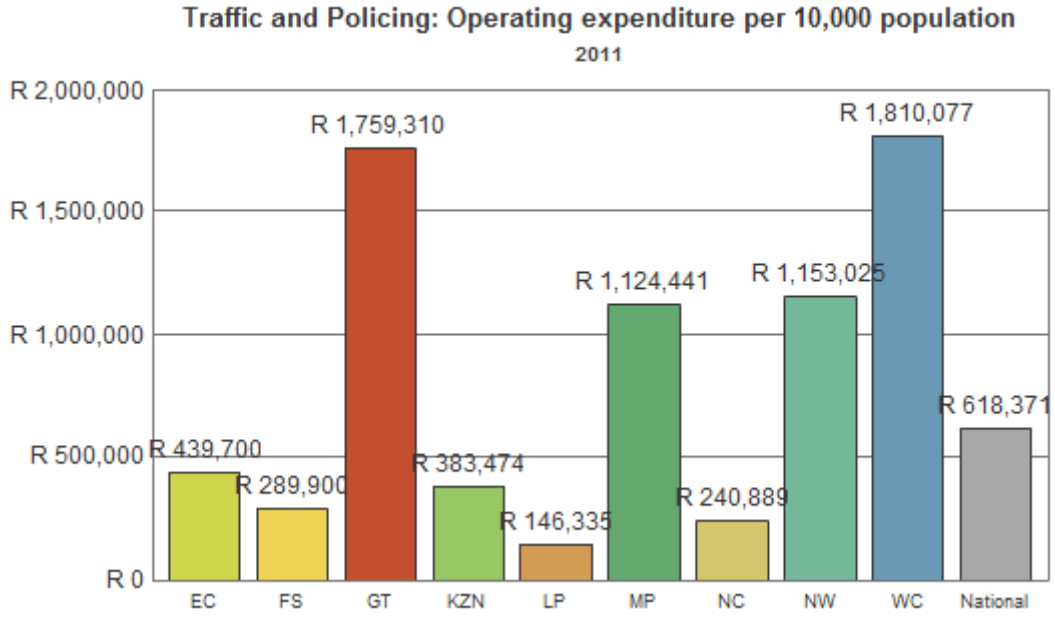


Figure 183: Operating expenditure per 10,000 population (2011) by province

The analysis above shows that the Western Cape, followed by Gauteng, spends the most financial resources towards traffic and policing. Limpopo spends the least resources, spending R147 335 per 10,000 population. The Northern Cape, Free State,

KwaZulu Natal and the Eastern Cape all spend below the national average of R618 371 per 10,000 population.

19.4 Summary

Metropolitan municipalities have the highest staffing and financial expenditure resources compared to the other municipal categories. The district municipalities employ the lowest number of staff in addition to spending the least financial resources towards traffic and policing.

The Western Cape, followed by Gauteng, spends the most resources in the traffic and policing function. The Free State has the lowest staffing resources, while Limpopo spends the least operating expenditure towards this function.

20 Conclusion

It must be noted that in concluding, the findings regarding capacity in local government, are by no means viewed as unique to local government. They firstly reflect significant variance in municipalities depending on context and geographical location. Findings are also likely to be reflective of similar trends in national and provincial government. If similar studies are being conducted in relation to national and provincial departments, their findings too, should be published so that local government capacity is assessed in an intergovernmental context.

20.1 Staffing

20.1.1 Overall municipal staff attrition is not high

The analysis of staffing trends conducted in this research shows highly volatile organisations. While the overall attrition rate of municipal staff is not particularly high, alluding arguably to competitive conditions of service, vacancies remain substantial.

8.8% of exits in the 2011 MFY were due to dismissals. Dismissals accounted for more than one out of ten exits in the Eastern Cape, KZN, the Free State and were highest in the Western Cape, with more than 13% of exits being the result of dismissals.

20.1.2 Appropriateness of Organisational design is questionable in some contexts

Only 72% of municipal posts were filled nationally in this financial year, with the lowest in Limpopo with 61.5% filled. 76.4% of posts in municipalities' organograms were funded (budgeted for), with this figure being much lower for B4 municipalities and their C2 partners. This alludes to potentially overdesigned organisations, in rural spaces, that municipalities cannot provide the financial resources for and fill.

20.1.3 Posts are difficult to fill in rural spaces

Of the funded posts, where municipalities can afford to fill these posts, 32.5% remain vacant. It is significant that almost 1 in 3 budgeted posts nationally are vacant. If municipalities have budgeted appropriately, with the intention of filling these posts, this then indicates that there are municipalities that struggle to attract appropriate staffing. Funded posts are significantly vacant in B4 municipalities (almost 50%) and their C2 district partners (36%). This problem is much less significant for metros and secondary cities, indicating a significant urban / rural distinction in the ability to fill funded posts.

20.2 Management trends

20.2.1 Recent institutional memory and experience

Municipal managers (MMs) have been in their position for on average 3.3 years. In metros and secondary cities this figure is even lower; there has been a higher turnover in MMs. It is worth noting that metropolitan municipal managers have on average (9.3 years) of relevant work experience, the least length of relevant work experience when compared to that of other categories (10.3 years). CFOs have generally more experience at 11.24 years, but have been in their current position for four years on average.

Years of relevant work experience is consistently lowest for Section 57 managers in the Free State. Municipalities in the Western Cape have the most experienced municipal managers, CFOs and technical services managers, and Gauteng has the most experienced corporate services and IDP managers. Municipal managers in the Western Cape have on average 14.62 years experience, when compared with an average of, 10.58 years nationally and 5.17 years in Free State. CFOs have on average 20 years relevant experience in the Western Cape, 11.24 years nationally and in extreme contrast 4.1 years in the Free State (one fifth of the experience of a CFO in the Western Cape). Similarly for technical services, managers have on average 17 years relevant experience in the Western Cape, 10.82 years nationally and only 6.6 in the Free State, but followed closely by North West and Limpopo.

The North West, Gauteng and the Free State's municipal managers are on average very new to their positions as compared to other provinces.

20.2.2 High management turnover

It is a very significant finding that 25% of Section 57 posts (1 in 4) was vacant for more than three months in the 2010/11 financial year, with the problem being more prominent in B1 and B3 municipalities and provincially more prominent in Mpumalanga, the North West, the Free State and highest (42.6% or 2 out of every 5 managers) in the Northern Cape.

Almost one out of six Section 57 managers exited their municipality in the course of the year. This was more than one out of five in B2, C2 and to a lesser extent B4 municipalities. Provincially, KZN, Limpopo and Mpumalanga had higher than average exit rates, with Free State's rates the highest at almost one in four managers exited in the year.

20.2.3 Exits are due largely to resignations and dismissals

A significant proportion of exits are due to dismissals. Nationally 13.1% of Section 57 exits were dismissals, mostly in B1 and C2 municipalities. Provincially, dismissals accounted for 28.2% of exits in Mpumalanga, 23.6% in the North West and 16.7% in the Western Cape. Dismissals themselves cannot be perceived negatively, if they represent the willingness to act in the face of problems.

As Section 57 managers are employed on contract; contract closure should be a prominent reason for exist. However resignations account for 63.8% of all exits, most prominently in C1 (66.7%), B4 (76.8%) and C2 (85.7%) municipalities.

20.2.4 Municipal Managers have the highest qualification levels

On average municipal manager qualifications exceed that of their management peers. Almost 50% of MMs have a post-graduate degree and almost 1 in 3 have a Masters Degree or Phd.

Corporate services managers, too, follow in having similar high levels of academic qualification.

The assessment of academic qualifications does not as yet distinguish the institutions from which these qualifications have been obtained and there are some arguments to do that in future years.

20.2.5 Qualifications of technical services managers

While municipal managers and corporate services managers have high levels of tertiary qualifications, this contrasts strongly with technical services managers. Almost 50% of technical services managers do not have an undergraduate degree, yet are responsible for services that account for the highest proportion of municipal asset value and for functions that represent the bulk of municipal expenditure.

20.2.6 All qualifications of senior managers are improving

A comparison of the qualifications of all senior managers in this capacity assessment with the information obtained in 2008 capacity assessment showed, a significant increase in the academic qualifications of senior managers, including technical services managers.

20.3 Technical and specialist skills

The National Planning Commissions' Diagnostic Report and National Development Plan Vision 2030, points to the severe shortage of technical and specialist skills due to the inadequate generation of skills to fill the gap created by of ageing cohorts.

The findings of this study provide further evidence for these findings, particularly with regard to registered professional engineers, other engineering professionals, chartered accountants (however these are not an explicit requirement for local government), and spatial planners.

Chartered accountants, like other specialist skills are concentrated in metropolitan municipalities.

20.3.1 Engineering professionals

The data collected in the capacity assessment raises, or reiterates, a number of key points made in other studies:

5. There is a chronic shortage of municipal engineers in South Africa,
6. This shortage is most acute in B4 municipalities and C2 municipalities,
7. There is a large infrastructure asset value present in these municipalities, however they do not have the engineering capacity to manage these assets, and
8. The geographical distribution of engineers is uneven, with higher concentrations of engineering capacity in metros and secondary cities.

20.3.2 Spatial planners

More than 50% of the 468 planners surfaced through the survey are employed by metros and the majority in the City of Cape town alone. Elsewhere, like with engineering capacity there is a severe shortage.

This metropolitan concentration of planners means provincially much higher prevalence of planners in the Western Cape, Gauteng and KZN.

Despite C1 municipalities increasingly positioning themselves as development facilitators and a platform for sharing scarce skills, C1 municipalities, followed by other district municipalities (C2s) have the lowest numbers of planners. C1 municipalities average less than one planner for every district.

20.4 Two-tier local government

An analysis of staffing and expenditure trends for all municipalities firstly highlights the limited role played by C1 municipalities, which by definition are not responsible for the water services authority role and many other municipal services. C1 municipalities spend 48.4% of their budgets on governance and administration. Aside from the facilitation and coordination model embodied by Cacadu District Municipality and the Shared Services District model embodied by the West Coast District Municipality, there is limited relevance to the role played by C1 municipalities.

While B4 municipalities spend about 70% of their budgets on governance and administration, this proportion is also very high (41%) in their C2 partners. This indicates very significant duplication in the governance and administration costs in the two-tier system, where districts are most needed: in rural spaces.

These two findings allude to the most common critique of the two tier system; that district municipalities lack relevance in significant parts of the country and that, where they are relevant, better role clarification and efficiently designed governance and financing arrangements is needed, in relation to local municipalities.

20.5 Attributing performance

It is common knowledge that local government performance is highly divergent. Some municipalities perform poorly and warrant intervention and many consistently perform well and set best practice for others to emulate.

Important to any capacity assessment is what to attribute that performance to. It is unclear whether performance is about greater capacity, more resources such as staffing or budget, more experienced or qualified managers, or about context, the characteristics of the geographic spaces they serve and the historical legacy that institutions have inherited. Without being decisive on these issues, the sets of data that have been collected as part of this assessment contribute significantly to these necessary debates.

A significant limitation in attributing performance, is good performance information. In general most national and provincial departments with supervisory and regulatory responsibilities over municipalities, are not playing their role of specifying regulatory norms and standards, specifying processes for monitoring and supervision, collecting regular performance information and either recognising good performance or supporting and intervening with regard to inadequate performance.

National Treasury, with regard to financial performance, and the Department of Water Affairs are the main departments to date that are fulfilling aspects of this role. DCoG, the Department of Transport and the Department of Environmental Affairs (DEA) have much to do to realise their supervisory and regulatory role with respect to municipal performance.

This process has attempted to collect performance information for municipal services in the absence of performance information, indicators, and norms and standards from regulators. However, the capacity assessment cannot provide the level of effort anticipated by a regulator, in fully researching norms and standards, specifying collection of data, and auditing the validity of performance data collected. Where collected, performance information that has been deemed useful is analysed, but cannot be given the same status as that collected and published by regulatory departments.

It is for these reasons that much of the analysis successfully conducted has been based on water services performance and the audit outcomes assessed by the Office of the Auditor-General.

The findings below are an initial analysis of the relationship between capacity and performance, and must be seen as a start to those debates and not decisive conclusions. A more complex analysis and further research is warranted in this regard.

An analysis of water services in particular has shown us that there is no positive correlation and, if any, a negative correlation, between staffing levels and water quality performance. Performance on Blue and Green Drop showed municipalities with low staffing levels per 10 000 population performing well and those with higher staffing levels performing less well on these measures. Even professional staffing levels and numbers of registered engineers did not correlate with performance. Expenditure showed a mild relationship with water services performance, but there were equally many good performing WSAs that spent very little in comparison with others. Similarly, the length of water services managers' experience and qualifications had direct bearing on performance.

The water services performance indicators are the only performance indicators that show a direct relationship with context, as measured by DCoG's context index. Municipalities operating under more challenging contextual conditions perform more poorly than those operating in less challenging conditions.

This was, however, not the case for other performance indicators such as the AG Audit opinion for the 2010/11 financial year. Both the 2010/11 audit opinions and their movement from the previous year bore little relationship with MMs or CFOs' experience, qualifications or the context of their municipalities.

If all of these capacity factors, including a municipality's context, do not in general have a direct causal relationship with performance, then what does? Attributing performance probably lies both in a combination of many of these factors and probably significantly in the less measurable and more ethereal realm of leadership and management behaviours. Possibly the way organisations are led and the quality of decisions made by leaders has more of a direct relationship on performance than numbers of staff, expenditure, even years of experience and compliance with qualifications requirements. Clearly, this is fruitful territory for further research and debate.

20.6 Implications for MEC Adjustments

The capacity assessment is undertaken in order to provide a strategic resource of data on municipal capacity and to assist the Municipal Demarcation Board in fulfilling its legal requirement to make recommendations to MECs on the adjustment of appropriate functions between district and local municipalities.

The data obtained and analysed, is very useful in understanding the comparative capacity and resources applied of each municipality to functions contained in schedules 4 and 5 of the Constitution, and in understanding the distribution of this capacity within a district family of municipalities.

While this data will certainly be useful to any process considering adjustment of functions, recommendations for adjustments are not made for the following two reasons:

20.6.1 A Quantitative View of Capacity is Insufficient

The data collected and analysed as part of this study presents a quantitative view of capacity distribution in municipalities and does not present the full picture. A qualitative and in-depth engagement to understand local perspectives, conditions, arrangements and dynamics is essential to coming to a view of capacity that complements the quantitative view.

A pilot process of conducting an in-depth qualitative assessment has been undertaken in 9 selected district families, covering 20% of the country's districts. This has created a useful analysis of arrangements and capacity application for delivering certain functions. This is a pilot process that must be strengthened and rolled out more widely in an accelerated way.

20.6.2 Capacity is insufficient criteria for functional adjustment

Capacity is at best, only one of the many criteria, that need to be considered in adjusting a function. These are some of the impotant considerations in adjusting or devolving a function:

- Principle of subsidiarity – constitutional imperative to devolve to lowest level the function can be delivered from.
- Technical logic of function – each function is defined by technical considerations of the scale at which it should be delivered.
- Function follows finance – it is important that the financing mechanisms for functions determine who is best responsible for it.
- Economies of scale – some functions are more economical delivered at larger (regional scales).
- Management efficiency – some functions realize better management efficiencies when delivered at regional scale.
- Integration of the service – there are arguments for certain services to be delivered as an integrated package with other services and thus should be delivered together.
- Impact on other services – what impact does adjusting this service have on other services.
- Capacity – who currently has the staffing, budgets and assets is an importnant factor.

- Implications of adjustments – what are the implications for moving staffing and assets.

In the criteria mentioned above, current capacity is merely one of the criteria that should be considered in adjusting a function. It is even held by some that it is not a fundamental criteria as the capacity (staffing, budgets and assets) should be built where it is ideal to have the function. While the key criteria, remain the technical logic of the function and the financing arrangements, a multi-criteria assessment process is required to determine the best location of a function.

20.7 Implications for Boundary Adjustments

In considering an adjustment, a range of spatial and socio-economic criteria should inform the adjustment of boundaries. The capacity of current institutions is arguably a factor for consideration, but alone is insufficient for boundary adjustment. The data obtained through this exercise and complemented with other data sources is an important resource and input into the process of boundary adjustments.

21 Recommendations

This has not been intended as a policy project. The process has produced a wealth of data and analysis that helps to describe the capacity of local government and its many successes and challenges. This report deliberately does not make recommendations, except for elements of a process that should follow:

21.1 Further Stakeholder Discussions

The research, analysis and debates surfaced in this report should be enriched by discussion within each stakeholder institution and in focused discussions between national stakeholders including SALGA, amongst the Governance and Administration Cluster, and intergovernmentally, with provinces and municipalities.

21.2 Development of National Capacity-Building Strategy

It is important that these findings feed into a process of designing an appropriate response, that is strategic and widely supported across stakeholders. Both the national capacity building framework and a national strategy that responds to these findings, should be developed under the leadership of DCOG.

It is difficult to separate a strategy for building the capacity of local government from that focusing on provincial government. Consideration should be given to an integrated approach.

21.3 National Summit on Municipal Capacity

In order to ensure consensus-building and a coherent and co-ordinated intergovernmental approach to addressing capacity issues in local government, a national summit on municipal capacity-building is proposed. Such an approach should leverages resources residing in academic institutions, business and civil society as critical partners to building municipal capacity.

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Annexure A: List of municipalities by category

Province	Municipality	Code	Sub-category
Eastern Cape	Alfred Nzo District Municipality	DC44	C2
Eastern Cape	Amahlathi Local Municipality	EC124	B3
Eastern Cape	Amathole District Municipality	DC12	C2
Eastern Cape	Baviaans Local Municipality	EC107	B3
Eastern Cape	Blue Crane Route Local Municipality	EC102	B3
Eastern Cape	Buffalo City Metropolitan Municipality	BUF	A
Eastern Cape	Cacadu District Municipality	DC10	C1
Eastern Cape	Camdeboo Local Municipality	EC101	B3
Eastern Cape	Chris Hani District Municipality	DC13	C2
Eastern Cape	Elundini Local Municipality	EC141	B4
Eastern Cape	Emalahleni Local Municipality	EC136	B4
Eastern Cape	Engcobo Local Municipality	EC137	B4
Eastern Cape	Gariep Local Municipality	EC144	B3
Eastern Cape	Great Kei Local Municipality	EC123	B3
Eastern Cape	Ikwezi Local Municipality	EC103	B3
Eastern Cape	Inkwanca Local Municipality	EC133	B3
Eastern Cape	Intsika Yethu Local Municipality	EC135	B4
Eastern Cape	Inxuba Yethemba Local Municipality	EC131	B3
Eastern Cape	Joe Gqabi District Municipality	DC14	C2
Eastern Cape	King Sabata Dalindyebo Local Municipality	EC157	B2
Eastern Cape	Kouga Local Municipality	EC108	B3
Eastern Cape	Kou-Kamma Local Municipality	EC109	B3
Eastern Cape	Lukanji Local Municipality	EC134	B2
Eastern Cape	Makana Local Municipality	EC104	B2
Eastern Cape	Maletswai Local Municipality	EC143	B3
Eastern Cape	Matatiele Local Municipality	EC441	B3
Eastern Cape	Mbhashe Local Municipality	EC121	B4
Eastern Cape	Mbizana Local Municipality	EC443	B4
Eastern Cape	Mhlontlo Local Municipality	EC156	B4
Eastern Cape	Mnquma Local Municipality	EC122	B4
Eastern Cape	Ndlambe Local Municipality	EC105	B3
Eastern Cape	Nelson Mandela Bay Metropolitan Municipality	NMA	A
Eastern Cape	Ngqushwa Local Municipality	EC126	B4
Eastern Cape	Ngquza Hill Local Municipality	EC153	B4
Eastern Cape	Nkonkobe Local Municipality	EC127	B3
Eastern Cape	Ntabankulu Local Municipality	EC444	B4
Eastern Cape	Nxuba Local Municipality	EC128	B3
Eastern Cape	Nyandeni Local Municipality	EC155	B4
Eastern Cape	O.R.Tambo District Municipality	DC15	C2
Eastern Cape	Port St Johns Local Municipality	EC154	B4
Eastern Cape	Sakhisizwe Local Municipality	EC138	B3

Province	Municipality	Code	Sub-category
Eastern Cape	Senqu Local Municipality	EC142	B4
Eastern Cape	Sundays River Valley Local Municipality	EC106	B3
Eastern Cape	Tsolwana Local Municipality	EC132	B3
Eastern Cape	Umzimvubu Local Municipality	EC442	B4
Free State	Dihlabeng Local Municipality	FS192	B2
Free State	Fezile Dabi District Municipality	DC20	C1
Free State	Kopanong Local Municipality	FS162	B3
Free State	Lejweleputswa District Municipality	DC18	C1
Free State	Letsemeng Local Municipality	FS161	B3
Free State	Mafube Local Municipality	FS205	B3
Free State	Maluti a Phofung Local Municipality	FS194	B3
Free State	Mangaung Metropolitan Municipality	MAN	A
Free State	Mantsopa Local Municipality	FS196	B3
Free State	Masilonyana Local Municipality	FS181	B3
Free State	Matjhabeng Local Municipality	FS184	B1
Free State	Metsimaholo Local Municipality	FS204	B2
Free State	Mohokare Local Municipality	FS163	B3
Free State	Moqhaka Local Municipality	FS201	B2
Free State	Nala Local Municipality	FS185	B3
Free State	Naledi Local Municipality	FS164	B3
Free State	Ngwathe Local Municipality	FS203	B3
Free State	Nketoana Local Municipality	FS193	B3
Free State	Phumelela Local Municipality	FS195	B3
Free State	Setsoto Local Municipality	FS191	B3
Free State	Thabo Mofutsanyane District Municipality	DC19	C1
Free State	Tokologo Local Municipality	FS182	B3
Free State	Tswelopele Local Municipality	FS183	B3
Free State	Xhariep District Municipality	DC16	C1
Gauteng	City of Johannesburg Metropolitan Municipality	JHB	A
Gauteng	City of Tshwane Metropolitan Municipality	TSH	A
Gauteng	Ekurhuleni Metropolitan Municipality	EKU	A
Gauteng	Emfuleni Local Municipality	GT421	B1
Gauteng	Lesedi Local Municipality	GT423	B3
Gauteng	Merafong City Local Municipality	GT484	B2
Gauteng	Midvaal Local Municipality	GT422	B2
Gauteng	Mogale City Local Municipality	GT481	B1
Gauteng	Randfontein Local Municipality	GT482	B2
Gauteng	Sedibeng District Municipality	DC42	C1
Gauteng	West Rand District Municipality	DC48	C1
Gauteng	Westonaria Local Municipality	GT483	B2
KwaZulu-Natal	Abaqulusi Local Municipality	KZN263	B3
KwaZulu-Natal	Amajuba District Municipality	DC25	C2
KwaZulu-Natal	Dannhauser Local Municipality	KZN254	B4

Province	Municipality	Code	Sub-category
KwaZulu-Natal	eDumbe Local Municipality	KZN261	B3
KwaZulu-Natal	Emadlangeni Local Municipality	KZN253	B3
KwaZulu-Natal	Emnambithi/Ladysmith Local Municipality	KZN232	B2
KwaZulu-Natal	Endumeni Local Municipality	KZN241	B3
KwaZulu-Natal	Ethekwini Metropolitan Municipality	ETH	A
KwaZulu-Natal	Ezingoleni Local Municipality	KZN215	B4
KwaZulu-Natal	Greater Kokstad Local Municipality	KZN433	B2
KwaZulu-Natal	Hibiscus Coast Local Municipality	KZN216	B2
KwaZulu-Natal	Hlabisa Local Municipality	KZN274	B4
KwaZulu-Natal	iLembe District Municipality	DC29	C2
KwaZulu-Natal	Imbabazane Local Municipality	KZN236	B4
KwaZulu-Natal	Impendle Local Municipality	KZN224	B4
KwaZulu-Natal	Indaka Local Municipality	KZN233	B4
KwaZulu-Natal	Ingwe Local Municipality	KZN431	B4
KwaZulu-Natal	Jozini Local Municipality	KZN272	B4
KwaZulu-Natal	Kwa Sani Local Municipality	KZN432	B3
KwaZulu-Natal	KwaDukuza Local Municipality	KZN292	B2
KwaZulu-Natal	Mandeni Local Municipality	KZN291	B4
KwaZulu-Natal	Maphumulo Local Municipality	KZN294	B4
KwaZulu-Natal	Mfolozi Local Municipality	KZN281	B4
KwaZulu-Natal	Mkhambathini Local Municipality	KZN226	B3
KwaZulu-Natal	Mpofana Local Municipality	KZN223	B3
KwaZulu-Natal	Msinga Local Municipality	KZN244	B4
KwaZulu-Natal	Mthonjaneni Local Municipality	KZN285	B3
KwaZulu-Natal	Mtubatuba Local Municipality	KZN275	B3
KwaZulu-Natal	Ndwedwe Local Municipality	KZN293	B4
KwaZulu-Natal	Newcastle Local Municipality	KZN252	B1
KwaZulu-Natal	Nkandla Local Municipality	KZN286	B4
KwaZulu-Natal	Nongoma Local Municipality	KZN265	B4
KwaZulu-Natal	Nqutu Local Municipality	KZN242	B4
KwaZulu-Natal	Ntambanana Local Municipality	KZN283	B4
KwaZulu-Natal	Okhahlamba Local Municipality	KZN235	B4
KwaZulu-Natal	Richmond Local Municipality	KZN227	B4
KwaZulu-Natal	Sisonke District Municipality	DC43	C2
KwaZulu-Natal	The Big 5 False Bay Local Municipality	KZN273	B3
KwaZulu-Natal	The Msunduzi Local Municipality	KZN225	B1
KwaZulu-Natal	Ubuhlebezwe Local Municipality	KZN434	B4
KwaZulu-Natal	Ugu District Municipality	DC21	C2
KwaZulu-Natal	Ulundi Local Municipality	KZN266	B4
KwaZulu-Natal	Umdoni Local Municipality	KZN212	B2
KwaZulu-Natal	UMgungundlovu District Municipality	DC22	C2
KwaZulu-Natal	Umhlabuyalingana Local Municipality	KZN271	B4
KwaZulu-Natal	uMhlathuze Local Municipality	KZN282	B1

Province	Municipality	Code	Sub-category
KwaZulu-Natal	Umkhanyakude District Municipality	DC27	C2
KwaZulu-Natal	uMlalazi Local Municipality	KZN284	B4
KwaZulu-Natal	uMngeni Local Municipality	KZN222	B2
KwaZulu-Natal	uMshwathi Local Municipality	KZN221	B4
KwaZulu-Natal	Umtshezi Local Municipality	KZN234	B3
KwaZulu-Natal	UMuziwabantu Local Municipality	KZN214	B3
KwaZulu-Natal	Umvoti Local Municipality	KZN245	B3
KwaZulu-Natal	Umzimkhulu Local Municipality	KZN435	B4
KwaZulu-Natal	Umzinyathi District Municipality	DC24	C2
KwaZulu-Natal	Umzumbe Local Municipality	KZN213	B4
KwaZulu-Natal	UPhongolo Local Municipality	KZN262	B4
KwaZulu-Natal	Uthukela District Municipality	DC23	C2
KwaZulu-Natal	Uthungulu District Municipality	DC28	C2
KwaZulu-Natal	Vulamehlo Local Municipality	KZN211	B4
KwaZulu-Natal	Zululand District Municipality	DC26	C2
Limpopo	Aganang Local Municipality	LIM352	B4
Limpopo	Ba-Phalaborwa Local Municipality	LIM334	B3
Limpopo	Bela-Bela Local Municipality	LIM366	B3
Limpopo	Blouberg Local Municipality	LIM351	B4
Limpopo	Capricorn District Municipality	DC35	C2
Limpopo	Elias Motsoaledi Local Municipality	LIM472	B4
Limpopo	Ephraim Mogale Local Municipality	LIM471	B4
Limpopo	Fetakgomo Local Municipality	LIM474	B4
Limpopo	Greater Giyani Local Municipality	LIM331	B4
Limpopo	Greater Letaba Local Municipality	LIM332	B4
Limpopo	Greater Sekhukhune District Municipality	DC47	C2
Limpopo	Greater Tubatse Local Municipality	LIM475	B4
Limpopo	Greater Tzaneen Local Municipality	LIM333	B4
Limpopo	Lepele-Nkumpi Local Municipality	LIM355	B4
Limpopo	Lephalale Local Municipality	LIM362	B3
Limpopo	Makhado Local Municipality	LIM344	B4
Limpopo	Makhuduthamaga Local Municipality	LIM473	B4
Limpopo	Maruleng Local Municipality	LIM335	B4
Limpopo	Modimolle Local Municipality	LIM365	B3
Limpopo	Mogalakwena Local Municipality	LIM367	B2
Limpopo	Molemole Local Municipality	LIM353	B4
Limpopo	Mookgopong Local Municipality	LIM364	B3
Limpopo	Mopani District Municipality	DC33	C2
Limpopo	Musina Local Municipality	LIM341	B3
Limpopo	Mutale Local Municipality	LIM342	B4
Limpopo	Polokwane Local Municipality	LIM354	B1
Limpopo	Thabazimbi Local Municipality	LIM361	B3
Limpopo	Thulamela Local Municipality	LIM343	B4

Province	Municipality	Code	Sub-category
Limpopo	Vhembe District Municipality	DC34	C2
Limpopo	Waterberg District Municipality	DC36	C1
Mpumalanga	Albert Luthuli Local Municipality	MP301	B4
Mpumalanga	Bushbuckridge Local Municipality	MP325	B4
Mpumalanga	Dipaleseng Local Municipality	MP306	B3
Mpumalanga	Dr JS Moroka Local Municipality	MP316	B4
Mpumalanga	Ehlanzeni District Municipality	DC32	C1
Mpumalanga	Emakhazeni Local Municipality	MP314	B2
Mpumalanga	Emalahleni Local Municipality	MP312	B1
Mpumalanga	Gert Sibande District Municipality	DC30	C1
Mpumalanga	Govan Mbeki Local Municipality	MP307	B1
Mpumalanga	Lekwa Local Municipality	MP305	B3
Mpumalanga	Mbombela Local Municipality	MP322	B1
Mpumalanga	Mkhondo Local Municipality	MP303	B3
Mpumalanga	Msukaligwa Local Municipality	MP302	B2
Mpumalanga	Nkangala District Municipality	DC31	C1
Mpumalanga	Nkomazi Local Municipality	MP324	B4
Mpumalanga	Pixley Ka Seme Local Municipality	MP304	B3
Mpumalanga	Steve Tshwete Local Municipality	MP313	B1
Mpumalanga	Thaba Chweu Local Municipality	MP321	B3
Mpumalanga	Thembisile Local Municipality	MP315	B4
Mpumalanga	Umjindi Local Municipality	MP323	B3
Mpumalanga	Victor Khanye Local Municipality	MP311	B3
North West	Bojanala District Municipality	DC37	C1
North West	City of Matlosana Local Municipality	NW403	B1
North West	Ditsobotla Local Municipality	NW384	B3
North West	Dr Kenneth Kaunda District Municipality	DC40	C1
North West	Dr Ruth Segomotsi Mompati District Municipality	DC39	C2
North West	Greater Taung Local Municipality	NW394	B4
North West	Kagisano/Molopo Local Municipality	NW397	B4
North West	Kgetlengrivier Local Municipality	NW374	B3
North West	Lekwa-Teemane Local Municipality	NW396	B3
North West	Local Municipality of Madibeng Local Municipality	NW372	B1
North West	Mafikeng Local Municipality	NW383	B2
North West	Mamusa Local Municipality	NW393	B3
North West	Maquassi Hills Local Municipality	NW404	B3
North West	Moretele Local Municipality	NW371	B4
North West	Moses Kotane Local Municipality	NW375	B4
North West	Naledi Local Municipality	NW392	B3
North West	Ngaka Modiri Molema District Municipality	DC38	C2
North West	Ramotshere Moiloa Local Municipality	NW385	B3
North West	Ratlou Local Municipality	NW381	B4
North West	Rustenburg Local Municipality	NW373	B1

Province	Municipality	Code	Sub-category
North West	Tlokwe City Council Local Municipality	NW402	B1
North West	Tswaing Local Municipality	NW382	B3
North West	Ventersdorp Local Municipality	NW401	B3
Northern Cape	!Kheis Local Municipality	NC084	B3
Northern Cape	//Khara Hais Local Municipality	NC083	B2
Northern Cape	Dikgatlong Local Municipality	NC092	B3
Northern Cape	Emthanjeni Local Municipality	NC073	B3
Northern Cape	Frances Baard District Municipality	DC9	C1
Northern Cape	Gamagara Local Municipality	NC453	B3
Northern Cape	Ga-Segonyana Local Municipality	NC452	B3
Northern Cape	Hantam Local Municipality	NC065	B3
Northern Cape	Joe Morolong Local Municipality	NC451	B4
Northern Cape	John Taolo Gaetsewe District Municipality	DC45	C1
Northern Cape	Kai !Garib Local Municipality	NC082	B3
Northern Cape	Kamiesberg Local Municipality	NC064	B3
Northern Cape	Kareeberg Local Municipality	NC074	B3
Northern Cape	Karoo Hoogland Local Municipality	NC066	B3
Northern Cape	Kgatelopele Local Municipality	NC086	B3
Northern Cape	Khâi-Ma Local Municipality	NC067	B3
Northern Cape	Magareng Local Municipality	NC093	B3
Northern Cape	Mier Local Municipality	NC081	B3
Northern Cape	Nama Khoi Local Municipality	NC062	B3
Northern Cape	Namakwa District Municipality	DC6	C1
Northern Cape	Phokwane Local Municipality	NC094	B3
Northern Cape	Pixley ka Seme District Municipality	DC7	C1
Northern Cape	Renosterberg Local Municipality	NC075	B3
Northern Cape	Richtersveld Local Municipality	NC061	B3
Northern Cape	Siyancuma Local Municipality	NC078	B3
Northern Cape	Siyanda District Municipality	DC8	C1
Northern Cape	Siyathemba Local Municipality	NC077	B3
Northern Cape	Sol Plaatjie Local Municipality	NC091	B1
Northern Cape	Thembelihle Local Municipality	NC076	B3
Northern Cape	Tsantsabane Local Municipality	NC085	B3
Northern Cape	Ubuntu Local Municipality	NC071	B3
Northern Cape	Umsobomvu Local Municipality	NC072	B3
Western Cape	Beaufort West Local Municipality	WC053	B3
Western Cape	Bergrivier Local Municipality	WC013	B3
Western Cape	Bitou Local Municipality	WC047	B3
Western Cape	Breede Valley Local Municipality	WC025	B2
Western Cape	Cape Agulhas Local Municipality	WC033	B3
Western Cape	Cape Winelands District Municipality	DC2	C1
Western Cape	Cederberg Local Municipality	WC012	B3
Western Cape	Central Karoo District Municipality	DC5	C1

Province	Municipality	Code	Sub-category
Western Cape	City of Cape Town Metropolitan Municipality	CPT	A
Western Cape	Drakenstein Local Municipality	WC023	B1
Western Cape	Eden District Municipality	DC4	C1
Western Cape	George Local Municipality	WC044	B1
Western Cape	Hessequa Local Municipality	WC042	B3
Western Cape	Kannaland Local Municipality	WC041	B3
Western Cape	Knysna Local Municipality	WC048	B2
Western Cape	Laingsburg Local Municipality	WC051	B3
Western Cape	Langeberg Local Municipality	WC026	B3
Western Cape	Matzikama Local Municipality	WC011	B3
Western Cape	Mossel Bay Local Municipality	WC043	B2
Western Cape	Oudtshoorn Local Municipality	WC045	B2
Western Cape	Overberg District Municipality	DC3	C1
Western Cape	Overstrand Local Municipality	WC032	B2
Western Cape	Prince Albert Local Municipality	WC052	B3
Western Cape	Saldanha Bay Local Municipality	WC014	B2
Western Cape	Stellenbosch Local Municipality	WC024	B1
Western Cape	Swartland Local Municipality	WC015	B3
Western Cape	Swellendam Local Municipality	WC034	B3
Western Cape	Theewaterskloof Local Municipality	WC031	B3
Western Cape	West Coast District Municipality	DC1	C1
Western Cape	Witzenberg Local Municipality	WC022	B3