

REPORT
on the
LOCAL GOVERNMENT CAPACITY BUILDING
SUMMER SCHOOL 2011

THEME:
“The Effective Implementation of Sound Policies, Strategies
and Management Practices needed to ensure the Financial Recovery
and Sustainability of Municipalities”

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7 – 9 November 2011
FNB Centre, Sandton



I N C A
CAPACITY
BUILDING FUND



Submitted by:
Anita Botha - Facilitator

EXECUTIVE SUMMARY

The INCA Capacity Building Fund Summer School, 2011 took place at the FNB Conference Centre in Sandton, Johannesburg from 7 – 9 November 2011.

The theme of the Summer School and the topics covered were directly relevant to the problems and challenges faced by the municipal practitioners who attended it.

For three days knowledgeable speakers and able practitioners found themselves in a learning environment that expanded their horizons of local government knowledge and filled in the finer detail of legal interpretation and practical implementation of the numerous acts, regulations and guidelines that govern municipalities.

Throughout the presentations and the contributions of the delegates recurring issues that were specifically problematic and obstacles to effective service delivery surfaced. Political instability or interference or the lack of political will and support stood out as a roadblock in the highway to local government recovery or, as in the case of both the City of Cape Town and eThekweni, political support was one of the keys to successful debt management.

Overregulation of local government through a bombardment of legislation from various departments was evident and in some cases the practical implementation thereof bordered on the ridiculous such as environmental legislation or caused municipalities to virtually drown in regulatory compliance matters to the neglect of real service delivery.

Unfunded mandates, a lack of clarity regarding the allocation of powers and functions between different spheres of government, overlapping responsibilities and wasted resources especially due to the cost and loss of man hours linked to compliance with the competency levels prescribed by National Treasury were frustrations voiced by the participants.

Add to this mix the perceived powerless state of COGTA as the department that must champion the municipal road to financial, technical and institutional recovery; the perceived 'big brother' role of National Treasury; Eskom and NERSA appearing to have carte blanche in respect of electricity tariffs and consumers reacting to this by simply scaling down on electricity use thus leaving municipalities with an eroded and shrinking revenue base and it sounds as if municipal officials must see themselves trapped in a witches brew with no exit.

However, this is not so. The municipal officials who attended the Summer School were focused on finding solutions and on reviving and restoring principled professionalism in local government and intend on preserving their own integrity.

The attitude displayed by these practitioners made it clear that they want to form part of the backbone of municipal staff that assist local government to recover, build its consumer trust base and turn the corner to financial sustainability.

It is to join forces with these practitioners and to strengthen and support them that the ICBF Summer School exists.

November, 2011

ABBREVIATIONS

AFD	-	GROUPE AGENCE FRANCAISE DE DEVELOPPEMENT
AGSA	-	AUDITOR GENERAL OF SOUTH AFRICA
BRICS	-	BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA ALLIANCE
CC&DC	-	CREDIT CONTROL AND DEBT COLLECTION
CFO	-	CHIEF FINANCIAL OFFICER
CoC	-	CITY OF CAPE TOWN
COGTA	-	DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
COP	-	CONFERENCE OF THE PARTIES
CPA	-	CONSUMER PROTECTION ACT, 68 OF 2008
DBSA	-	DEVELOPMENT BANK OF SOUTHERN AFRICA
EU	-	EUROPEAN UNION
FFC	-	FINANCIAL AND FISCAL COMMISSION
FNB	-	FIRST NATIONAL BANK
ICBF	-	INCA CAPACITY BUILDING FUND
IDP	-	INTEGRATED DEVELOPMENT PLAN
IGR	-	INTERGOVERNMENTAL RELATIONS
IMF	-	INTERNATIONAL MONETARY FUND
IMFO	-	INSTITUTE OF MUNICIPAL FINANCE OFFICERS
LED	-	LOCAL ECONOMIC DEVELOPMENT
LG	-	LOCAL GOVERNMENT
LGBER	-	LOCAL GOVERNMENT BUDGET AND EXPENDITURE REVIEW
MCA	-	MAGISTRATES COURT ACT, 1944
MCL	-	MINIMUM COMPETENCY LEVELS
MDB	-	MUNICIPAL DEMARCATION BOARD
MFMA	-	LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003
MPRA	-	LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 6 OF 2004
MSA	-	LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 32 OF 2000
NERSA	-	NATIONAL ENERGY REGULATOR OF SOUTH AFRICA
NGO	-	NON-GOVERNMENTAL ORGANISATION
NT	-	NATIONAL TREASURY
RDP	-	RECONSTRUCTION AND DEVELOPMENT PROGRAMME
SALGA	-	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
UNFCCC	-	UNITED NATIONS CONVENTION ON CLIMATE CHANGE

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1 INTRODUCTION

The INCA Capacity Building Fund (ICBF) Summer School was held from 7 – 9 November 2011 at the FNB Conference Centre in Sandton, Gauteng. The theme of the Summer School was: “The Effective Implementation of Sound Policies, Strategies and Management Practices needed to ensure the Financial Recovery and Sustainability of Municipalities”.

The three day conference was attended by 41 delegates representing seven of the eight Metros and district and local municipalities from all the provinces except Limpopo – refer to **Annexure 1**. National Treasury (NT) and the South African Local Government Association (SALGA) were invited as observers but declined to participate. The Institute of Municipal Finance Officers (IMFO) was well represented through observers as well as a few speakers and many delegates being members of IMFO. With some prompting, the Department of Co-operative Governance and Traditional Affairs (COGTA) attended on the last day and delivered a presentation that elicited much debate. Other observers were from FNB and Groupe Agence Francaise de Developpement (AFD), co-sponsors of the event.

2 PURPOSE AND OUTCOME OF THE SUMMER SCHOOL

Since its inception in 1999 the INCA Summer School has strived to be a prestigious event of utmost relevance to municipal practitioners and 2011 was no exception.

Currently, local government is facing numerous financial and human capacity challenges which, in the context of an overload of regulatory compliance measures, place huge demands on senior municipal officials and councillors. ICBF carefully selected topics and speakers to cover the primary challenges and provide delegates with an opportunity to broaden their theoretical and practical knowledge base.

The programme allowed sufficient time for presentations and question/answer sessions including a panel session with speakers and knowledgeable delegates serving as panelists. The Programme was slightly amended on the last day to include COGTA and is attached hereto as **Annexure 2**. The presentations were electronically provided to delegates.

The spot-on topics, well prepared speakers and adequately time-spaced format led to a very interactive summer school which, according to the ratings, added immense value and proved to be very popular and highly appreciated by the delegates. Refer to **Annexure 3**. These discussions took place in an informal yet professional atmosphere.

The learning experience was complemented by the superb cocktail party and relaxed pool braai on the respective evenings and the quality of the facilities of the FNB Centre. It is specifically Noël Jelliman of INCA and the CEO of the ICBF and Abigail Mdana of INCA who assisted him that must get the accolades for organising a superb Summer School, 2011.

As with the previous Summer School, ICBF undertook to deliver to the Minister of COGTA a memorandum informing the Minister of the inputs received and the outcome of the Summer School, 2011 with the request that the matters addressed, the concerns raised and possible measures for improvement suggested be taken cognisance of as a contribution to ensure financial recovery and sustainability of municipalities. The enthusiasm of the breakaway groups and the well prepared presentations of these groups contributed substantially to a structured and relevant memorandum to the Minister which was done as a separate document.

7 November 2011:

Facilitator: Ms Anita Botha

3 WELCOME REMARKS

Mr Noël Jelliman, CEO INCA Capacity Building Fund

Mr Jelliman welcomed the speakers, delegates and his colleagues from the co-sponsors, AFD and FNB and introduced the facilitator.

4 KEY NOTE ADDRESS: The Current and Expected Economic Environment and the Associated Impact on the Income of Ratepayers and their ability to pay for municipal services

Mr. Mike Schüssler, Economist and Director of Economists.co.za

Mike Schüssler provided a global analysis and used the trends in Europe, the growth of emerging markets and other economic indicators to put the current world economy in perspective, the accumulative impact of which signalled that difficult times were still ahead and that 2012 would be a tough year. He briefly compared the economic character of the countries in the BRICS (Brazil, Russia, India, China and South Africa) alliance of developing nations by pointing out their strengths and weaknesses.

In discussing various economic indicators *inter alia* real interest rates, commodity prices and indices, oil prices and demand outlook, he pointed out the worldwide huge decrease in interest rates and predicted these to stay at the same level at least until late 2012 in the United States with Japan possibly sustaining these rates even until 2014.

An interesting economic indicator was the world crude steel production which indicated the year on year increase of production in China vis-à-vis the stagnation in Japan, the European Union (EU) and North America.

According to the International Monetary Fund (IMF) globally 4% growth was expected in 2011 but Mike believed this was too optimistic arguing that the world debt crisis was far from over and might take more than five years to sort out. Very relevant to South Africa was the political effect of high food prices.

However, African growth looked better but the majority of countries in the continent still needed to sort out property and/or political issues. The primary sources of African growth were Gross Domestic Product (GDP) at market prices, private consumption, government consumption and fixed investment with the top performers being Angola and Ghana.

Turning to SA, Mike discussed the GDP growth and predicted growth rates of 2.9% (2011); 2.3% (2012); 2.8% (2013); 3.6% (2014) and 3.6% (2015). (The September 2011 consensus figures from 17 optimistic economists showed a growth rate forecast of 3.57% in 2012). These figures were in stark contrast to the 8-9% growth needed if SA was to create the number of jobs envisioned by government. He also pointed out trends in agriculture, retail sales and interest rates and reminded of the reality of electricity hikes as it would hit SA worst in the second half of 2012.

However, it was the problem of unemployment that raised a serious red flag with all indications being that education was our real Achilles heel in SA. 13 million people were working vis-à-vis an unemployment figure of 19 million. Given these figures, the declining tax base, the huge electricity and water rates increases (in the last three years electricity tripled and water doubled), it just did not make sense to provide free services. SA consumer rates could be compared with 1st world rates, e.g. Johannesburg's electricity was more expensive than that of Paris) but without the security of supply offered in the 1st world. Mike also pointed out that SA was an asset rich but income poor country with 70% of SA households owning a home and 1/10 whites and 3/10 blacks owning a second home which in essence meant that a large number of homeowners received free services from a number of municipalities.

Local government was guilty of not spending their allocated capital grants on infrastructure – 27% as per the recent Local Government Budget and Expenditure Review (LGBER) published by NT. E.g. in Johannesburg

expenditure has increased with 98% in four years and staff expenditure has doubled but capital expenditure has declined e.g. in respect of roads which is a catalyst of economic growth. Since fixed investments have the best causal relationship with job creation with a correlation of over 90% within one quarter of the investment taking place, this was not good news.

Mike cautioned against the relatively high consumer debt of SA pointing out that the speed of the slowdown showed that SA's policy was not right. Interestingly, SA acted more like a developed country than an emerging market, e.g. the extent of labour and environmental regulation and thus SA's growth figures equated with that of the developed countries and would lag behind Africa in the next few years. It made SA less competitive and not surprisingly, many investors showed more interest in Lesotho and Botswana.

He pleaded for the safeguarding of street traders and informal markets and the creation of jobs with real value to contribute to the expansion of our tax base.

5 The Dilemma of Spending Patterns, Consumer Demands and Bulk Tariff Increases against Affordable Tariff Setting and Available Resources

Dr. Chris Kapp, Acting CFO, George Local Municipality

Dr. Kapp commenced his presentation with the following statement: "rates and service charges have become unaffordable to consumers and are going to drive municipalities bankrupt and prolong the economic decline in South Africa" and went on to discuss the root causes for this state of affairs in local government as being:

- changing spending patterns;
- overregulation;
- union influence and labour costs;
- municipalities' inability to adjust to external influences;
- the inability of political leadership to change direction; and
- bulk tariff increases.

Using George Municipality as the example, Chris discussed the spending patterns of municipalities and pointed out the huge amounts spent on administration and unfunded mandates which, if administration is controlled and unfunded mandates abolished, could result in a 12,9% decrease in service charges.

Alluding to the overregulation of local government, he described NT as having positioned itself as 'big brother' and highlighted some of the compliance issues emanating from GAMAP/GRAP, the MFMA, NT Circulars and specifically budget reporting that have placed an immense burden on municipalities. Other regulated matters such as integrated development planning, performance management and annual budgeting have become long and detailed processes demanding financial and human resources that substantially increased administrative costs. Exacerbating this situation was the role of Provincial Treasury (PT) and COGTA, each claiming compliance with certain prescribed matters, and the Auditor General of South Africa (AGSA) that kept municipalities endlessly busy with queries at this time of the year, e.g. George spent R5,5m on its Audit Report. The picture sketched by Chris was one of municipalities virtually drowning in regulatory compliance matters to the neglect of real service delivery.

The consumer demands of the George community included issues such as plots for churches, land for live-stock, crèche's, shacks, bursaries, forced transfer of houses, refuse removal, etc. which contributed nothing to real growth. Many of these demands were from the large number of households that did not form part of the rates base. Instead of financing these demands, many of which related to unfunded mandates, Chris argued that municipalities should first focus on broadening their tax base and incentivising investment.

Undoubtedly trade unions have a huge influence in SA and particularly in local government as proven by the salary and wage negotiations. The trade unions did not only want to be consulted on a personnel structure but reach agreement on it, i.e. joint decision-making. Salary scales were not improvement based and trade unions also wanted a say in the appointment of staff. These demands posed an obstacle to merit based promotions and appointments. Chris agreed with Mike Schüssler that government salary increases were too high citing the salary bill of Georg having increased from R129m in 2006/07 to R229m in 2011/12, on average a 12.3% annual increase.

Citing the situation and changes proposed in George, Chris emphasized that politicians must realise a change of direction was needed. The too high salary increases of municipal staff cannot be forced down onto consumers through tariffs where communities are experiencing large job losses (10 000 in George) and decisive action is needed by politicians to protect the revenue base of municipalities. Electricity has on average increased by 29,45% per annum since 2007/08 and in George the revenue base has shrunk with electricity sales down 4%; water 12%, rates valuations 40% and collection rates 2%.

The highlights of George were 5 new factories; a savings plan and in principle approval to reduce support services and retrain the employees to fill positions suited to Council focus areas.

Question & Answer Session:

The following is a summary of the discussion that took place including answers provided by the speaker and statements and inputs made by delegates in no particular order of priority:

- *Municipalities must stand up for their consumers against the National Energy Regulator of SA (NERSA);*
- *The CFOs of municipalities must take a standpoint to stop Eskom's seemingly carte blanche and SALGA definitely also has a role to play in ensuring tariff sustainability.*
- *There were mixed viewpoints regarding block tariffs, i.e. that it must be delayed but, if accepted that the rich must pay for the poor, block tariffs were good.*
- *Government departments appeared to be most guilty of non-payment.*
- *Currently municipalities were managing overhead costs and not efficiencies – this must change and the service charges should reflect true costs.*
- *Productivity must be reviewed – municipal employees must deserve their salaries.*

6 The Enforcement of Credit Control Policies and the Introduction of Innovative Measures are key to ensuring Optimal Revenue Collection

Ms. Siyabulela Bashe, Manager Debt Management, City of Cape Town Metropolitan Council

Ms. Bashe's presentation dealt with the relevant legal and socio-economic obligations concerning debt management, the challenges of debt management and the strategies and innovative measures that were implemented in the City of Cape Town (CoC).

She emphasized the existence, understanding, implementation and enforcement of a Credit Control and Debt Collection (CC&DC) Policy and By-law. Important strategic objectives *inter alia* included: political buy-in; a culture of payment; analysis of the debtors book; targeting government and business debt first; a focus on staff and councillor arrear accounts; upfront credit control and competent staff. She mentioned that five years ago government debt to CoC stood at R674m in comparison with the current figure of R60m.

Measures for addressing debt included upfront credit control which meant a person/business not being considered for a tender or a business licence or getting payment for supplies or refunds if already owing the CoC money. Furthermore regular updating of the CC&DC policy, monitoring consumer trends; business disconnections and residential restrictions before resorting to legal action; a multi-disciplinary task team to manage debt; a panel of attorneys doing the performance management of debt collectors; profiling of debtors, a water leak programme, etc.

Siya discussed the criteria applicable to indigent households based on property valuation and income and the obligatory risk reducing measures that the CoC required from people who wished to register as indigents, namely, the installation of a pre-paid electricity meter and a water management device or pre-paid meter. Reactive measures included repairing of water leaks free of charge, installation of pre-paid electricity or water meters free of charge and writing off arrears. Likewise strict criteria were applied to senior citizens wishing to qualify for a rebate.

The success factors of CoC *inter alia* included an average payment ratio of over 95%; the best credit rating in the country; an unqualified audit report of the last six years; a restored culture of payment and trained and

competent staff. Future plans were focused on the maintenance of financial sustainability, also linking building plan approvals to upfront credit control measures; various accessibility measures to enable easy payment and the use of technology to communicate better with consumers.

Question & Answer Session:

The following is a summary of the answers provided by the speaker:

- *The CoC did not require a deposit from government departments while a relationship of trust still existed.*
- *In respect of schools the CoC held the provincial department of education liable.*
- *The CoC's approach was "act and then talk";*
- *The Companies Act spelled out how the CoC could deal with businesses on a 'rescue plan' and when an application for liquidation could be brought.*
- *If a tenant defaulted for two months, the CoC transferred the debt to an owner's account.*
- *The CoC did not necessarily issue a summons first before listing a defaulter on the ITC.*
- *The Local Government: Municipal Systems Act, 32 of 2000 (MSA), the Consumer Protection Act, 68 of 2008 (CPA) and the Magistrate Courts Act of 1944 (MCA) were the most important legislation governing debt recovery.*
- *Creditworthy or not, services must be provided to the disadvantaged but the biggest challenge for CoC was the RDP areas where 25% of its debt originated. Each case is dealt with on its own merits and pre-paid meters were made obligatory.*
- *The CoC's worst collection rate was in the Eskom served areas.*
- *The CoC did not issue a clearance certificate enabling a property to link up and connect again unless associated debt was not dealt with.*
- *Increasing inadequate deposits were dealt with by issuing individual letters and phasing in measures.*
- *The debt of staff in arrears were inter alia addressed during bonus times with employees being informed in writing in September and October that double payment would be taken in November.*

7 The Constructive Use of Legislative Remedies to Improve Debt Collection **Mr Peet du Plessis, Head: Revenue Management, eThekweni Metropolitan Municipality**

Mr du Plessis presented the delegates with a practical approach on how to use the legislation to protect and enhance the revenue base of municipalities. His presentation made it clear that municipalities have the legislative foundation to pursue effective debt collection – the legal remedies must just be used and the political will to support the actions of officials must not falter. The departure points of debt management efficiency were thus political will, good administration, accurate and up to date relevant valuations, good metering and service information.

Peet discussed the relevant sections of the MSA, the MCA and also referred to sections 28 and 29 of the Local Government: Municipal Policy Rates Act, 6 of 2004 (MPRA) dealing with the recovery of rates in arrears from tenants, occupiers and agents as the primary legal tools for debt management. He reiterated points made by Siya by emphasizing the importance of a good enabling policy and by-law setting out processes, procedures and the criteria that determined the action to be taken.

eThekweni made much use of section 102 of the MSA that authorised the municipality to consolidate a consumer's accounts and decide which account to credit with a payment received and also relied heavily on section 118 of the MSA which placed a restraint on the transfer of property on which municipal service fees and rates were outstanding. This section was also used to ensure the owner stood in for any unauthorised consumption and for charging the owner for debt outstanding beyond the two years payment needed for obtaining a transfer of property certificate from the Deeds' Office.

Using all legal remedies and being strict with disconnections have paid off with eThekweni having a collection rate of 95%. Approximately 10 000 disconnections were done each day. Important was to know and recuperate the full costs linked to disconnections. To maintain and improve debt collection, eThekweni also did not accept debt councillors' propositions, did not get involved in insolvent estates, shortened collection processes by

making use of section 58 - Consent to Judgement - of the MCA, disconnected defaulters including pre-paid electricity meters and kept a blacklist of defaulters for determining future deposits. A new process was the attachment of property for sale in execution.

Peet presented the revenue value chain covering all the basic information that must be captured, linked, reported and audited to ensure correct charging to prevent disputes and providing a firm base from which to launch debt recovery measures. Using a pictorial view of the process flow of revenue management, he explained all the processes involved, i.e. depositing, billing, defaulting, charge of interest, pre-collection, collection, recovery, legal, write-offs, payment arrangements or transfer to collection agent and reconnections. It was pointed out that credit control needed a system of verification built into all work processes including a credit risk profile verification process which determined the deposit payable to cover risk.

On an even more practical note, Peet provided the verification checklists which would be used if it is the owner or tenant that was in arrears or in case of the transfer of property. He explained the 'sale in execution' option and emphasized that only a court can declare primary property executable and will not do so easily. Such an application must include an affidavit stating all relevant circumstances and information, e.g. circumstances of debt, payment history of debtor, value if property sold, etc. to enable a judge to take a sound decision regarding the attachment of residential property.

In concluding, Peet dealt with a number of applicable judgements and the best practices that eThekwini implemented to maintain its high collection rate. The latter were the same as the strategic objectives of the CoC included a strict adherence to the practice of only contracting with owners and keeping owners accountable for all outstanding debt.

Question & Answer Session:

The following is a reference to the problems municipalities experienced and answers provided by the speaker:

- *There was a definite trend of consumers going the litigation route but a dispute must be linked to a specific amount.*
- *The above was not obeyed by persons and groups practising carte blanche regarding the withholding of rates and taxes.*
- *Other problem areas were absconding owners and 2nd generation transfer of properties where ownership was claimed by more than one person.*
- *eThekwini made sure that different levels of staff have the correct delegations and received training to be able to escalate debt collection action steps upwards.*
- *eThekwini has an adequately staffed multi-disciplinary revenue protection unit to implement its revenue management programme.*

8 Panel Discussion

Adv. Werner Zybrands, Peet du Plessis and Ms Louise Muller, Director Shareholders' Unit, CoC, kindly agreed to serve on a panel. The discussion was a mixed format of questions/answers and general debating of issues in which delegates fully participated. The following points were made:

- *Werner pointed out that the Land Titles Adjustment Act, 111 of 1993 as amended by the Land Affairs General Amendment Act, 11 of 1995 regulated the allocation or devolution of certain land in respect of which one or more persons claimed ownership but did not have registered title deeds in respect thereof. Using the provisions of this Act could therefore assist municipalities to solve 2nd generation transfer of property issues.*
- *Another extremely powerful tool available to consumers was a mandamus order, e.g. to enforce equal and consistent application of a by-law (a mandamus is an order from a superior court to any government subordinate court or public authority or government official to do or refrain from doing something it is legally obliged to do or not to do).*
- *Success factors for both the CoC and eThekwini were political buy-in, a multi-disciplinary team and following a multi-faceted approach to revenue management.*

- *NERSA was not allowed to determine tariffs only to act as a regulator and must be forced to align to municipalities.*
- *Municipalities must ensure the electricity tariffs truly reflected costs, real influence was exerted in respect of the determination of tariffs and the cross-subsidisation of electricity provision to housing projects was taken into account.*
- *Chief Financial Officers (CFOs) could make inputs to the tariff guidelines for municipalities for 2012/13 through IMFO.*
- *There was a difference of opinion between municipalities concerning the selling of the debtors' book, e.g. eThekweni will do it only in respect of property rates while Ekurhuleni was planning to sell its entire debtors' book.*

9 Summary and Closure

The facilitator provided a summary of the presentations and important points made during the day's discussions.

8 November 2011

Facilitator: Ms Anita Botha

10 **A Pragmatic Approach to the Introduction of the Required Skills and Capacity within Municipalities** **Ms Mare-Lise Fourie, Specialist Consultant and Board Member of the INCA Capacity Building Fund**

Ms Fourie's presentation systematically took delegates through the essential components featuring in a debate regarding competency in municipalities, i.e. the status quo and realities, the measures taken, the potential and limitations of these measures to have the desired impact and what was needed to get skills and competence embedded within municipalities.

In discussing the realities of a municipal workforce that was in many instances and/or many places simply not coping, Mare-Lise inter alia pointed out the escalation in service delivery protests; the inflexibility of the labour market; the significant under-spending on skills training; the fact that skills demands were legislation driven and the total mismatch between the skills needed vis-à-vis the skills employed that has occurred as a result of the rapid restructuring of the municipal sector. She quoted frightening statistics that highlighted the huge decline in municipal staff skills and thus the total under-skilling of municipal employees. Some of the key challenges were the redesign of organisational structures; quicker dispute resolution; adequately enforced performance standards and good career-pathing.

No doubt the suitability of qualifications, the debt of knowledge and overall experience and competency of senior management have seriously declined based on the average scoring obtained by section 57 managers on a national assessment in which 54% of managers participated. Add to this the recent poor audit outcomes with only seven municipalities receiving unqualified audits with no findings, it was clear serious leadership and governance challenges had to be addressed. Some of these included re-building a trust relationship between labour, management and Councils; professionalising municipal administrations; adequate institutional capacity and replacing the lost financial and technical experience.

Initiatives to address the inadequacies and instil the required skills and capacity within municipalities included the Municipal Regulations on Minimum Competency Levels (the "Competency Regulations") in terms of section 168 of the MFMA, published 15 June 2007 and effective from 1 January 2013 and Amendments to MSA published in Government Gazette 34433 of 5 July 2011. The Competency Regulations stipulated that current municipal managers, CFOs, other senior management, financial and SCM officials affected by it must obtain the relevant Minimum Competency Levels (the "MCL") before 1 January 2013 and after this date the mentioned officials may not be appointed unless in possession of the MCL as prescribed. Strengthening this approach further was the MSAA that made the future appointment of municipal managers and section 57 managers null and void if such persons were not in possession of the prescribed skills, competencies, expertise or qualifications.

Mare-Lise pointed out that limiting the impact of the legislative framework mentioned above, was a multitude of other detrimental factors negatively influencing the ability of municipalities to render services effectively, e.g. political interference; lack of governance, transparency and accountability; lack of leadership, intimidation, apathy, self-interest, etc. She pointed out the difference between managers and leaders and argued that local government needed skilled managers with the leadership abilities that made them wanted to embrace the philosophy of the King Report on Governance for SA (King III) within the concept of Ubuntu.

Question & Answer Session:

The discussion points clearly reflected the problems and challenges experienced by municipal officials with the MCL. Some of these and the opinions and advice provided by the speaker were captured below:

- *The MCL compliance programme ran by the University of the Witwatersrand was not compatible with the MCL Modules required which inter alia would have to be reflected in the municipalities' Annual Report section on competency compliance and training.*
- *Municipalities were not allowed to advertise five year fixed term positions after the amendments to the MSA became effective on 5 July 2011. However, this apparently has happened in a few instances. It raised three points of further concern, i.e. 1) the effective regulation of such unlawful appointments; 2) accountability for what could be construed 'irregular expenditure' and 3) if there were no consequences for wrong appointments such would continue.*
- *Political stability and non-interference and councillor empowerment were needed to comply with competency legislation. The latter provided an incentive for the appointment of permanent councillors. Part of the problem with the overlapping of political and administrative functions was that municipalities did not comply with section 53 of the MSA that stipulated a role and responsibility clarification exercise before delegations could be done.*
- *Undoubtedly CFOs were facing a constant battle to remain ethical.*

11 The Practical Impact of Legal Reforms and Changes in the Legal Environment on Service Delivery in Municipalities

Adv. Werner Zybrands, Municipal Manager of the Overstrand Local Municipality

Advocate Werner Zybrands gave an overview of the impact of legal reforms; highlighted some of the recent amendments to the MSA that were applicable from July 2011, discussed proposed amendments to the MPRA as contained in the Municipal Property Rates Amendment Bill (published in Government Gazette 34357 of 9 June 2011) and provided a few comments on the Competency Regulations and the possible impact of the Consumer Protection Act, 68 of 2008 (CPA) on municipalities.

Werner dealt with a number of examples where the overregulation imposed on municipalities actually inhibited service delivery, e.g. the huge responsibilities imposed by environmental legislation. He pointed out the accumulation of financial prescriptive measures contained in the MFMA and the MSA and criticised COGTA and its predecessor for not protecting local government against other departments by allowing them, notably NT, to pass legislation impacting on local government.

In respect of the proposed amendments to the MPRA, he discussed a number of new or improved definitions that would assist with the clarification of grey areas, e.g. 'agricultural property'; industrial property and official residence. Problematic definitions remained and would have to be addressed, e.g. 'residential property'. He welcomed the reduction in the number of differential rates' categories; the fact that only residential properties qualified for a uniform fixed amount if below a prescribed valuation level; the Minister of COGTA needing the Minister of Finance's concurrence in respect of constitutionally impermissible rates and a number of other additions to impermissible rates, e.g. part of the market value of properties belonging to elderly or disabled persons.

In respect of valuations, Werner felt that extending the period of validity of the valuation roll from 4 to 5 years could be good for more economically stagnant towns with vibrant towns still having the option of shorter intervals. He cautioned against incompetent or under-capacitated valuers; welcomed the fact that a valuer must provide reasons for a decision in response to an objection and pointed out that specialised expertise was needed

in respect of industrial or mining rights as well as the advantage and disadvantage of not considering mining permits as part of the value of licence permission. He further dealt with a host of new provisions, inter alia the phasing in of rates on public service infrastructure.

In dealing with the Competency Regulations, he discussed the practical problems and concerns associated with it which inter alia included the cost impact, the man hours lost and the impact thereof on service delivery and stress levels of personnel, some personnel such as engineers not needing many of the skills acquired, etc. He argued that, as a result, engineers might be unreasonably prohibited of exercising their trade which made the constitutionality of these Regulations questionable.

In principle Werner argued in support of the amendments to the MSA as applicable from 5 July 2011 but questioned the necessity of legislation to rectify malpractices such as nepotism, political appointments while competency guidelines have existed since 2006 (refer to Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to the Municipal Manager, Regulation No 805 published in Government Gazette 29089 of 1 August 2006).

He pointed out a number of problem areas, e.g. the absence of regulations to enforce some provisions and impracticalities in the Western Cape draft regulations, e.g. periods provided for interviews, vagueness in respect of advertisements, discriminatory criteria, etc. Other concerns were the powers given to the Minister that would trespass on municipal terrain, e.g. the determination of remuneration of section 57 employees and the prohibition of outside remunerated work. More welcome was that only appointments linked to an approved organisational structure would be valid and the obligation on SALGA to consult the Financial and Fiscal Commission (FFC) prior to bargaining council negotiations.

Werner regarded the CPA as a new form of taxation and a job creation method packaged in an act which was cumbersome and difficult. He said that municipalities should be able to stay on the right side of the law if contracts were in plain and understandable language as well as fair, reasonable and just.

In conclusion, he dealt with a number of important court cases.

12 Multi-year Financial Modelling: A Prerequisite for Sound Financial Management and Sustainable Process of Service Delivery

Ms. Nicolette Botha, INCA Portfolio Managers

Nicolette Botha gave a well-structured presentation that clearly set out the steps to follow to achieve financial sustainability which she defined as the set of circumstances that existed when a municipality's core work was secure and it was able to be there for its beneficiaries in the long term.

She pointed out that a multi-year financial modelling was based on a holistic set of financial and socio-economic information resources and that it was essential for a financial assessment to identify and take cognisance of an equally holistic span of influencing factors. Nicolette explained the components of a historical financial trend analysis and the questions a municipality needed to ask itself in order to get a clear picture of its current financial position and quantify its level of risk as these would be perceived by investors.

Nicolette emphasized that decisions should be based on real cash flow; budget assumptions be verified and historical trends be identified and acknowledged in the determination of projected performance. An assessment of future financial sustainability should inter alia look at the level of consumer collections and the impact of operational budgets and capital funding requirements on cash.

She discussed the considerations applicable when preparing a capital infrastructure funding strategy, e.g. leveraging on capital grants, own resources and external loans and the financial objectives and guidelines that should be pursued. Lastly, she referred to the monitoring and re-assessment processes that must be implemented to maintain financial sustainability.

Werner and Nicolette - Joint Question & Answer Session:

- *The session primarily dealt with more detailed discussions regarding the components of the financial model, e.g. how to deal with depreciation, interest on consumer deposits, benchmarking in terms of maintenance and unspent conditional grants as well as contentious areas concerning property rates.*
- *It appeared that municipalities have a need for a prescribed statutory model of working capital and that such should also be an outcome of the cash flow model.*
- *Technically it would be correct to keep cash reserves based on the depreciation figures but it appeared that municipalities were not doing it.*
- *It was felt that a valuation appeal board should almost have the status of a court with a reported judgement to create precedents for the future application of the MPRA.*
- *Differential rates were not perceived as unconstitutional; a block of flats was not a residential property and if a property was zoned 'bed and breakfast' it was seen as a business and the most reasonable application of rates was a sliding scale based on the number of beds provided.*
- *Re-valuation due to a discrepancy did not need a Council Resolution for it to be changed. Avoidance of re-valuations supported the motivation for a shorter term valuation roll.*

13 Cash Flow Management and Municipalities

Mr. Theunis Fourie, FNB

“Being able to predict was to control” and “effective cash management and prediction leads to effective liquidity management”. With these as the basic premises, Mr Fourie dealt with the regulatory environment, short term investment and its basic principles; investment policies; the principles of bridging finance and, briefly, the FNB approach to cash flow management.

The regulatory environment was dominated by the MFMA and its regulations that required municipalities to have an investment policy and regulates borrowing practices thus enforcing responsible financial management.

The cash flow management practices of a municipality could be seen in the degree and frequency of mismatching between its cash inflows and outflows, which relate to its cash surpluses and deficits and following thereon reflected in its short term investments vis-à-vis short term bridging finance arrangements.

Theunis pointed out that short term investing must adhere to certain basic principles, i.e. safety of the funds given that it was public money; liquidity concerns thus ensuring money is available as needed for capital or operational needs and maximising interest rate return – weighing up the risk-reward relationship where high risk-high reward and low risk-low reward. The factors must be balanced to arrive at a sound investment decision.

A good investment policy was tailor made based on the unique needs, requirements and skills set of the municipality and investment decision must be a process with regular and predictable decision-making. Bridging finance should be minimised but if necessary, effective management thereof would require a municipality predicting the needs requiring bridging finance before they actually happened. Ideally a permanent overdraft and bridging finance should be limited, negotiated prior to any need for it and actually utilised. Having such control would allow for competitive bidding from banks and flexibility in respect of the rate of lending.

In conclusion, Theunis explained the progressive difference in thinking of the Basel Committee on Banking Supervision as it developed from Basel I to III with the latter forcing banks to value individual investment more than funds.

Question & Answer Session:

The following points were made during the discussion session:

- *The government did not have much sympathy with banks suffering losses due to municipalities defaulting and thus forced banks to carefully look at the operational legal risks when lending to a municipality.*

- *The City of Johannesburg has issued 7 bonds and many market players felt that the time was right for metro's to issue bonds but bearing in mind issues such as high fees and maintenance thereof. Other viewpoints punted the lending rate of 8,9% offered by the DBSA against the cost of bonds and felt the latter was far too expensive.*
- *The banks' appetite for 15 year rather than 20 year loans was questioned. This trend was predicted not to change unless banks felt their need for a vote of confidence in the country and the stability of municipalities was met. Both FNB and INCA included in their risk parameters matters such as collection rates; losses, e.g. water and electricity losses; the number of acting personnel; staff costs and management calibre.*

14 Summary and Closure

The facilitator provided a summary of the presentations and important points made during the day's discussions.

15 Breakaway Groups

The facilitator provided the groups with a position paper titled "Reviewing the Local Government System – the Issues to be Addressed" and briefly dealt with the key aspects that were fundamental to local government being institutionally and financially sustainable and capable to deliver on its service mandate. These included:

- *a review of the model of local government, e.g. the two tier system;*
- *a re-look at the powers and functions, e.g. concurrent functions and unfunded mandates;*
- *the local government financial structure; and*
- *capacity and accountability issues.*

9 November 2011:

Facilitator: Ms Anita Botha

15.1 Feedback Breakaway Group 1:

Group 1 dealt with the following two topics:

1. Structure & Governance Mandate of Local Government:
 - a. What do you envisage as a future model for district municipalities / local municipalities? Provide a list of advantages/disadvantages for your model.
 - b. Which concurrent functions of local government and the other two spheres of government should be amended?
 - c. Provide your views on mega metros *inter alia* the degree of autonomy that should be given *vis-à-vis* the provincial sphere of government.
2. Accumulative Impact:

Identify and prioritise the five most important reasons for the failure of municipalities. How can the root causes for these failures be successfully rectified?

	Topics	Aspects
1 a.	Current Model of Local Government – Disadvantages and Advantages of the Two-tier system	Disadvantages <ol style="list-style-type: none"> 1. Duplication of functions: <ul style="list-style-type: none"> ▶ Environmental Health ▶ Fire ▶ Disaster Management ▶ Planning ▶ Roads 2. Power struggles and dysfunctional relations 3. Lack of capacity and willingness from the DM to support the LM 4. Inefficient planning around low cost housing 5. Inability of the DM to deliver on its legislative mandate but engages in

	Topics	Aspects
		<p>function creeping</p> <ol style="list-style-type: none"> 6. Less opportunity for cross-subsidisation by the DM 7. Very little room to raise own revenue 8. With wall-to-wall municipalities there is no need for a DM as this contributes to cost duplication: <ul style="list-style-type: none"> ▶ Council ▶ MM ▶ CFO ▶ Senior Managers ▶ BTO ▶ Corporate Services ▶ IT systems ▶ Public participation ▶ IDP, Budget, Policies, Billing Systems, etc 9. Heavily reliant on National and Provincial Transfers 10. Higher inefficiencies
		Advantages
		<ol style="list-style-type: none"> 1. Greater focus on rural areas 2. Greater focus on core service delivery of Water and Sanitation whereas LM's have many focus areas
	Proposed Future Model – National Sphere with Wall-to-Wall Metro's	Overview
		<ol style="list-style-type: none"> 1. We see only 2 spheres – National and Local (Metros) 2. All DM and LM to be amalgamated to form a metro 3. No need for Provincial sphere – serves no purpose – they are like cash in transit service. We go EFT now!! 4. Provincial staff to be absorbed by National and Local sphere
		Advantages
		<ol style="list-style-type: none"> 1. Will resolve the skills shortage issue 2. Will address the staff shortage (estimated to be 50 000 – 70 000 within local sphere) 3. Will result in tax efficiencies 4. A more equitable system of tax incidence 5. Improved compliance and governance issue 6. Will address all the disadvantages identified with the current model
		Potential Disadvantages
		<ol style="list-style-type: none"> 1. Fallacy of composition 2. Failure could be catastrophic 3. You may be taking government away from people 4. Obtaining stakeholder buy-in (staff, community, councilors, etc) 5. Danger of shift in power balance 6. Resistance to change 7. Legislative amendments (including the Constitution)
1 b.	Amendment of Concurrent Functions	All the functions below to be transferred to the newly established metro's:
		<ol style="list-style-type: none"> 1. Water services 2. Roads 3. Traffic 4. Community policing 5. Fire services 6. Disaster management 7. Transportation 8. Planning 9. Liquor licensing 10. LUM
1 c.	Mega Metro's	Mega Metro's and Role of Provincial Sphere

	Topics	Aspects
		<ol style="list-style-type: none"> 1. We support the formation of wall to wall metros accountable to national government 2. One DM together with all its LM's will form one metro 3. MDB will have to facilitate this process of re-determining the new boundaries 4. Redistribution of resources will be streamlined and will be more equitable 5.
2.	Reasons for the Failure of Municipalities	<ol style="list-style-type: none"> 1. Political instability and interference 2. Union interference and staff productivity 3. The right calibre and acumen of staff not appointed 4. Insufficient revenue base to deal with the IDP requirements 5. Over-regulated and non-alignment of legislation
	Addressing the Root Causes	<ol style="list-style-type: none"> 1. Role and responsibility clarification (councilor, union and management) 2. Individuals must be held accountable and face the necessary consequences of misdemeanor 3. Follow best practice approach when employing staff 4. Establishment of wall to wall metros to deal with deficiencies in the revenue base 5. Simplify the local government compliance environment

15.2 Feedback Breakaway Group 2:

Group 2 dealt with the following two topics:

1. Unfunded Mandates:
 - a. Which unfunded mandates create the most significant problems for municipalities? In each case indicate the extent of funding required by municipalities and where inferior service delivery results from it.
 - b. Identify which obligations/unfunded mandates should be removed from the local sphere of government to another sphere.
2. Accumulative Impact:

Identify and prioritise the five most important reasons for the failure of municipalities. How can the root causes for these failures be successfully rectified?

	Topics	Aspects																																																																																				
1.	Unfunded Mandates	<table border="1"> <thead> <tr> <th>Description of Unfunded Mandate</th> <th>NG</th> <th>PG</th> <th>A</th> <th>B</th> <th>C</th> </tr> </thead> <tbody> <tr> <td>Disaster Management (Schedule 4A)</td> <td>Fund</td> <td>-</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Environmental Health Services (Schedule 4A)</td> <td>Fund</td> <td>-</td> <td>-</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Primary Health Care (Schedule 4A)</td> <td>Fund</td> <td>Fund</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Housing Administration (Schedule 4A)</td> <td>Fund</td> <td>Fund</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Nature Conservation (Schedule 4A)</td> <td>Fund</td> <td>-</td> <td>-</td> <td>Yes</td> <td>-</td> </tr> <tr> <td>Pollution Control (Schedule 4A)</td> <td>Fund</td> <td>-</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Tourism (Schedule 4A)</td> <td>Fund</td> <td>-</td> <td>-</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Libraries (Schedule 5A)</td> <td>-</td> <td>Fund</td> <td>Yes</td> <td>Yes</td> <td>-</td> </tr> <tr> <td>Museums (Schedule 5A)</td> <td>-</td> <td>Fund</td> <td>-</td> <td>Yes</td> <td>-</td> </tr> <tr> <td>Provincial Roads (Schedule 5A)</td> <td>-</td> <td>Fund</td> <td>Yes</td> <td>Yes</td> <td>-</td> </tr> <tr> <td>Fire Fighting Services (Sec 84 of MSA)</td> <td>-</td> <td>-</td> <td>-</td> <td>Yes</td> <td>Fund</td> </tr> <tr> <td>Municipal Roads on behalf B-municipalities</td> <td>-</td> <td>-</td> <td>-</td> <td>Fund</td> <td>Yes</td> </tr> <tr> <td>Local Economic Development (Schedule 4A?)</td> <td>Fund</td> <td>Fund</td> <td>-</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	Description of Unfunded Mandate	NG	PG	A	B	C	Disaster Management (Schedule 4A)	Fund	-	Yes	Yes	Yes	Environmental Health Services (Schedule 4A)	Fund	-	-	Yes	Yes	Primary Health Care (Schedule 4A)	Fund	Fund	Yes	Yes	Yes	Housing Administration (Schedule 4A)	Fund	Fund	Yes	Yes	Yes	Nature Conservation (Schedule 4A)	Fund	-	-	Yes	-	Pollution Control (Schedule 4A)	Fund	-	Yes	Yes	Yes	Tourism (Schedule 4A)	Fund	-	-	Yes	Yes	Libraries (Schedule 5A)	-	Fund	Yes	Yes	-	Museums (Schedule 5A)	-	Fund	-	Yes	-	Provincial Roads (Schedule 5A)	-	Fund	Yes	Yes	-	Fire Fighting Services (Sec 84 of MSA)	-	-	-	Yes	Fund	Municipal Roads on behalf B-municipalities	-	-	-	Fund	Yes	Local Economic Development (Schedule 4A?)	Fund	Fund	-	Yes	Yes
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	Topics	Aspects
		<p>General Comments:</p> <ul style="list-style-type: none"> • Measurement of the extent of funding required not possible due to a lack of informative data. • However, the unfunded monetary value that needs to be financed with a municipality's own funds is a 100% unfunded mandate. • Due to the fact that municipalities have limited funding available, we are of the opinion that the standard of services will be dictated by the limited funding and will lead to inferior service delivery.
2.	Accumulative Impact of Municipal Failures : Reasons	<p>Root Causes:</p> <ol style="list-style-type: none"> 1. Political in-house fighting and power struggles 2. Lack of strong political leadership 3. Lack of political leadership understanding their roles and responsibilities
a.	Political Instability / Lack of Political Will	<p>Proposed Interventions:</p> <ol style="list-style-type: none"> 1. Inculcation of political maturity to be driven by the Minister of COGTA 2. Training and capacity building 3. Adhering to all Codes of Conduct
b.	Lack of skills, competencies, corporate values, ethics and discipline	<p>Root Cause:</p> <ol style="list-style-type: none"> 1. Inefficient, ineffective and unproductive workforce <p>Proposed Interventions:</p> <ol style="list-style-type: none"> 1. Determine and develop a skills gap analysis and Skills Development and implementation Plan (SDP) 2. Develop leaders and managers to enhance effective performance management 3. Effective implementation and monitoring of the SDP, mentoring and coaching programmes, "on the job" training and etcetera 4. Awareness campaign on the Codes of Conduct, corporate values, King III, Fraud Prevention Plans, zero tolerance for interference in disciplinary processes and etcetera 5. Capacitated internal audit units and audit committees 6. Policies, controls, procedure, practices, delegations, etcetera
c.	Revenue extent and the ability to collect revenue	<p>Root Causes:</p> <ol style="list-style-type: none"> 1. Inability to bill for all services due to "unclean" data 2. Inability to collect all revenue due to a municipality <p>Proposed Interventions:</p> <ol style="list-style-type: none"> 1. Effective implementation of policies and by-laws without political interference 2. Political buy-in that administration may implement Credit Control and Debt Collection Policy; Indigent Policy; Property Rates Policy; Tariff Policy; Writing-Off of Irrecoverable Debt Policy, and, any other budget related prescribed policies 3. Systems and tools for billing and revenue collection 4. Well motivated and capacitated staff 5. Alternate sources of revenue evaluations / monitoring units
d.	High administrative and overhead costs / non-priority spending	<p>Root Cause:</p> <ol style="list-style-type: none"> 1. Reluctance to fill vacant positions in service delivery units. Instead, organisational structures are bloated-up with "soft" or so-called supporting units positions which is normally filled by deployees – influencing political party caucuses <p>Proposed Interventions:</p> <ol style="list-style-type: none"> 1. Target and prioritise spending on core functions (electricity, water, sanitation, refuse removal, roads and storm water) 2. Fill vacancies in basic service delivery units 3. Implement operating cost reducing initiatives to ensure the local community receive value for money 4. Effective use of available scare resources (revenue, human capacity, PPE, tangible moveable assets, etcetera) 5. Invest in capital projects that yields a high rate of return for the local community – not nice to have capital projects

	Topics	Aspects
e.	Cash management with related assumptions (credible budgets)	<p>Root Causes:</p> <ol style="list-style-type: none"> 1. Poor cash flow management 2. Lack of cash to honour commitments to creditors that includes the monthly payroll run 3. No provision for working capital (estimated non-payment monetary value of billing based on payment percentage history) <p>Proposed Interventions:</p> <ol style="list-style-type: none"> 1. Budgets to be funded through realistically anticipated revenue 2. Benchmarking of cash flow assumption 3. Daily cash management (including daily bank reconciliations) 4. Cash flow forecasting and monitoring (including revenue collection payment percentages) 5. Variance reporting and associated remedial action
3.	Concluding Statements	<ul style="list-style-type: none"> • Political stability and political will to allow senior management – within a trust environment – to run the municipality according to legislation, policies and by-laws will ensure that scarce resources are used for the “right” purposes (IDP priorities) • Employ the right people for the right job that will adhere to corporate values; good governance ethics; who are able to discipline themselves as a servant to the people we are appointed to serve; and, who will not enrich themselves in any way with public funds, assets and etcetera • Municipalities can only be a going concern and a sustainable “business” organisation if political leadership allows the administration to collect all revenue due to the municipality. Identify your indigent population and have a zero tolerance approach towards defaulters who can afford to pay. • Political leadership and the Accounting Officer and its administration should explore all revenue enhancement avenues (unfunded mandates included) to ensure that all the services that is rendered are billed and revenue collected. • Municipalities must focus on targeting scarce resources towards the rendering of basic services. Reduce administration and overhead costs to the minimum, fill vacancies on the organisational structures that render basic services, and, put control measures in place to avoid the misuse of the municipality’s assets. • Compile budgets that is funded with realistically anticipated revenue, monitor daily cash flow position through proper cash flow forecasting and exception reports on benchmarking deviations.

15.3 Feedback Breakaway Group 3:

Group 3 dealt with the following two topics:

1. Revenue Base:
 - a. Discuss the following statement and provide arguments in favour of or opposed thereto: “The revenue base of most municipalities is being eroded by fewer households being able to pay municipal charges and fees and more households being unable/unwilling to pay for municipal services while in most towns (i.e. excluding metros and large cities) the non-residential component is either stagnant or declining.”
 - b. Which sources of revenue should be partially or even wholly allocated to municipalities? Provide reasons.
2. Accumulative Impact:

Identify and prioritise the five most important reasons for the failure of municipalities. How can the root causes for these failures be successfully rectified?

	Topics	Aspects
1 a.	Eroded Revenue Base	<p>AGREE WITH THE STATEMENT</p> <p>Reasons & Arguments</p> <ol style="list-style-type: none"> 1. Constitutional obligations – service cannot be denied 2. Urbanisation taking place from <ul style="list-style-type: none"> ▶ Communities flocking from rural areas and foreigners ▶ Unemployed and unskilled ▶ Seeking improved quality of life 3. Economic increases(if any) are less than social demand increase 4. The nature of the infrastructure grant and related capital expenditure does not increase revenue base 5. Indirect unfunded mandate e.g. low cost housing with related administrative and maintenance 6. Unemployment places a burden on existing revenue base 7. Existing revenue base handicapped by the economic recession and the influx of new unemployed consumers 8. Ageing population , child headed households, HIV aids, high school dropouts finding it increasingly more difficult to pay for services 9. The effect of climate change on the economy 10. Small farms not viable 11. Undercharging 12. Unwilling payers : <ul style="list-style-type: none"> ▶ Integrity of billing systems and poor services ▶ Sense of entitlement ▶ Negative perceptions of political representatives ▶ Media creating negative perceptions ▶ Lack of political will to support administration ▶ Role of councillors in engaging with the community 13. Unable to pay : <ul style="list-style-type: none"> ▶ High tariff increases over the last few years as a result of increases in bulk purchases and other commodities ▶ Water and electricity unaccounted for increases tariffs ▶ Consumer salary increases far less than service charges increase
1 b.	Unallocated Revenue Resources	<ol style="list-style-type: none"> 1. Housing grant revenue directly to municipalities 2. Unbiased grant allocation 3. Provincial allocation of LED grants to be passed on to municipalities 4. EPWP grant funding to be paid upfront 5. Unfunded and underfunded to mandates to be fully funded e.g. libraries, museums, disaster management, housing etc. 6. Portion of fuel / RSC replacement levies to be paid to local municipalities 7. Eskom distribution areas to be handed over to local municipality with relevant resources
2.	Accumulative Impact of Municipal Failures : Reasons	<p>Issues:</p> <ol style="list-style-type: none"> 1. Political instability 2. Lack of political maturity 3. Political interference in administration 4. Political will for decisiveness <p>Solutions:</p> <ol style="list-style-type: none"> 1. Enforcing the code of conduct and rules of order 2. Provide basic skills development in IDP and budget 3. Adherence to legislation
a.	Unstable Political Environment	
b.	Professional Human Resource Management	<p>Issues:</p> <ol style="list-style-type: none"> 1. Lack of attracting and retention of skilled and competent staff 2. “Jobs for pals” 3. Lack of management and leadership skills

	Topics	Aspects
		Solutions: 1. Robust recruitment and selection process 2. Responsive and funded organogram 3. Career path development 4. On-going training programmes 5. EAP programmes
c.	Economic Burden	Issues: 1. Unemployment 2. Unfunded mandates Solutions: 1. Reduction in red tape 2. More efficient use of relevant legislation e.g. NEMA 3. Creating a an enabling environment for LED 4. Local entrepreneurship and development 5. Sustainability of LED projects
d.	Fraud and Corruption	Issues: 1. Mismanagement of fund 2. Theft 3. Abuse of power Solutions: 1. Policy and implementation strategy without fear or favour 2. Employment of officials with high ethics and work habits 3. Screening and vetting of councillors and senior management 4. Ensure proper internal controls 5. Declarations
e.	Fiscal Policy Review	Issues: 1. Unfunded mandates 2. Outdated equitable share model Solutions: 1. Equitable distribution of LGES and MIG 2. Non-viable municipalities to be absorbed 3. Government budgets must be informed by municipalities IDP 4. Electricity licence to be transferred to respective municipality 5. National government to finalised the powers and functions debate

Questions & Answers:

As with previous question and answer sessions delegates also participated through making contributions. Important points were captured below:

- Political instability and interference stood out as the biggest obstacle;
- In the case of a single tier LG model where districts councils were abolished and where provinces fell away or lost all/some of their powers and functions if these were devolved to LG, there must an exit strategy for structures, councillors and staff;
- Bigger (the metro's) were not necessarily better if revenue sources were not in place;
- IDPs are too ambitious;
- Municipal staff were too highly paid;
- The Auditor General should be asked why it did not also focus on the impact of unfunded mandates and why the AGSA and/or NT did not produce reports on this matter;
- The overemphasizing of LED must make way for a renewed focus on basic services delivery;
- NT was also guilty of fiscus dumping at the end of the financial year;
- Traditional leaders must also pay taxes;
- Social services must be located as near to the people as possible;

- *More effort should be made to explore PPPs for water, electricity, sewerage and solid waste;*
- *The government's focus should not only be on jobs but on careers and ideally on vocations;*
- *A framework in terms of the grading of municipalities was urgently needed;*
- *There was wide consensus that infrastructure grants, e.g. the MIG must include a maintenance component.*

16 Government Positions around the Optimisation of LG Structures and Co-operative Governance

Mr. Tshepo Khasi: Senior Manager, COGTA

Mr. Khasi's presentation focused on Intergovernmental Relations (IGR) by reflecting on it, explaining its components and the discussion of a framework for improving IGR practices.

The reality in SA was a challenging and frustrating IGR system where tension between the spheres of government was more evident than mutual co-operation specifically in respect of a lack of clarity around the allocation of powers and functions of which housing is a good example.

IGR faced a number of challenges, i.e. individual, organisational, institutional and external which should be facilitated by cooperative governance activities inter alia including consultations, meetings, information-sharing, dispute resolution, reporting, monitoring and evaluation to arrive at certain outputs, e.g. implementation protocols, joint plans, etc. and outcomes such as development and integrated service delivery.

However, there are many examples of the cooperative governance system not delivering the intended outputs or outcomes. This was inter alia due to poor relationships; a lack of participation of sector departments in the IDPs of municipalities and eventually non-aligned provincial and municipal programmes that led to wasted resources, duplicated effort and a lack of service delivery.

Mr Khasi expanded on what was needed to make the cooperative government system work, i.e. the basic things to be understood, the tools to be used, the core skills needed and the attitudes that would support cooperative governance.

With reference to the two tier system of LG, he said it has been found complex, ineffective and definitely in need to be reformed or abolished. There were a number of proposals under consideration, e.g. re-assigning of district functions to locals or provinces and re-demarcation of local municipal boundaries; combining districts and provinces; retaining districts in some areas; retaining districts as shared services centres, etc.

Further actions to enhance municipal governance, accountability and participation as investigated, implemented or still debated by government included inter alia mandatory municipal public accounts system, clearer separation of municipal executive and legislative functions; reviewing the appointment and contracting processes for senior management; mandatory pre- and post-election training for councillors; audit of public participation; long term strategy on building municipal technical services capacity.

He concluded by pointing out the risk of poor cooperative governance and it being crucial for achieving the objective of a developmental state.

17 Decentralised Co-operation and Maximisation of Resources between Municipalities: A Key to Sustainable Local Government – A French Perspective

Mr. Thomas Quero, Nantes Metropole, France

Mr. Thomas Quero gave a brief background and orientation of Nantes, the 6th largest French city with a population of 579 131, before taking the delegates on the route that Nantes followed to foster decentralised co-operation and solidarity with other cities and regions to pursue its vision of north/south relationships, international recognition and participation in establishing the role of LG in world governance.

Nantes Metropole's mission was to build decentralised co-operation and establish solidarity links with a number of partner cities in France and internationally, e.g. Durban. One of its focus areas was the implementation of

quality public services in partner cities since Nantes itself has completely moved away from the outsourcing to the private sector and NGOs to delivering all services in-house. Each internal department had to budget for the time and cost of such solidarity cooperation. They have found that the public sector maintained the same level of investment in infrastructure than the private sector, competence levels were the same and much emphasis had been placed on the capacity of the metropole to do long term planning to the extent that it is a selling point in local elections.

Nantes advocated a holistic services focus with common policies amongst the city partners, e.g. urban planning is done on an institutional level between 24 cities. Thomas believed the bigger the conglomeration of co-operation the better the picture of service delivery that was achievable.

Thomas related a number of actions that Nantes has taken to improve public services, e.g. the re-implementation of the tramway. He also regarded Nantes as a pioneer and ambitious city in respect of its involvement with the fight against climate change, a function with a large number of dedicated personnel that did a CO2 assessment on every project ran by Nantes. In this regard Nantes saw itself as an eco-city which endorsed its global responsibility as part of the Euro-cities network and specialised European networks including the Climate Alliance and Energy Cities. It also participated in the Covenant of Mayors, an initiative of the European Commission with 2854 city signatories and 749 action plans submitted as well as the World Mayors' Summit on Climate with 140 signatories. These commitments indicated that Nantes was moving at the forefront of climate change initiatives, inter alia also striving to exceed its own CO2 reduction target with 20%.

He pointed out that since the Copenhagen COP15 (Conference of the Parties) the role of cities have become more prominent and at the Cancun COP16 cities were for the first time recognised as a definite player in the climate change negotiation process to the extent that cities were included the final agreement thus opening the possibility of financing through the international Clean Development Mechanism. The next step would be the COP17/CMP7 in Durban.

(Added explanatory note: The COP is a negotiating forum and the COP17 in Durban is the 17th annual meeting of world governments to negotiate climate change issues. The parties to the COP are the nations that signed the United Nations Convention on Climate Change (UNFCCC). Where the COP is the main body of the UNFCCC, the CMP is the main body of the Kyoto Protocol. These main bodies meet together at the same venue each year).

Thomas Quero and Tshepo Khasi – Joint Question & Answer Session:

The following points present a summary of delegate statements and questions and the responses of the speakers:

- *To ensure municipal finances were managed in the correct manner, COGTA and NT published a Guideline for the Establishment of Municipal Public Accounts' Committees (MPAC) in August 2011. (Note: Subsequently ICBF sent delegates the guideline and it is also available on the COGTA and NT websites).*
- *State owned entities were drawn into IGR only when an issue concerned them but it should be noted that they were constituted in terms of own legislation from which they derived their mandates. However, it was conceded that their role in IGR should also be clarified.*
- *The role of COGTA in respect of the Municipal Demarcation Board (MDB) was defined in sections 4 and 6 of the MSA, i.e. that the MDB must consult with the Minister of COGTA and the MEC of local government in the relevant province before making certain determinations or declarations. However, it was conceded that by the time the MDB consulted with COGTA before the last local government elections, the MDB presented an already finalised product thus the consultation process was flawed.*
- *Delegates felt that the LGTAS was dying a slow death given the dynamics involved and COGTA was also not satisfied with the way in which it was implemented. It was therefore involved in a process to revive it.*
- *Much criticism was launched by speakers and delegates against COGTA for its lack of LG leadership and allowing other departments such as NT to dictate how municipalities should conduct their affairs causing overlaps, overregulation, much frustration and a lack of service delivery, e.g. the Competency Regulations of NT and those that COGTA was releasing for section 57 officials. COGTA realised that this was true and that the COGTA/NT role in respect of LG must be clarified. It was working on a Green Paper on Cooperative Government which would be provided to delegates. (Note: Subsequently provided to the ICBF as undertaken by Mr Khasi and sent to all delegates).*

- *COGTA was in the process of putting out a bill that will regulate intervention in provinces and municipalities with reference to sections 100 and 139 of the Constitution. (Note: Subsequently provided to the ICBF as undertaken by Mr Khasi and sent to all delegates).*
- *A local business tax could be a replacement for the RSC Levy that never really did take place.*
- *The Nantes Metropole did not face any services' backlogs but also has to keep up with new technologies while the tax base remained the same.*
- *The various services, e.g. water, electricity, etc. departments within Nantes Metropole were ring-fenced and functioning as business units, therefore it was possible to compare the performance of internal and external service delivery mechanisms with such accuracy.*
- *The aspect of local business tax as applicable in France was the subject of a hot debate with the government wanting to replace it with a grant that will be given to local government for 2 to 3 years.*
- *Real commitment to climate change was the introduction of holistic solutions in towns and cities, e.g. the integration of waste, water and energy efficiencies with higher density, nearer to workplace housing solutions and transport efficiencies that also reduced the number of vehicles through effective urban planning.*

18 Conclusion / Closing Remarks

Mr. Noël Jelliman, CEO INCA Capacity Building Fund

With sincere words of thanks to the sponsors, the administrative support staff, the staff of the conference centre, the facilitator, the knowledgeable speakers and the awesome group of delegates who contributed so much through their active participation, Noël closed a very memorable and successful 2011 Summer School.

19 Annexure 1: List of Delegates and Observers

INCA SUMMER SCHOOL 2011 - LIST OF DELEGATES & OBSERVERS						Annexure 1	
Delegate	Municipality	Province	Position	Email Address	Telephone	Cellphone	
Danie	de Lange	Cacadu District Municipality	ESC	Director: Finance & Corporate Services	ddejanqe@cacadu.co.za	041 508 7108	082 557 2064
David Daniels	Valentine	City of Cape Town	WSC	Director - Treasury	david.valentine@capetown.gov.za	021 400 3800	084 8880 709
Mabandla	Sibisi	City of Joburg	GP	Head of Dealing	mabandlas@joburg.org.za	011 242 1059	071 898 1516
Andile	Dyakala	City of Tshwane	GP	Chief Financial Officer	andiled@tshwane.gov.za	012 358 8100	083 497 4516
Khumalo	Wissemann	Ehhlazeni District Municipality	MP	Chief Financial Officer	wkhumalo@ledc.co.za	013 759 8513	082 460 1834
Zakes	Myeza	Ekuhuleni Municipality	GP	Acting Deputy City Manager - CFO	zakes.myeza@ekurhuleni.gov.za	011 999 0836	082 856 4751
Mmabatho	Ndhlovu	Emalahleni Local Municipality	MP	Deputy: Chief Financial Officer	shilongo@emalahleni.gov.za	013 690 6507	082 570 5246
Letukisa	Makgale	Emalahleni Local Municipality	MP	Chief Financial Officer	makgale@emalahleni.gov.za	013 690 6275	071 603 2222
Riaz Ahmed	Jhetam	Emnambithi / Ladysmith Municipality	KZN	Manager: Finance	fm@ladysmith.co.za	036 637 2231	082 490 8714
Fariel	Manuel	Emthanjeni Municipality	KZN	Chief Financial Officer	fmanuel@emthanjeni.co.za	053 632 9100	082 317 2841
Isak	Visser	Emthanjeni Municipality	KZN	Municipal Manager	vesseraa2emthanjeni.co.za	053 632 9100	082 802 2319
Ian	Grisdale	Endumeni Municipality	KZN	Chief Financial Officer	ian@endumeni.gov.za	034 212 2121	082 929 1450
Similo	Mbongwe	Ethekewini Municipality	KZN	Deputy Head: Internal Control & Business Systems	mbongwes@durban.gov.za	031 311 1164	082 783 4234
Howard Jabulani	Dlamuka	Ethekewini Municipality	KZN	Corporate Estate	dlamukah@durban.gov.za	031 311 1164	078 518 7231
Hannes	Van Bijlon	Frances Baard District Municipality	NC	Chief Financial Officer	hannes.vanbijlon@fbdm.co.za	053 838 0944	082 806 7887
Johan	Jacobs	Hessequa Municipality	WSC	Municipal Manager	mm@hessequa.gov.za	028 713 2418	083 274 2879
Jaques	Carstens	Khara Hais Municipality	WSC	Chief Financial Officer	cfo@kharahais.gov.za	054 338 7025	082 824 8806
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Kevin	Jacoby	Nelson Mandela Bay Metro Municipality	ESC	Chief Financial Officer	kiacoby@mandelametro.gov.za	041 506 1584	
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Desema	Mokoena	Metsimaholo Local Municipality	FS	Chief Clerk - Sundry Debtor	disema.moloena@metsimaholo.gov.za	016 973 8470	079 779 8859
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Albert	De Klerk	Midvaal Local Municipality	GP	Municipal Manager	mm@midvaal.gov.za	016 360 7411	082 771 8961
Komape	Mphago	Mogalakwena Municipality	NW	Chief Financial Officer	mphagok@mogalakwena.gov.za	015 491 9703	083 299 0112
Leslie	Mahuma	Mogale City Local Municipality	GP	Chief Financial Officer	lesliem@mogalecity.gov.za	011 951 2472	083 730 1609
Martinus	Strydom	Nkangala District Municipality	MP	Chief Financial Officer	strydommi@nkangaladm.org.za	013 249 2014	
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Mark	Bolton	Stellenbosch Municipality	WSC	Chief Financial Officer	markb@stellenbosch.org	021 808 8529	084 214 3000
Eben	Lewis	Stellenbosch Municipality	WSC	Head: Supply Chain Management	ebenl@stellenbosch.org	021 808 8137	083 285 0270
Stephen	Jacobs	Theewaterskloof Municipality	WSC	Chief Financial Officer	stephenia@twk.org.za	028 214 3361	079 644 6964
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Amos C	Mpela	Umsobomvu Municipality	NC	Municipal Manager	mpela@umsobomvumun.co.za	051 753 0777	084 307 4724
Dione	Visagie	Umsobomvu Municipality	NC	Chief Financial Officer	dionne@umsobomvu.co.za	051 753 0777	082 907 2030
Cheryl	Reddy	Uthungulu District Municipality	KZN	Chief Financial Officer	chettvc@uthungulu.co.za	035 799 2500	083 639 9027
Leon	Van Wyk	Buffalo City Metropolitan	ESC	Manager Debt Administration	leonv@buffalocity.gov.za	043 705 3893	082 651 7638
Siyabulela	Peter	Buffalo City Metropolitan	ESC	Programme Manager: Debt Management	siyabulelap@buffalocity.gov.za	043 705 1125	084 7788 743
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Ocean	Makalima	IMFO		Observer	oceanm@imfo.co.za		
Assia	Sidibe	AFD		Observer			
Guillaume	Le Bris	AFD		Observer	lebrisg@afd.fr		

20 Annexure 2: Programme of the INCA Summer School 2011

PROGRAM
THEME: THE EFFECTIVE IMPLEMENTATION OF SOUND POLICIES, STRATEGIES AND MANAGEMENT PRACTICES NEEDED TO ENSURE THE FINANCIAL RECOVERY AND SUSTAINABILITY OF MUNICIPALITIES

DATE	SUBJECT	RESPONSIBILITY
7 NOVEMBER 2011		
07H00 – 07H45	Breakfast	
07H45 – 08H15	Registration	Entrance to Auditorium
08H15 – 08H30	Welcome & Domestic arrangements	Noël Jelliman CEO Inca Capacity Building Fund Anita Botha – Facilitator
08H30 – 09H15	Key note address: The current and expected economic environment and the associated impact on the income of ratepayers and their ability to pay for municipal services	Mike Schüssler Economist Director of Economists.co.za
09H15 – 09H45	Question & Answer Session	Anita Botha to facilitate
09H45 – 10H30	The dilemma of spending patterns, consumer demands and bulk tariff increases against affordable tariff setting and available resources	Dr. Chris Kapp Acting CFO George Local Municipality
10h30 – 11H15	Question & Answer Session	Anita Botha to facilitate
11H15 – 11H45	Tea / Coffee (Photo session)	
11H45 – 12H30	The enforcement of credit control policies and the introduction of innovative measures are key to ensuring optimal revenue collection	Siyabulela Bashe Manager Debt Management City of Cape Town Metropolitan Council
12H30 – 13H15	Question and Answer Session	Anita Botha to facilitate
13H15 – 14H15	Lunch	
14H15 – 15H00	The constructive use of legislative remedies to improve debt collection	Peet du Plessis Head: Revenue Management eThekweni Metropolitan Municipality
15H00 – 15H45	Question and Answer session	Anita Botha to facilitate
15H45 – 17H00	Summary and closure (session also to be utilised for questions not dealt with during the day)	Anita Botha
18H30	Welcoming cocktail party (Foyer area of FNB Centre) Each sponsor will be given 10 min to address delegates	Master of Ceremonies Noël Jelliman CEO Inca Capacity Building Fund

8 NOVEMBER 2011		
07H00 – 08H00	Breakfast	
08H00 – 08H15	Program arrangements	Anita Botha to facilitate
08H15 – 09H00	A pragmatic approach to the introduction of the required skills and capacity within municipalities	Ms Mare-Lise Fourie Specialist Consultant and Board Member of the Inca Capacity Building Fund
09H00 – 09H45	Question and Answer session	Anita Botha to facilitate
09H45 – 10H15	Tea and Coffee	
10H15 – 11H15	The practical impact of legal reforms and changes in the legal environment on service delivery in municipalities – a discussion of: Amended Municipal Systems Act (retention of critical staff, professionalisation of municipal administrations Amendments to the Municipal Property Rates Act Consumer Protection Act – what is the possible effect on municipalities e.g. poor billing systems	Adv. Werner Zybrands
11H15 – 12H00	Multi-year financial modelling : a Prerequisite for sound financial management and sustainable process of service delivery	Nicolette Botha Inca Portfolio Managers
12H00 – 13H00	Joint Question and Answer session	Anita Botha to facilitate
13H00– 14H00	Lunch	
14H00 – 14H45	Cash flow Management & Municipalities	Theunis Fourie FNB Public Sector Banking
14H45 – 15H45	Question and Answer session	Anita Botha to facilitate
15H45 – 16H30	Summary and closure (session also to be utilised for questions not dealt with during the day)	Anita Botha
16H30 – 18H30	Breakaway groups – Position paper on the current role and functions of Category A,B and C municipalities	Anita Botha to provide position paper and brief to breakaway groups
19H00	Networking Braai at pool	

9 NOVEMBER 2011 (as amended)		
07H00 – 08H00	Breakfast	
08H00 – 09H50	Feedback – breakaway groups followed by questions and answers after each presentation	Anita Botha to facilitate
09H50 – 10H25	Government Positions around the optimisation of Local Government Structures and Co-operative Governance	Tshepo Khasi Senior Manager, Department of Co-operative Governance and Traditional Affairs
10H25 – 11H20	Decentralised co-operation and maximization of resources between municipalities a key to sustainable Local Government – a French perspective	Thomas Quero Nantes Metropole France
11H20 – 11H35	<i>Tea</i>	
11H35 – 12H35	<i>Question and answer session</i>	Anita Botha to facilitate
12H35 – 12H45	<i>Vote of thanks / Conclusion</i>	Noel Jelliman CEO Inca Capacity Building Fund
12H45	Closing lunch	

21 Annexure 3: Rating of Speakers and Facilities

ANNEXURE 3

RATING OF SUMMER SCHOOL 2011

		%
Conference arrangements and facilities		92.15
Reception on arrival		91.30
Cocktail function		92.42
Overnight accommodation		91.79
Lecture rooms/auditorium		93.33
Time allocated for presentations		95.11
Time allocated for Q & A		94.22
Summer School documentation		89.78
Breakfasts, lunches, teas		88.00
Pool braai function		91.01
Summer School staff support		93.78
Role of facilitator		92.89
Additional comments on arrangements & facilities	<ol style="list-style-type: none"> 1. The sessions are quite long. If a short 5 or 10 minute break was allowed between presentations, less people would leave the auditorium during presentations. 2. Reception was marred due to problems with shuttle. 3. Did not receive much documentation on summer school. 4. The facilitator was fantastic! 5. Great experience and very insightful. 6. Conference room temperature too low, i.e. 'bit cold' & too cold in the room!! 7. During cocktail function one of the speakers from FNB did not adhere to the time and the guests were standing and became uncomfortable. 8. All has gone extremely well. Nice professional and relaxed environment. Facilitator is a breath of fresh air! Wonderful. 	

Speakers and presentationsOverall **89.57**

Mike Schussler	Relevance	94.44
	Quality of presentation and handouts	92.74
	Response to questions	92.74
	Overall	93.30

Dr Chris Kapp	Relevance	90.17
	Quality of presentation and handouts	88.03
	Response to questions	86.75
	Overall	88.32

Siyabulela Bashe	Relevance	91.45
	Quality of presentation and handouts	86.75
	Response to questions	85.47
	Overall	87.89

Peet du Plessis	Relevance	90.60
	Quality of presentation and handouts	90.17
	Response to questions	90.17
	Overall	90.31

Mare-Lise Fourie	Relevance	92.31
	Quality of presentation and handouts	90.17
	Response to questions	89.74
	Overall	90.74

Werner Zybrands	Relevance	94.87
	Quality of presentation and handouts	92.31
	Response to questions	94.02
	Overall	93.73

Nicolette Botha	Relevance	88.46
	Quality of presentation and handouts	88.03
	Response to questions	87.18
	Overall	87.89

Theunis Fourie	Relevance	88.44
	Quality of presentation and handouts	88.44
	Response to questions	88.44
	Overall	88.44

Thomas Quero	Relevance	84.00
	Quality of presentation and handouts	85.78
	Response to questions	86.67
	Overall	85.48

