



LOCAL GOVERNMENT MANAGEMENT IMPROVEMENT MODEL (LGMIM)

KEY PERFORMANCE AREA 2:
SERVICE DELIVERY
2014 TO 2019

ISSUED BY THE
DEPARTMENT
OF PLANNING,
MONITORING AND
EVALUATION



REPUBLIC OF SOUTH AFRICA



The NDP chapter on a Capable and Developmental State envisioned that by 2030 we will have a developmental local state that is accountable, focussed on citizen's priorities and capable of delivering high-quality services. In an attempt to support and improve the performance of municipalities, the Local Government Management Improvement Model (LGMIM) tool was developed.



LGMIM is a model or technique that is used to measure or benchmark the institutional performance of municipalities across a number of Key Performance Areas (KPA). In each KPA, performance is assessed against standards established by the relevant transversal departments. LGMIM provides an integrated and holistic view of a municipality's performance across several critical key performance areas, thus making it easier to prioritise areas that are in need of significant improvement and potential support. The objectives of the LGMIM are to:

- Provide a management tool for the municipal leadership – to reflect on ways of working and shaping management practices to deliver quality services and increase productivity; and
- Inform support measures by national and provincial departments.

LGMIM focusses on the management practices in 6 Key Performance Areas, namely:

1. Integrated Planning and Implementation
2. Financial Management
3. Service delivery
4. Human Resource Management
5. Community Engagement
6. Governance

A municipality that scores at Level 1 or Level 2 for a management performance standard is not fully compliant with the legal, regulatory and prescribed best practise requirements and there is room for improvement before a level 3 score, indicating full compliance can be achieved. When a municipality scores a level 4 in respect of a management performance standard it means that it is fully compliant and operating smartly and or innovatively in respect of that management performance standard. The four levels are described below:

KPA 1



KPA 2



KPA 3



KPA 4



KPA 5



KPA 6



| Level | Description |
|---------|--|
| Level 1 | The municipality lacks basic adherence to management practices in line with legal, regulatory and prescribed best practice requirements. Affected management standard require serious attention from the management team. |
| Level 2 | The municipality has some management practices in place that partially adhere to legal, regulatory and prescribed best practice requirements. A platform exists to become fully effective, but will require some attention from the management team. |
| Level 3 | Municipality employs management practices in line with legal, regulatory and prescribed best practice requirements. The municipality is fully effective and the management team should endeavour to sustain the good performance. |
| Level 4 | Municipality employs management practices in line with legal, regulatory and prescribed best practice requirements and shows innovation. |



This report is based on the results of one hundred and forty one (141) municipalities

The rollout of the LGMIM is currently in its sixth (6th) year since its inception and pilot. To date, one hundred and forty six (146) municipalities comprising of metropolitan, district and local municipalities participated in the programme. Of the total:

- twelve (12) were assessed during the 2013/14 FY in the pilot phase;
- thirty (30) municipalities were assessed in 2014/15;
- thirty (30) municipalities were assessed in 2015/16;
- forty-one (41) municipalities were assessed during 2016/17;
- thirty-three (33) municipalities during the 2017/18; and
- thirty-seven (37) municipalities during the 2018/19.

Data exclusions:

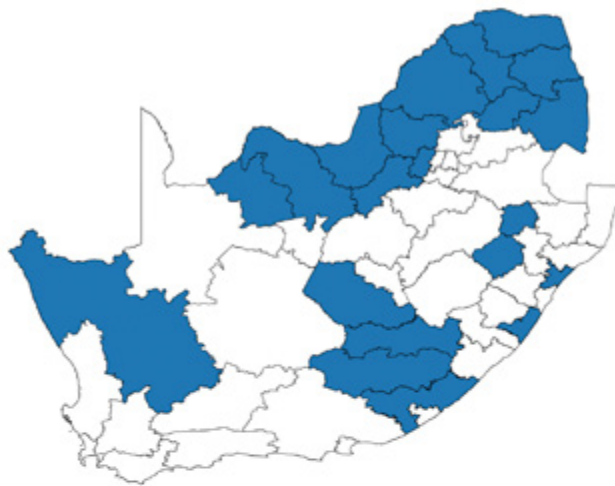
Data from the following categories of municipalities assessed has been excluded from the analysis due to issues of relevance and representivity of results:

- Pilot phase municipalities' data has been excluded from the trend analysis due to the standards assessed having been significantly amended in line with the outcome of the pilot assessment and lessons learnt.
- Where the same municipality was assessed more than once only the most recent assessment results have been included
- Results of municipalities that had disestablished / amalgamated in 2016 have been excluded
- As only three metropolitan municipalities had been assessed, of which two in the pilot phase, the results from the metropolitan municipalities' have also been excluded as results pertaining to these cannot be construed as a representative sample to base assumptions on.

This report is therefore based on the results of one hundred and forty one (141) municipalities in line with the above-mentioned data exclusions.

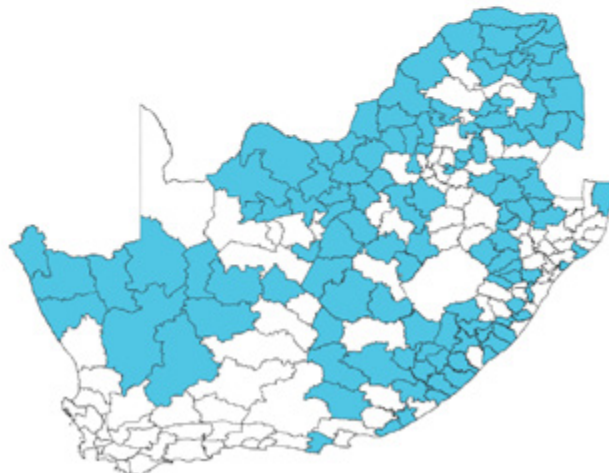
1

District municipalities that have been assessed:
21 out of 44 (48%)



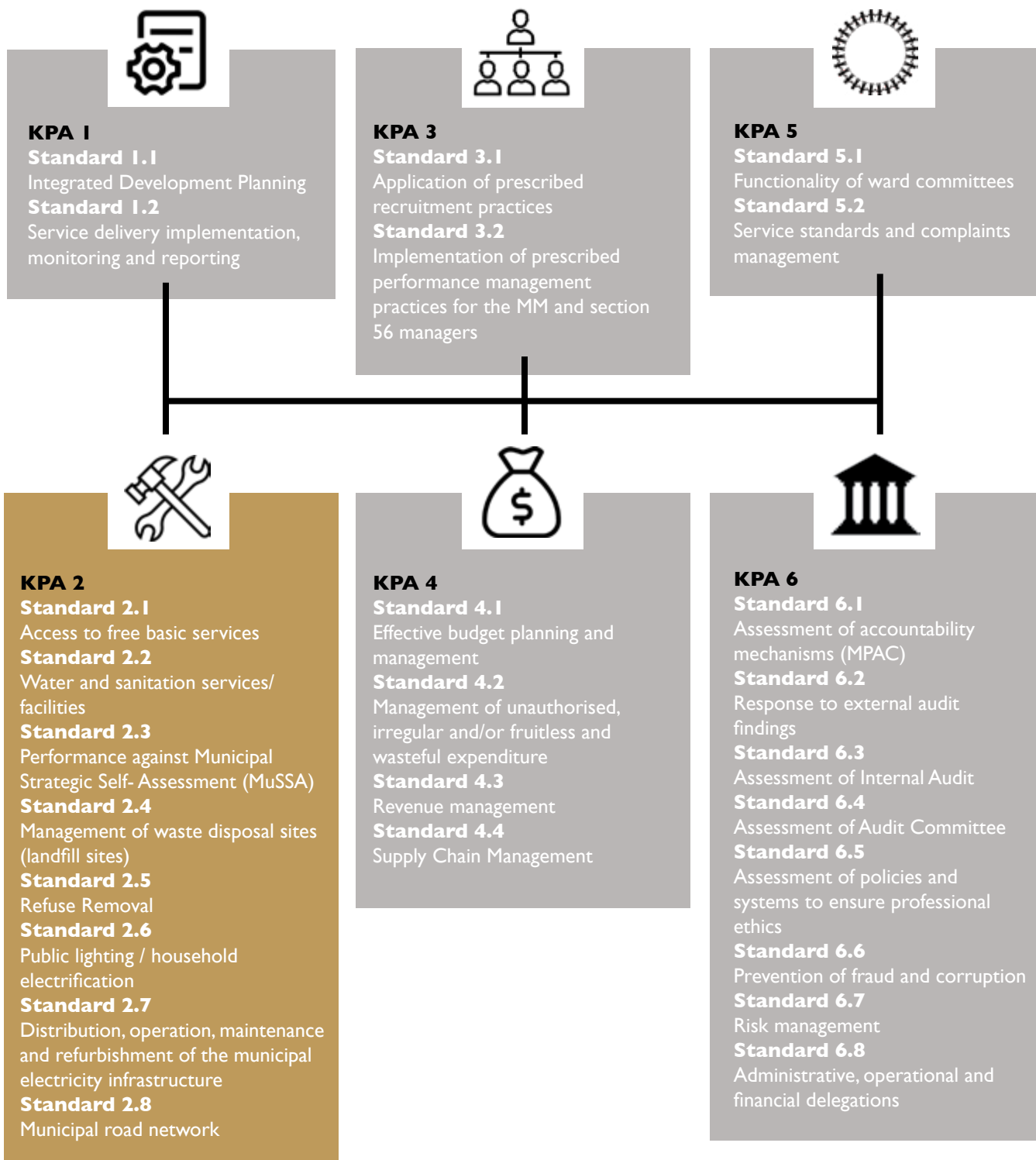
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Local municipalities that have been assessed:
120 out of 205 (59%)



The 6 KPAs are further broken down into 26 Management Performance Standards against which performance are assessed.

This is a special focus report that only covers key performance area 2: **Services delivery.**

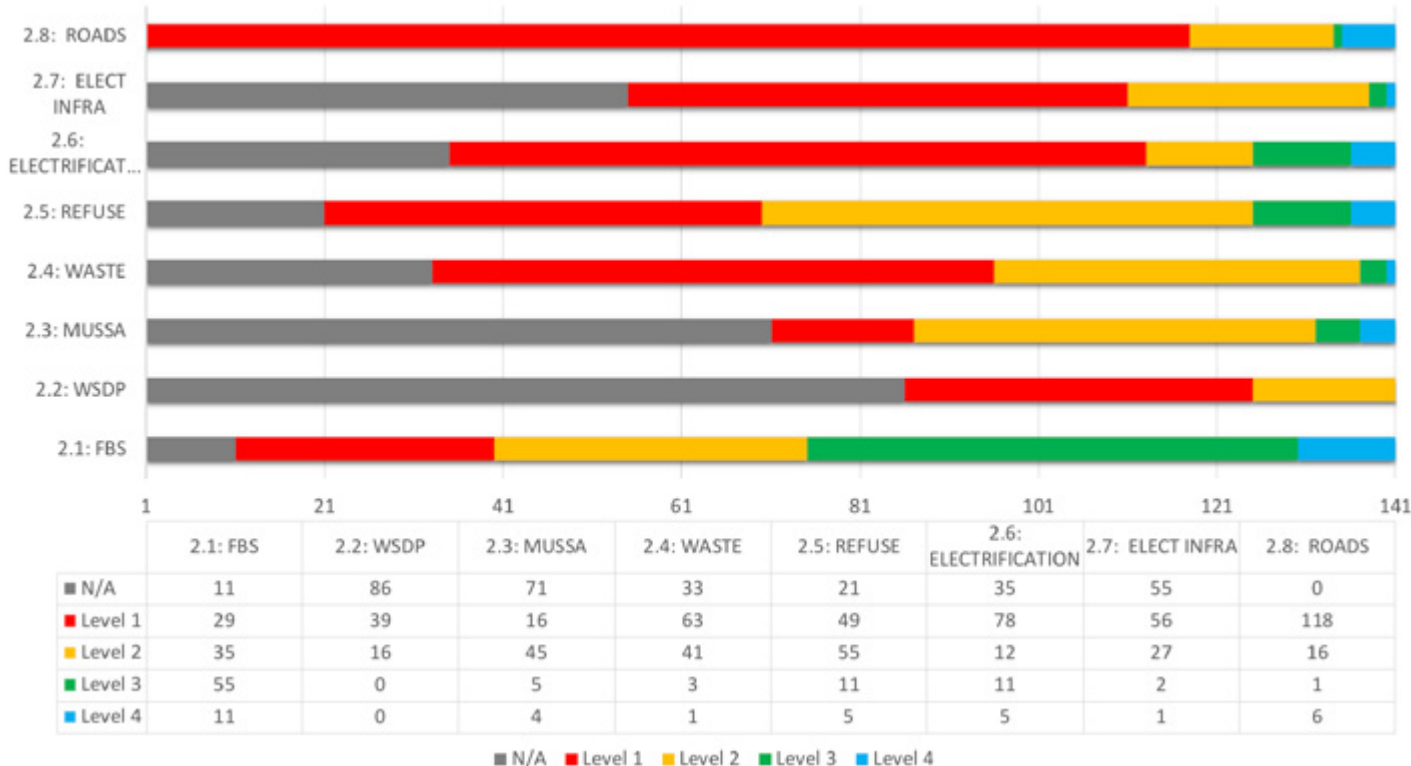




RATIONALE FOR SPECIFIC FOCUS ON KPA 2: SERVICE DELIVERY

| Standard | Rationale for including the Standard in the LGMIM assessment |
|--|--|
| 2.1 Access to free basic services | The provision of free basic services is important in respect of providing at least a minimum quantum of electricity, water, sanitation and refuse removal as part of the social wage basket to alleviate the plight of the poorest |
| 2.2 Water and sanitation service/facilities | The primary constitutional obligation resting on Water Services Authorities (WSAs) is the provision of at least a basic level of a reliable service to all users within its area of jurisdiction |
| 2.3 Moderated performance against Municipal Strategic Self-Assessment (MuSSA) | The MuSSA generates strategic flags that a municipality can use for identifying vulnerabilities and prioritising key remedial actions that should be undertaken to ensure effective water services delivery |
| 2.4 Management of waste disposal sites (landfill sites) | Waste disposal practices in many areas of South Africa are not yet conducive to a healthy environment and the impact of improper waste disposal practices are often borne disproportionately by the poor. |
| 2.5 Refuse removal | Constitutionally government is obliged to protect the right to an environment that is not harmful to a person's health and to have the environment protected for the benefit of present and future generations. This obligation is met in part by providing adequate refuse removal services to communities. |
| 2.6 Public lighting/household electrification | The primary constitutional obligation resting on a municipality is the facilitation of at least a basic level of service (including electricity/ alternative energy) and public lighting to all users within its area of supply. |
| 2.7 Distribution, operation, maintenance and refurbishment of the municipal electricity infrastructure | A municipality should endeavour to provide reliable supply of electricity to all users in its area of supply. |
| 2.8 Municipal road network | Road infrastructure supports domestic and regional needs and is an effective catalyst for spatial development, the development of businesses, transport systems and human settlements. Road infrastructure also facilitates the mobility of goods and people, provides connections to the external world and specifically access to markets and public services; such as ambulances and police services. |

SNAP SHOT OF KPA 2 FINDINGS



KPA 2: SERVICE DELIVERY



2.1: Free Basic Services (FBS)



2.2: Water Services Planning (WSDP)



2.3: Municipal Strategic Self Assessment (MuSSA)



2.4: Waste Management (Waste)



2.5: Refuse Removal (Refuse)



2.6: Electrification



2.7: Electricity Infrastructure



2.8: Municipal Road Network (Roads)

This is a special focus report that only covers key performance area 2: Services delivery.

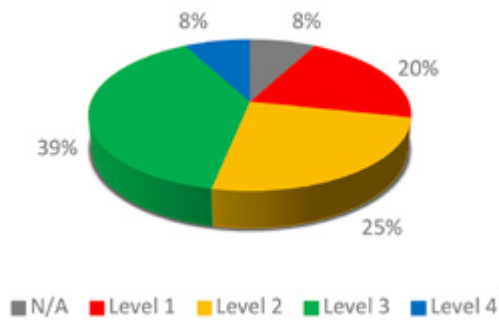


KPA 2: DASHBOARD

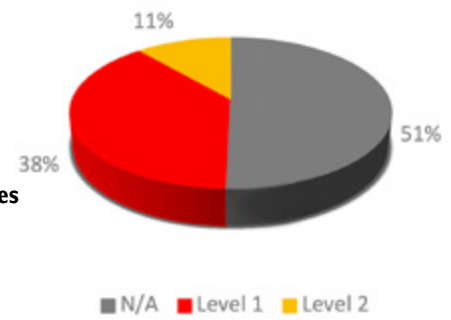
| Standard | Median Performance |
|------------------|-------------------------------------|
| 2.1: FBS | Level 3: Good Practice |
| 2.2: WSDP | Level 1: Serious attention required |
| 2.3: MuSSA | Level 2: Attention Required |
| 2.4: Waste | Level 1: Serious attention required |
| 2.5: Refuse | Level 2: Attention Required |
| 2.6: Electricity | Level 1: Serious attention required |
| 2.7: Elect Infra | Level 1: Serious attention required |
| 2.8: Roads | Level 1: Serious attention required |



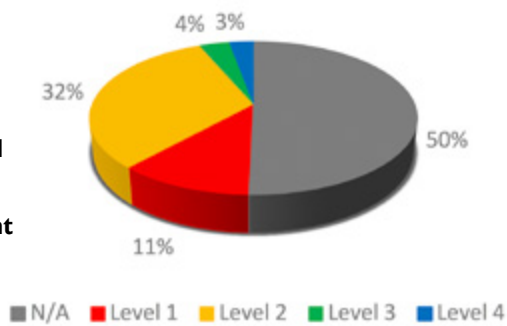
**2.1:
Free Basic
Services
(FBS)**



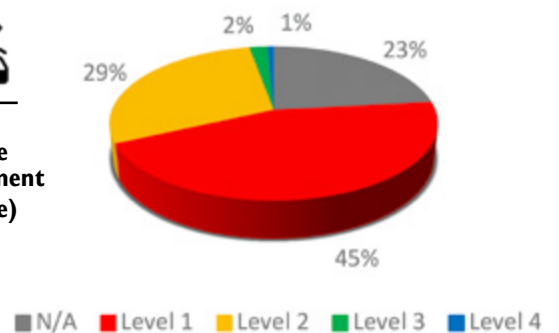
**2.2:
Water Services
Planning
(WSDP)**



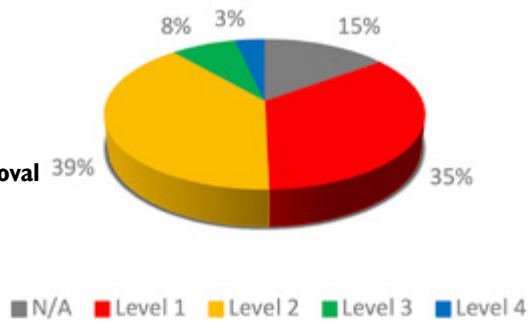
**2.3:
Municipal
Strategic
Self
Assessment
(MuSSA)**



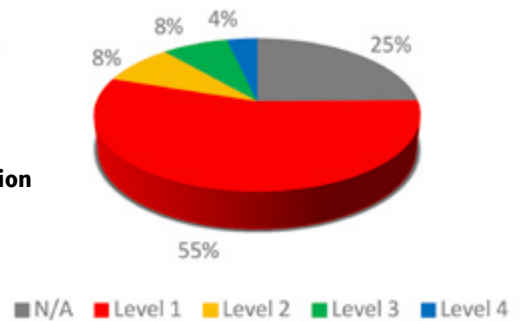
**2.4:
Waste
Management
(Waste)**



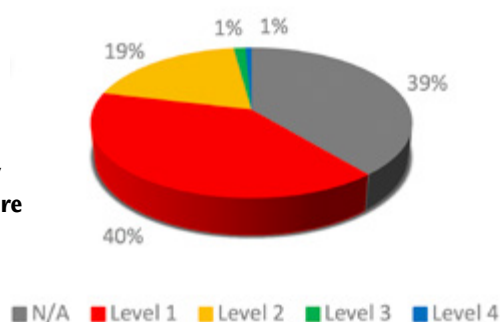
**2.5:
Refuse Removal
(Refuse)**



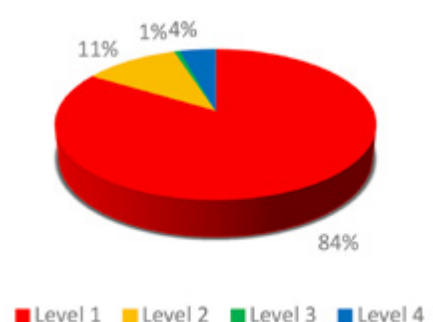
**2.6:
Electrification**



**2.7:
Electricity
Infrastructure**



**2.8:
Municipal
Road Network
(Roads)**





2.1 ACCESS TO FREE BASIC SERVICES

The standard criteria focused on whether or not municipalities:

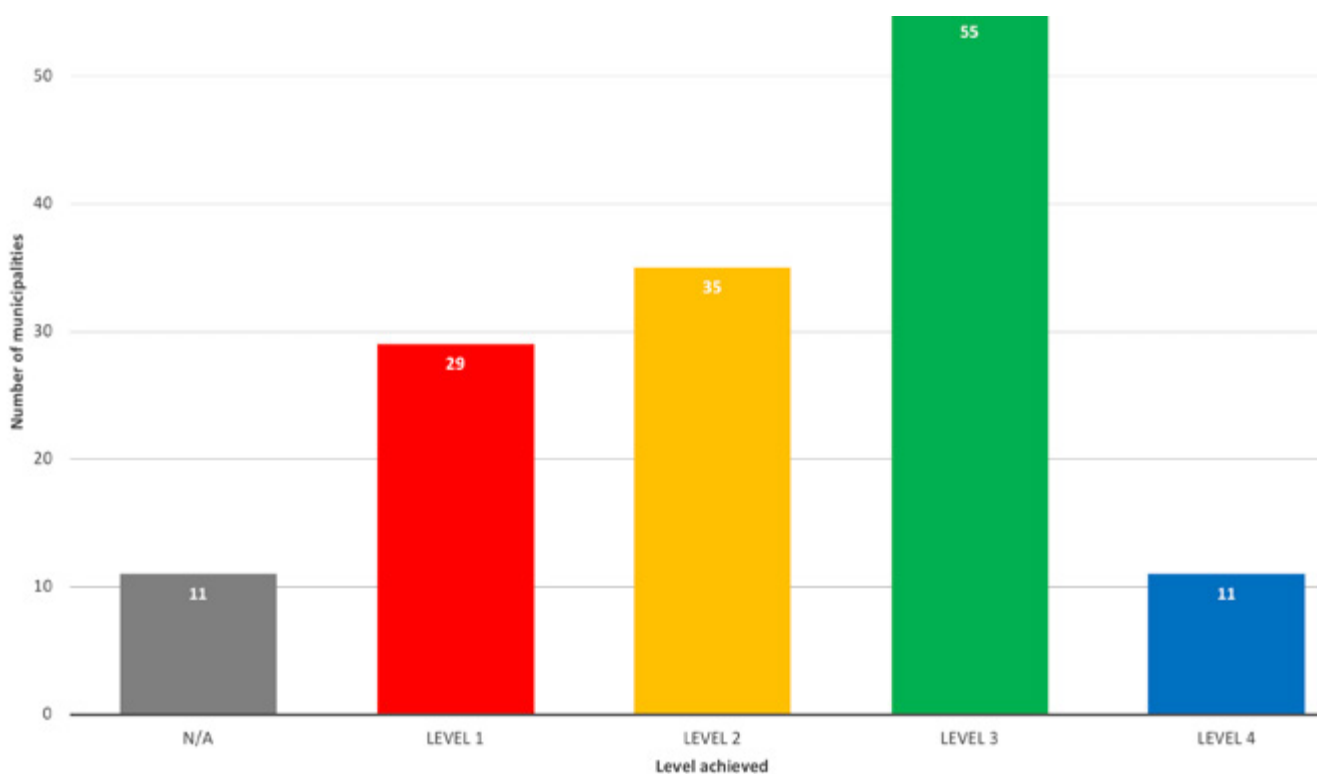
- Had a policy(s) in place detailing its approach to the provision of FBS in terms of services falling within the municipality's powers and functions.
- Had budgeted for the provision of FBS falling within the municipality's powers.
- Are implementing practises in terms of Free Basic Services that it considers innovative, and/or can be considered a potential best practice and has potential to be replicated in other municipalities.



From the LGMIM assessment results, it is apparent that the majority of municipalities has adopted some form of policy framework place detailing its approach to the provision of FBS in terms of services falling within the municipality's powers and functions, CoGTA has however noted that many municipalities struggle to keep proper records of indigent households or use proxies such as geographical location to target free basic services. Further to this, the LGMIM assessments revealed that there seems to be a challenge to accurately establish the cost of such services being rendered.

Considering the occurrence of errors of exclusion and inclusion affecting the rights of the poor and the financial sustainability of the municipalities, there has been a steady decline in the number of households that paying for services due to various reasons, including, but not limited to rising unemployment, eroding the revenue base (adding to the indigent list) and steep tariff increases that impact the ability of consumers to pay their utility bills.

Municipalities need to give serious consideration to the sustainability of the provision of FBS in excess of the minimum standards given the current economic challenges facing South Africa. It is also important to interrogate the possibility of unconventional/alternative technology options in the provision of FBS, that may achieve cost savings and also improve the sustainability of the provision of FBS over time.

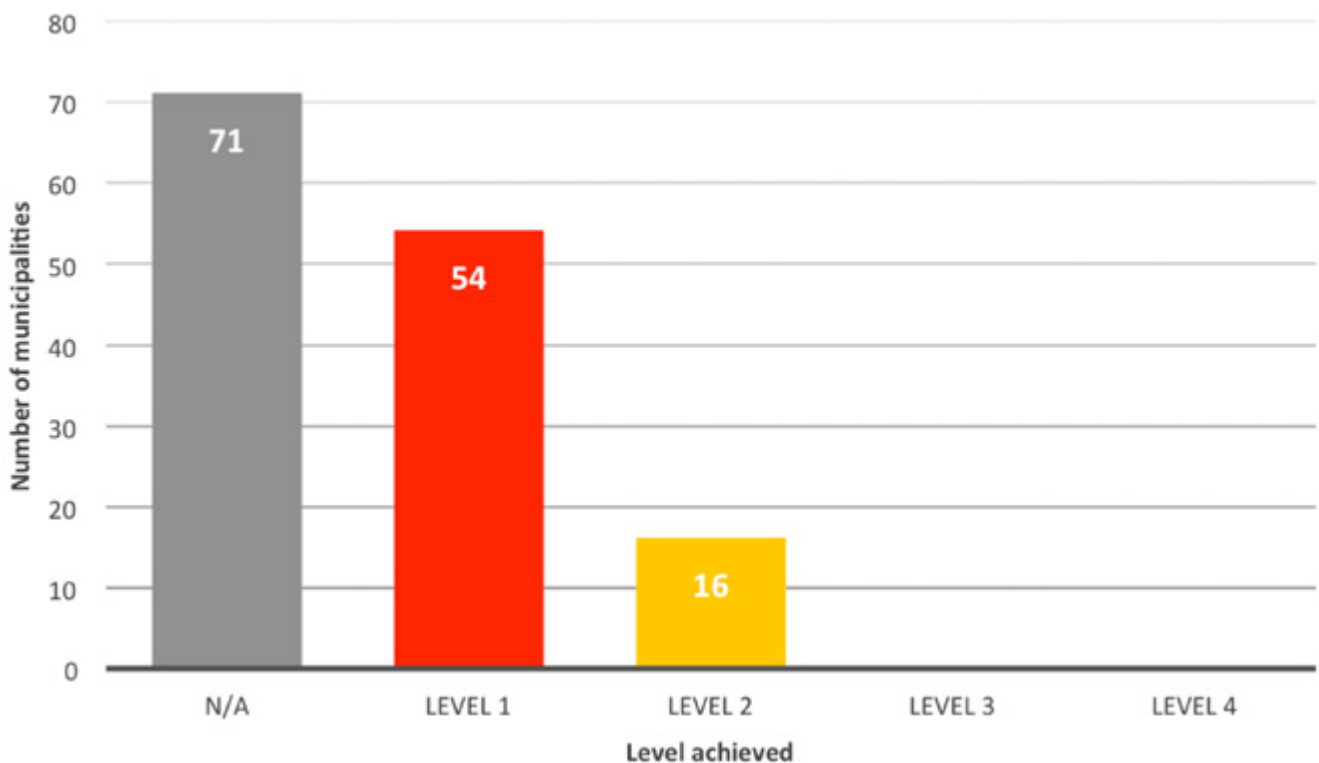




2.2 WATER SERVICES PLANNING

The standard criteria focused on whether or not the WSAs:

- Had up-to-date Water Services Development Plans (WSDPs).
- The WSA's Councils adopted the Water Services Development Plans.
- Budgeted for Water and sanitation services projects, in that they are included in the Departmental SDBIP.
- Monitored progress against the implementation of water and sanitation services projects through the municipal PMS system.
- Compile annual Water Services Delivery Audit Reports as required by the Water Services Act (108 of 1997) Section 18(1).





2.3: MUNICIPAL STRATEGIC SELF ASSESSMENT (MUSSA)

Results of the WSAs Municipal Strategic Self-Assessment (MuSSA)

The standard criteria focused on whether or not WSAs:

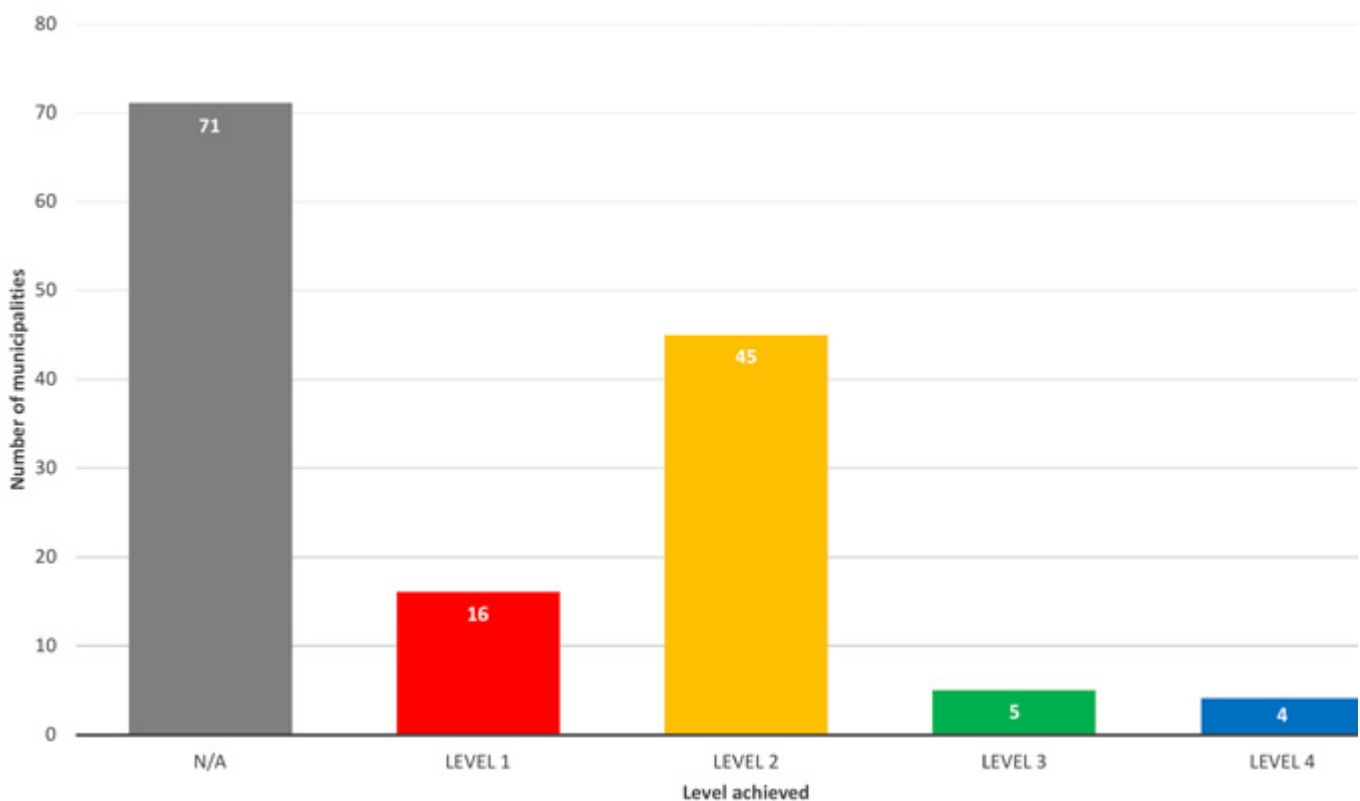
- Conducted the MuSSA on an annual basis,
- Vulnerability Indexes (VI) were categorised as e.g. at low vulnerability ($VI < 0.25$), moderate vulnerability ($0.25 < VI < 0.5$) or high vulnerability ($0.5 < VI < 0.75$) for the relevant assessment cycle.
- Data confidence levels of the MuSSA results were GREEN, in that it was completed by delegated representatives from Technical, Finance and Corporate Services departments.
- Had developed water balances aligned to the requirements as set by the International Water Association (IWA).
- 4 WSAs scored level 4 during the first years of assessment, when the level 4 criterion required such WSAs to have improved or maintained their vulnerability levels over 2 to 3 consecutive years.

The MuSSA is a strategic information tool that reflects municipal water and sanitation “business health”, and identifies institutional vulnerabilities that require attention.

In many municipalities the focus on expanding access has come at the expense of repairs and maintenance, leading to unreliable service delivery and high levels of water losses due to leaks.

If this situation is not rectified it may lead to a total collapse of water and sanitation service delivery in some municipalities.

In many municipalities the focus on expanding access has come at the expense of repairs and maintenance



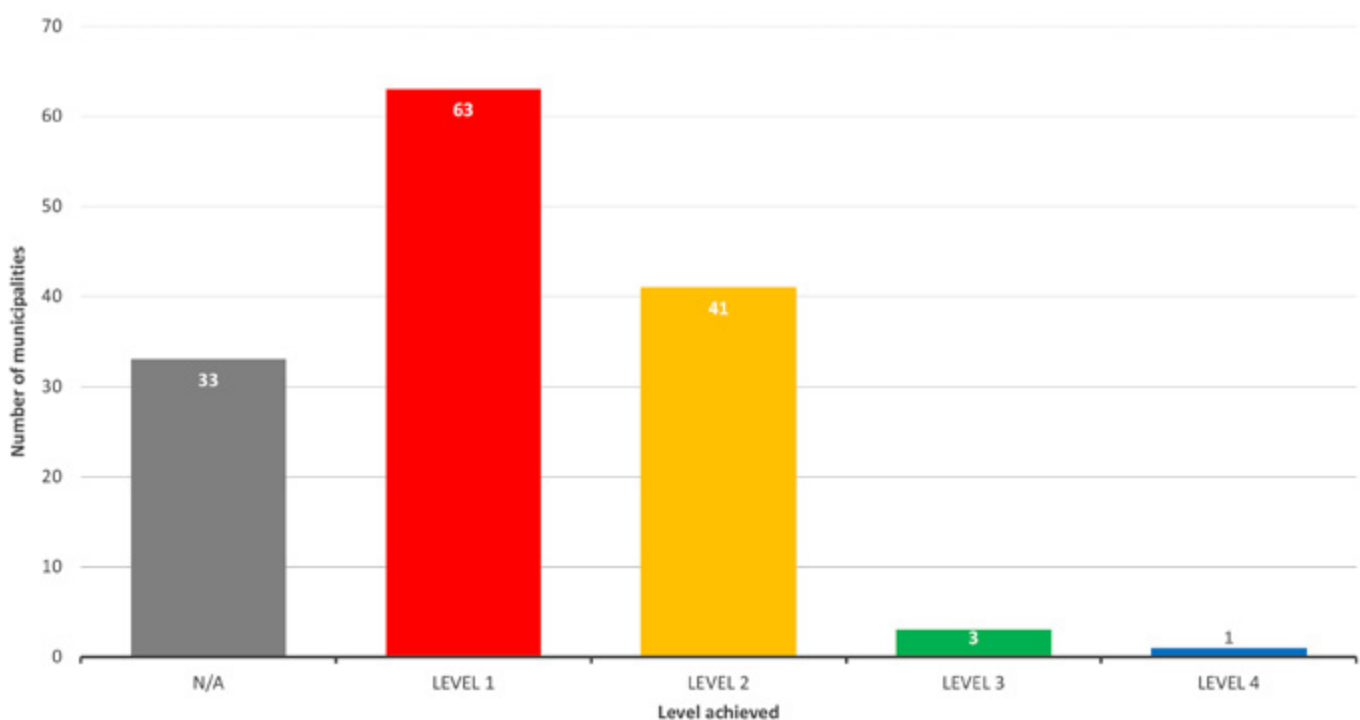


2.4: WASTE MANAGEMENT (WASTE)

The standard criteria focussed on whether or not municipalities:

- Had Integrated Waste Management Plans, (IWMPs) and submitted such to relevant MECs for endorsement.
- Ensured that all operational waste disposal (landfill) sites were licensed.
- Complied with the audit requirements as prescribed in the respective license conditions.
- Implemented actions to address the such audit findings.

Municipal waste management is characterised by low levels of compliance with landfill licensing conditions





2.5: REFUSE REMOVAL (REFUSE)

The standard criteria focussed on whether or not municipalities:

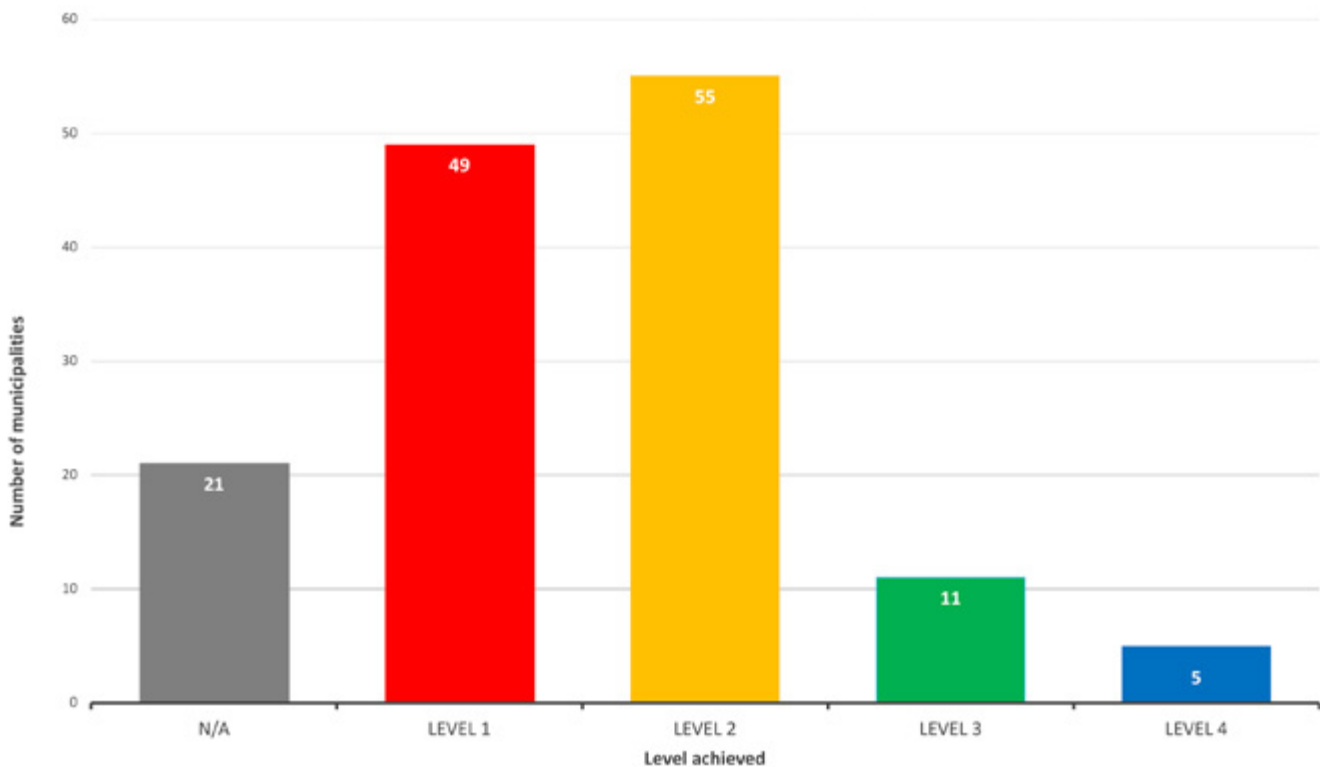
- Are aware of the number of clients or residents that do not receive refuse removal services.
- Had designated Waste Management Officers (WMOs) from their own administrations.
- Implement programmes / initiatives to facilitate the diversion of waste away from landfill sites, i.e. the municipality implements programmes / initiatives to facilitate separation at source.



Municipal waste management is characterised by low levels of compliance with landfill licensing conditions, limited recycling, litter, and illegal dumping. Challenges also exist in calculating the accurate volume of waste being disposed of, as many landfill sites do not have working weigh bridges.

The percentage of households for which refuse was removed at least once per week has increased with as much as 10% since 2002, although this is a positive advance in service delivery, it inevitably puts more pressure on landfill sites, which are not being managed effectively.

In order to mitigate this knock-on effect, the realisation of recycling objectives, specifically through separation at source needs to be prioritised.



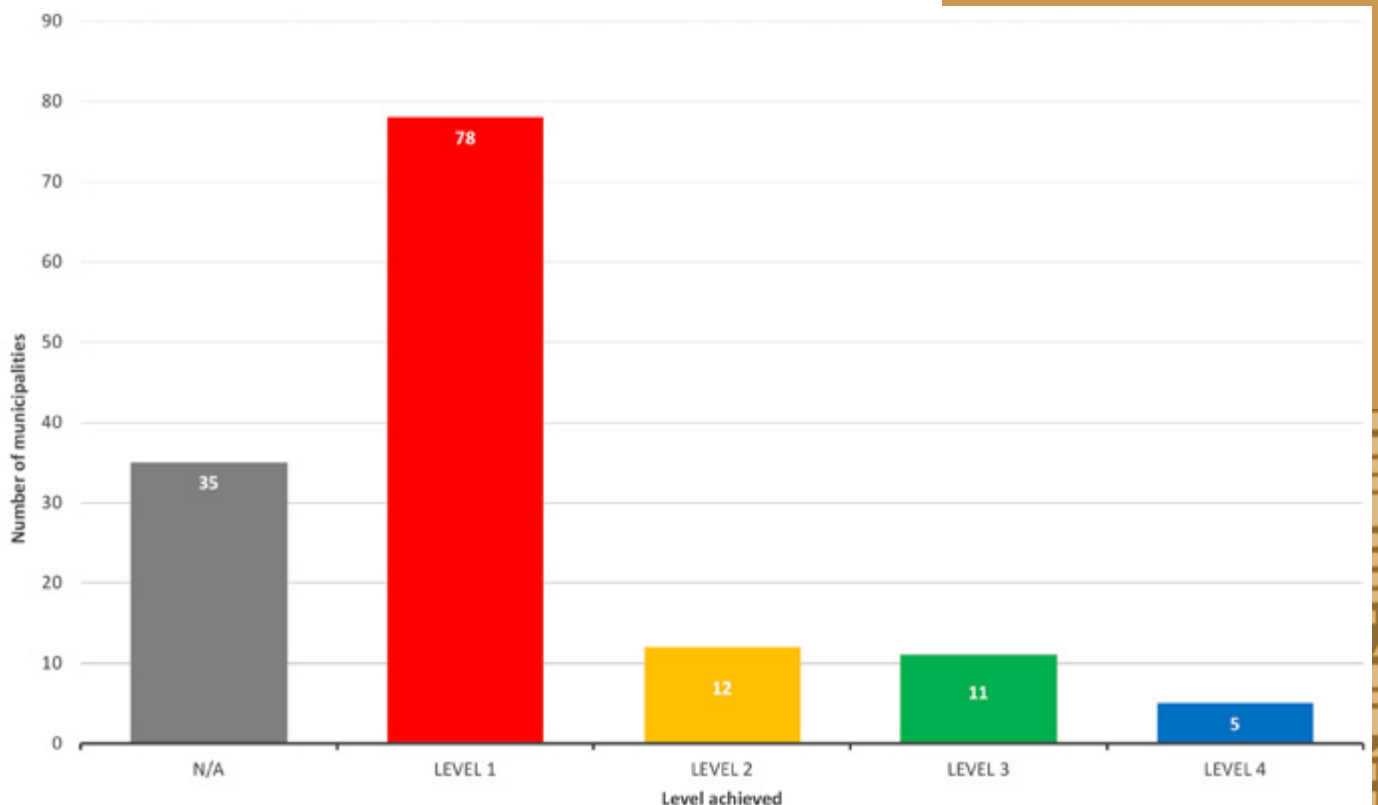


2.6: ELECTRIFICATION

Public Lighting/Household Electrification

The standard criteria focussed on whether or not municipalities:

- Are aware of the number of clients or residents that do not have access to electricity.
- Had an Electricity Sector Plan in place.
- Had budgeted for household electrification and public lighting projects and implementation thereof is being monitored.
- Are implementing programmes aimed at reducing energy consumption/demand.





2.7: ELECTRICITY INFRASTRUCTURE

Distribution, Operation, Maintenance of electricity infrastructure

The standard criteria focussed on whether or not municipalities:

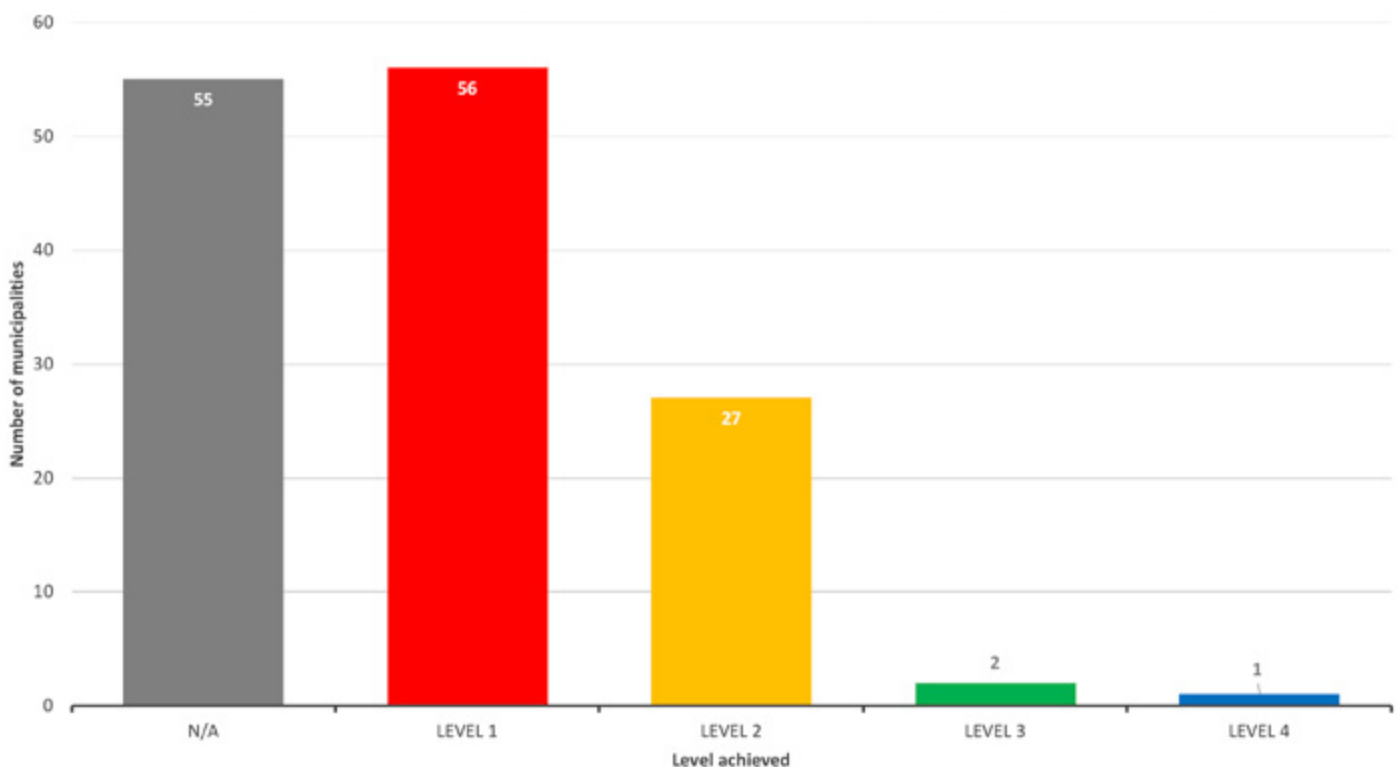
- Submitted both technical and financial D-Forms timeously to NERSA.
- Electricity Sector Plans addressing distribution, operation, maintenance and refurbishment of infrastructure.
- Budgeted at least 6% of its electricity revenue for the renewal, repair and maintenance of its electricity network.
- Contained electricity losses to 12% or less over two FYs.

Reducing the backlog in access to electricity, coupled with an underinvestment in the maintenance and expansion of the existing grid infrastructure and generating capacity, electricity demand is outstripping supply.

The electricity distribution network is in a serious state of disrepair in most municipalities, contributing to high distribution losses.

The conventional electricity distribution business model is decreasingly viable, “resulting in a” loss of revenue for municipalities, impacting the financial viability of the municipalities.

The electricity distribution network is in a serious state of disrepair in most municipalities





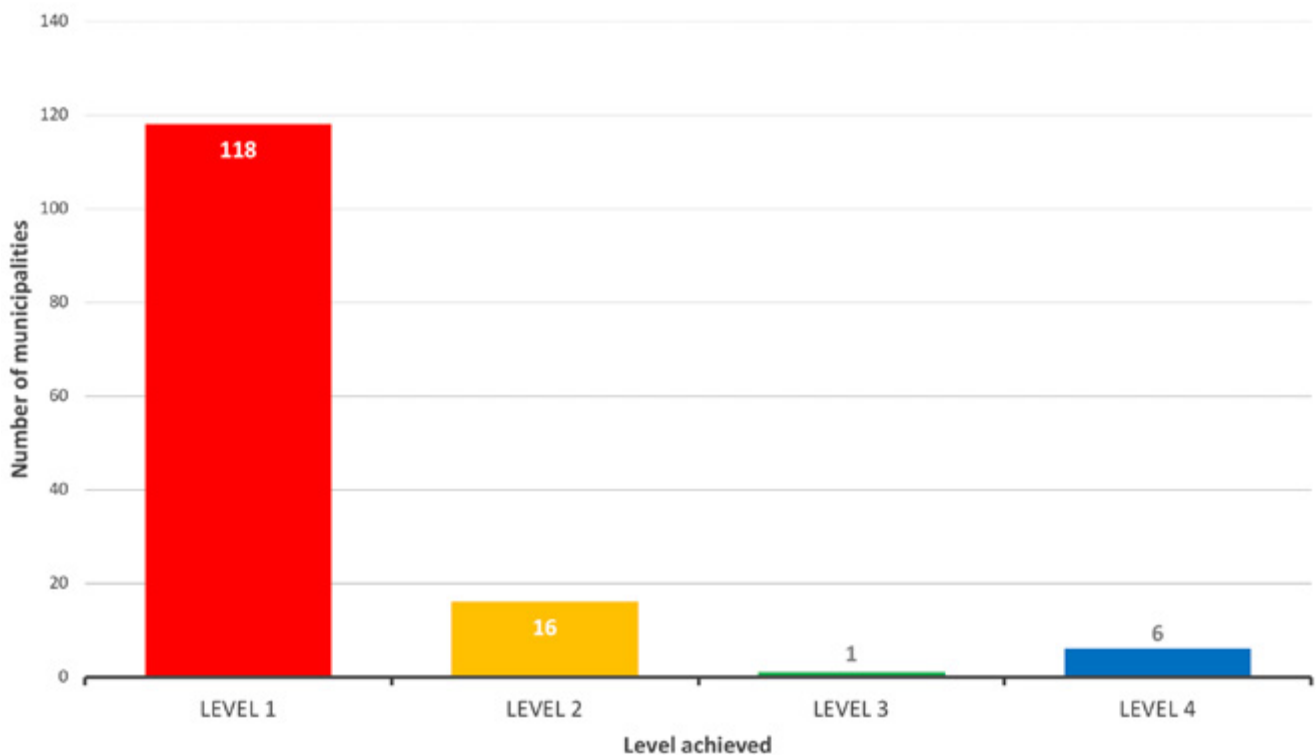
2.8 MUNICIPAL ROAD NETWORK (ROADS)

The standard criteria focussed on whether or not municipalities:

- Have integrated transport plans (ITP) in place.
- Have budgeted for the implementation of the road extension and maintenance projects and monitored the implementation thereof.
- Compiled public transport facility condition profiles.

In the absence of regular investment in maintenance, municipal roads deteriorate rapidly and require much larger future capital and material inputs, straining both technical and financial capacity.

Furthermore, a lack of road condition data suggests serious management problems and the possible inability of many municipalities to maintain and extend their road networks.



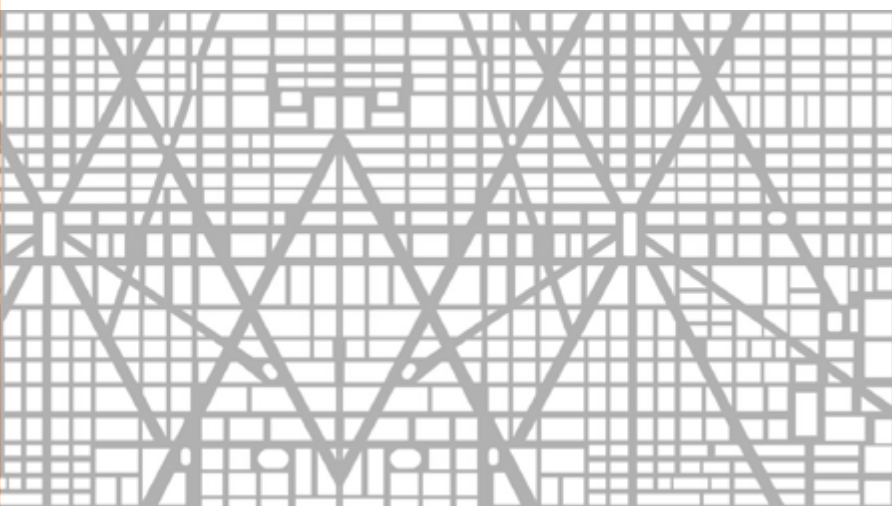
CONCLUSION

In respect of standards assessed through the LGMIM related to service delivery, of concern is the issue of sector plans not being updated and formally approved for implementation. This may hold implications on how well municipalities are able to do realistic forward planning and budgeting for service delivery.

In these performance standards, the development and/or updating of plans adhering to legislative prescripts require specialised technical expertise and is resource intensive and costly; many small municipalities may not have sufficient expertise and resources to meet these requirements.

Furthermore, across all the services assessed, effective programme and project preparation systems are required, including the need to roll out infrastructure delivery management systems.

To enable municipalities to harness economies of scale in a fiscally constrained environment, it is important to consider the potential benefits of district wide master planning that may also facilitate the pooling of expertise in the fields of technical planning, project management, procurement, contract management, etc.





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LGMIM
IDENTIFY
GAPS TO
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SERVICE
DELIVERY

