

NAVIGATING A NEW FIVE-YEAR TERM

SA Cities Network CEO Sithole Mbanga says that urgent reforms to South Africa's local government funding and revenue framework are needed to better enable municipalities to deliver on community expectations and Constitutional obligations

Sithole Mbanga is responsible for managing the overall operations of the non-profit company, which operates as an established network of South African cities and partners to support cities to become learning and adapting institutions through knowledge co-creation, dissemination, and application.

He shares his thoughts on a range of challenges that faced municipalities

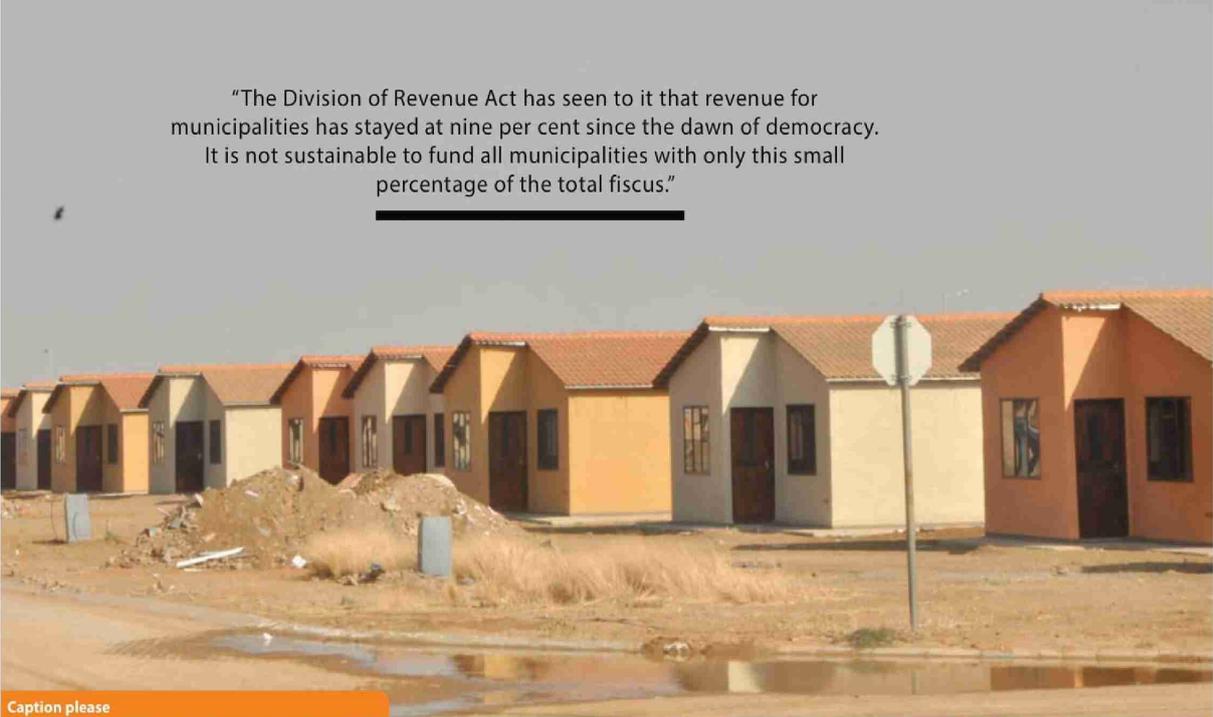
during the fourth term of democratic local government (2016–2021) and offered proposals that could help the sector navigate the new five-year term of municipal councils (2021–2026).

But much of Mbanga's attention is on how local government in South Africa needs a significant overhaul.

He argues that for local government to play a more meaningful role in the creation of sustainable and inclusive cities, the

process has to begin with the system of local government itself.

This includes addressing the shortcomings of local government's funding model and providing clarity on the powers and functions of local government to strengthen and empower municipalities with the necessary policy-making and financial capacity to deliver on their developmental mandates. On the division of revenue between the



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Caption please

three spheres of government where the national government receives 48 per cent, provinces 43 per cent and local government 9 per cent of the national revenue, Mbanga says: "The Division of Revenue Act has seen to it that revenue for municipalities has stayed at nine per cent since the dawn of democracy. It is not sustainable to fund all municipalities with only this small percentage of the total fiscus.

"So, when I suggest a total overhaul of the system, this in part includes overhauling the financing formula for local government as well as opening local government to other sources of funds with relative ease and definite control," he says.

Property rates, surpluses generated from services and funding transfers from national government are among the main sources of revenue for municipalities.

A combination of factors, which include, among others, increased expenditure demands, rapidly growing areas, climate change, small tax base and unstable revenues, and the 2008 global financial crisis – acutely felt at the local level – created a challenging environment where municipalities were operating in a context of uncertainty.

MOUNTING PRESSURE

The pressures facing local government continue to mount year by year, says Mbanga.

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change, small tax base and unstable revenues, and the 2008 global financial crisis – acutely felt at the local level – created a challenging environment where municipalities were operating in a context of uncertainty.

On 1 November 2021, South Africans took to the polls to elect councils for all district, metropolitan and local municipalities in each of the country's nine provinces amid the COVID-19 pandemic. The health and economic shocks from the pandemic will still be felt throughout the new term of municipal councils.

HUMAN CAPITAL DEVELOPMENT

Systems are only as effective as the people who must operate them, says Mbanga, so capacity-building in local government from a human resource perspective is of vital importance.

He says that provision for training on specific skills is needed to enable the municipal workforce to perform their duties. While training is important, the type of training needs to be relevant and suited to the requirements of the job. "Practitioners need to be equipped and skills transferred, to ensure continuity and the retention of institutional memory. Many practical tools and techniques exist (e.g. implementation and management models, visioning tools) that officials can use to involve a cross-section of stakeholders," says Mbanga.

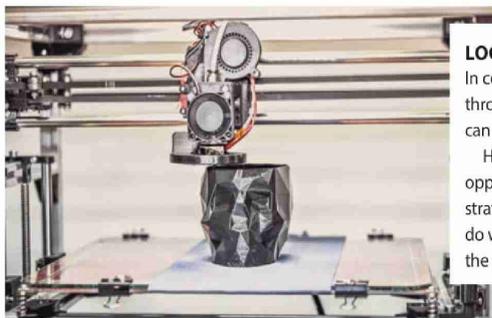
"Practitioners need to be capacitated to engage with complexity, work effectively horizontally and vertically within their own institutions and across spheres of government, conduct effective community engagements, and to empower vulnerable groups, such as the youth, to amplify their voice and be part of decision-making processes. If practitioners find ways to share power, there is an opportunity to innovate and solve some of the most complex social problems through diverse inputs and shared effort and accountability."

In addition, psychosocial and social support is needed for councillors who are exposed to threats and public intimidation because local government is a contested terrain for interest groups competing for power and access to resources. "These platforms provide them with an opportunity to share their experiences and practices and inform the practice of others and learn from others to improve their own practice. Spaces (perhaps not otherwise available) to engage with other professionals in developing solutions to problems and creating new and improving projects and practices," Mbanga explains.

In 2017, the South African Local Government Association (SALGA) released its *Violence in Democracy* report on the intimidation and killing of councillors and municipal managers.

Among the recommendations to combat this was the introduction of training initiatives to enable improved conflict management, which would assist municipalities in de-escalating tense situations and conflict sites, and that civil society and community-based organisations could be used as possible conduits of community intelligence and accountability.

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LOCAL GOVERNMENT CAPITALISING ON 4IR

In conclusion, Mbanga comments on the possible future of local government through the prism of the fourth industrial revolution (4IR) and how 4IR innovations can help municipalities improve service delivery.

He says that long-term planning is key to municipalities being able to harness opportunities arising from the 4IR. "Most municipalities do not have long-term strategies. They don't have a 20-year vision, and then work backwards saying "how do we move from here to being where we want to be and, in the process, factor in the use of 4IR tools to enable us to leapfrog certain things?" ■