

**INTRODUCTION AND OVERVIEW**

The form of local government in the Vaal Region has evolved since the dawn of democracy in 1994. It has been marked by the following distinct phases:

<b>No</b>	<b>PERIOD</b>	<b>TYPE</b>	<b>CHARACTERISTICS</b>
<b>1</b>	Pre-1994	Racially segregated.	Municipalities elected by white voters with Black Local Authorities and during the Tri-cameral System with separate Management Committees for Indians and Coloureds.
<b>2</b>	1994-1995	Pre- Interim Transitional Phase based on estimates.	In the absence of voter support data, based on an estimate formula, a Council was established to prepare for the 1 <sup>st</sup> democratic local government.
<b>3</b>	1995-2000	Interim Phase(Metro with sub-structures) based on universal franchise.	The first democratic local elections gave rise to the first municipalities based on voter support.
<b>4</b>	2000-2016	Final Phase (District Municipality with 3 Locals)	The Vaal lost its Metro status as the Demarcation Board established a District with local municipalities in the region.
<b>5</b>	2016	Metropolitan Municipality	Single, integrated Municipality serving all people with single political and administrative leadership.

Of greater importance than the form of government, is the ability of the local government system to deliver on its key electoral mandates. That remains the criteria for any system of government. With unemployment and poverty still rife in our region, the question that the Demarcation Board must ask is which system of local government is best able to deliver a developmental state that can address the challenges of poverty and inequality?

In South Africa, a metropolitan municipality (or Category A municipality) is a municipality which executes all the functions of local government for a city or conurbation. This is by contrast to areas which are primarily rural, where the local government is divided into district municipalities and local municipalities.



DATE	EVENT	CONTRIBUTION TOWARDS THE METRO
<p><b>December 2000</b></p>	<p>Elections for a Sedibeng District with 3 Local Municipalities bring the Lekoa-vaal Metro to an end.</p>	<p>Although ELM was largely a successor in law of the Dis-established Lekoa-Vaal Metropolitan Council it is important to note that the latter was founded from the following former apartheid municipalities:</p> <ul style="list-style-type: none"> <li>• Vereeniging Town Council – Deficit Account</li> <li>• Lekoa Town Council – Deficit Account</li> <li>• Vanderbijlpark Town Council Cash Account but far less than the two deficits together</li> </ul> <p><b>ELM STATUS AT ESTABLISHMENT</b></p> <ul style="list-style-type: none"> <li>• Revenue base was shrinking and the council budget was R1.2b.</li> <li>• Economy was in decline</li> <li>• Staff costs was increasing with head heavy structure whilst staff budget shrinking</li> <li>• Maintenance costs were increasing but budget shrinking below norm of at least 10% of the total budget</li> <li>• General Fleet and Machinery aging spent more time in the workshops</li> <li>• Infrastructure aging water and sewage leaks all over the area with poor turn-around time to fix defects</li> <li>• Financial resources were drying out</li> </ul>
<p><b>2001</b></p>		<p><b>RESTRUCTURING PLAN</b></p>
		<p>As the starting point to understand what needs to be done to address the situation as stated above Emfuleni Local Municipality discussed and resolved on the following items:</p> <p>On the 10<sup>th</sup> April 2001 the Council of ELM discussed and resolved under Item 037 titled <b>Strategy on the Implementation of the Elections Manifesto in Promoting Local Economic Development and Tourism</b>, with the aim of revisiting all LED Strategies from their predecessors and on their basis develop the new LED Strategy.</p> <p>On the 26<sup>th</sup> June 2001 the Council of ELM discussed and resolved under Item 096 titled <b>A Needs Analysis and Performance Monitor for Participative Local Governance</b> with the main aim of establishing the service delivery challenges that the municipality is facing.</p> <p>On the 26<sup>th</sup> June 2001 the Council of ELM discussed and resolved under Item 098 titled <b>Progress Report And Strategic Planning: Emfuleni Riverfront Development</b>, with the aim to diversify the economy from the heavy steel manufacturing that was in decline by tapping from the emerging economic sectors informed by</p>

		<p>the area's potential of being the host of the country's heritage in the form of the largest water body in the main in-land as well as rich history of struggle. Tourism was the most potential sector to be driven by water sports – leisure, recreation and entertainment, struggle heritage and the retail sector.</p> <p>Realising that on its own it will not be able to rollout the waterfront development that will have impact on both sides of the Vaal River the ELM engage Metsimaholo Local Municipality in the Free State province where several engagements were held including taking the formal council resolution on this endeavour. The initiative was however killed by the lack of commitment on the part of the Free State side at all levels including their provincial government which attended few meetings but could not have the process going.</p> <p>On the 28<sup>th</sup> August 2001 the Council of ELM discussed and resolved under Item 114 titled <b>Restructuring of some of the Municipal Services</b>, with the aim of suggesting alternative service delivery mechanisms to improve the effectiveness, efficiency economic rendering of services to the rate payers.</p> <p>On the 02<sup>nd</sup> October 2001 the Council of ELM discussed and resolved under Item 135 titled <b>Action Plan to Implement the Local Economic Development and Urbanization and Development Plan: Core Strategic Tasks</b> with the aim of implementing some of the policy directives taken on the 10<sup>th</sup> April 2001 in line with the elections manifesto.</p> <p>Based on the policy directives emerging from some of if not all the reports mentioned above the council embarked on the following activities amongst others.</p> <ul style="list-style-type: none"> <li>• Conducted Survey on the State of the Economy in November 2001 which was found to be depended on heavy steel manufacturing which was in decline. However opportunities identified to explore new sectors of economy to diversify the economy and growing of the SMMEs. The study was conducted by the Vaal Research Group titled <b>A Local Economic Development Strategy for Emfuleni Municipal Area: Part of Research Report No.8</b> .</li> <li>• <b>Urban Economic Development Review and Projection of Local Economic Sustainability up to 2012</b> was conducted in 2002 and necessary immediate, short, medium and long term interventions were identified and implemented.</li> <li>• <b>LED Strategy</b> based on the above two studies was developed and approved for implementation. Series of meetings were held with existing business by sector by size to ensure retention and growth which yielded positive</li> </ul>
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		<p>results, in that the economy grew with sectors like in particular the service sector growing to surpass the manufacturing. The council revenue base expanded such that today the council budget has grown to R4.3b, whilst the total GVA of the area grew from R12b in 2001 to R24b at present.</p> <ul style="list-style-type: none"> <li>• <b>Road and Pavement Maintenance Survey</b> to establish the degree of defects with the estimated costs to fix them was conducted. Today almost every interconnecting streets in our major townships of Sebokeng, Evaton, Sharpeville, Bophelong and Boipatong are tarred and continue to tare new ones with maintenance taking place in former white areas.</li> <li>• <b>Conducted Assessment of Level of Service Delivery</b>, forwater electricity, sanitation, refuse removal which were found to be in an appalling situation. Drew up a plan in terms of the Restructuring Plan with the Theme: <b>Getting the Basics Right</b> aimed at building hope for all our people that tomorrow will be better. All the services mentioned above are now rendered both quantitatively and qualitatively such that refuse removal is sitting at 99% whilst the rest of others are over 90% .</li> </ul> <p>The Mayoral Imbizos were held throughout the area to give the community a message of hope and explain the challenges the government is facing and the fact that those challenges are inherited from the previous apartheid government as well as encouraging them to pay their services so that the municipality can improve services rendered to them.</p>
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2001/2002	INTERNATIONAL STUDY TOURS	
<p><b>Visits to the sister municipalities abroad</b></p>		<p>Study tours were undertaken to Eindhoven Municipality in 2001 and to Tilburg Municipality in 2002 to learn how they survived the decline of the lead industry for example in Eindhoven the Textile industry. During the Tilburg tour we also went for a short two day course on how to deal with the situation of the decline in lead sector. Both from the municipalities and from the University what was common was the need to identify the new sector as well as retaining the existing sector. The other important was the identification of the economic leak that needed to be plugged. In our case the affluent communities from Vanderbijlpark, Vereeniging and Sebokeng as well the</p>



		Northern parts like Evaton and Palm springs with huge population were doing their monthly buying in Johannesburg, Alberton and Germiston. The region was leaking over R60m in just simple buying power per month.
<b>September 2007</b>	Study Tour to Bilbao- Spain	The two day visit to Bilbao in northern Spain was primarily to explore how a region which faced very similar circumstances to the Vaal has managed to reinvent itself. Faced with high unemployment, high levels of air and water pollution and a declining steel industry, Bilbao set up an agency called Bilbao Ria 2000 which set up transforming the economy from one based on steel to one based on tourism and services. The Vaal 21 concept was born during this tour
<b>August 2006</b>	Bela-Bela Retreat	Regional Strategic Framework adopted which included consolidation of Regional key programmes, Regional development framework and regional approach to Powers and Functions
<b>September 2007</b>	Growth and Development Summit (GDS-01)	The place of SDM in a Global City Region is discussed. MEC Qedani Mahlangu said "She said since Gauteng has moved to being a Globally City Region, the objective was to build Gauteng as an integrated and globally competitive province, where the economic activities of all municipalities complement each other as opposed to competing against one another"
<b>15-16 May 2008</b>	IGR Lekgotla at Alpine Heath	Regional Planning and cooperation discussed during IDP alignment sessions
<b>11 August 2009</b>	Meeting with Pascal Moloji	In a presentation Mr Moloji outlined the phases, conditions, conditions for success and other aspects of 'Towards A Metro' based on his experience working in the field.
<b>June 2010</b>	FIFA World Cup	The Sedibeng District and its 3 Local collaborate seamlessly to work together to offer a World cup experience as a single entity. The test of working as a single authority is executed flawlessly.
<b>07 September 2011</b>	Study Tour to Buffalo City	First hand observations and engagements on the challenges of moving towards a Metro.
<b>27 September 2011</b>	Study Tour to Mangaung	First hand observations and engagements on the challenges of moving towards a Metro.
<b>September 2011</b>	Kievietskroon Strategic Retreat	The SDM and its three Local reconfirm the pillars of GDS-02 and the flagship projects which include the 'Single Authority' as a key flagship project
<b>November 2011</b>	GDS Summit at Emerald Resort	Stakeholders assess GDS-01 and develop GDS-02 which includes the move to a Metro.



<b>6 August 2012</b>	MDB Public Meeting – Vereeniging City Hall	Stakeholders engaged on the Metro options
<b>14 March 2013</b>	Midrand IGR Lekgotla	Engagements on 'Shared Services' further the Metro debate
<b>25 September 2013</b>	Development Overview of Emfuleni and Midvaal presented to MDB	The growth and development trajectory as stimulated by key projects in the relevant areas is consolidated into a report to the MDB.
<b>15 October 2013</b>	MDB Announces the Vaal Metro	The move back to a Metro is announced by the MDB

The Constitution, section 155.1.a, defines "Category A" municipalities. In the Municipal Structures Act it is laid out that this type of local government is to be used for conurbations, "centre[s] of economic activity", areas "for which integrated development planning is desirable", and areas with "strong interdependent social and economic linkages".

The desire of the people of the Vaal for a 'single tax base' is deeply rooted in a series of events that go as far back as the 1960 Sharpeville Massacre, that was alive in the rejection of the black local authorities during the 1980's and that suffered for its aspiration through the Zone 7 Massacre and the Boipatong Massacre. It was therefore befitting that President Nelson Mandela chose Sharpeville in 1996 to be the place where South Africa's last Constitution was signed. It became the system that delivered a united and fully democratic South Africa with a fully democratic system of developmental local government.

The Municipal Demarcation Board (MDB) announced the move to a Metro on 15 August 2013. This important announcement had a significant impact on the Municipalities within the region.

The District and its three local municipalities met between 03-05 March 2014 at a District Wide Lekgotla to align their IDP's and to map out a transition process toward the Metro.

The formal process was initiated with the publication of Section 14(5) Notice and the first Joint Sitting of the incoming Metro Council (Sedibeng, Emfuleni and Midvaal) was held on 16 April 2014. Since the Joint sitting, the nominated members onto the political and technical steering Committees have not been convened by the MEC for CoGTA. This process had unfolded in parallel to a legal challenge from the Midvaal Local Municipality.

The next steps required to activate the process rests with the MEC for CoGTA (Gauteng) in that the Political Steering Committee needs to be convened. Thereafter, a Transitional Manager should be appointed to implement the Transitional Plan. The Gauteng Provincial Government has also undertaken an exercise in costing the transitional process and has identified sources of funding, including its own available budgets.

The Ward Delimitation by the MDB has already begun in the Vaal Region. Technical teams are presently at work to craft proposed wards for the new Vaal Metro.

**THE ROAD TO THE METRO**

It is a distortion to see the move to the Metro as a recent event driven by a few. Instead it has been a long and energetic struggle by many who have stayed true to the vision of a single municipality for the Vaal. The following table lists a series of events and efforts that , amongst others, have helped to move the region closer to a Vaal Metro.

**WARD DELIMITATION PROCESS CRITERIA - GT 42**

Currently the Vaal metro will be based on the following criteria:

Total number of Registered voters	411 017		
Total number of Wards	50 (Fifty)		
Norm	8220 = (411 017/50)		
Minimum Number of Voters	6987 = (15% of 8220)		
Maximum Numbers of Voters	9453 = (15% of 8220)		
<b>Number of Current Councillors</b>			
MIDVAAL	EMFULENI	SEDIBENG DM	TOTAL
27	68	13	108
<b>New number of Councillors (METRO)</b>			
METRO - 100			
<b>Current wards</b>			
Midvaal	Emfuleni	Total	
13	48	61	
<b>New wards</b>			
Midvaal	Emfuleni	Total	
7	43	50	

**TRANSITIONAL WORKSTREAMS**

While many Transitional Models exists, the adoption of a model is largely dependent on the availability of resources and the time needed to execute the Transitional Process.

The following Work-Streams have been identified as the most feasible given the time and resources available:

1. Human Resources Management
2. Financial Management
3. Integrated Development Planning
4. Communications
5. Governance and Legal
6. Service Delivery Integration
7. ICT and Systems Integration

**CRITICAL SUCCESS FACTORS FOR MUNICIPAL MERGERS**

Based on previous experience, a technical workshop convened by the Gauteng Provincial department of CoGTA has identified the following critical factors:

- An independent, credible and capable transformation manager should be appointed to oversee the merger process.
- Full and continuous participation of Municipal Manager’s, Accounting officers and HOD’s.
- Institutional arrangements are critical – ensure that the Political Steering Committees, Technical Steering Committees and Work Streams are constituted, and all the required meetings are scheduled.
- Ensure that unions are fully involved in all aspects of the merger.
- Identify and continuously monitor and manage the top risks.

- Consider a decentralized service model, especially during the merger to ensure that critical service delivery functions are not Post-merger support is of critical importance.
- Ensure that critical systems, policies, procedures and by-laws are integrated.
- Particular focus should be placed on the development of the organization structure and resultant salary structure (province guideline/ policy directive).
- There needs to be a strong focus on economic development (policies, initiatives, growing the revenue potential).
- The capital prioritization model needs to take on a “metro” focus.
- A rapid response team should be formed in order to focus on service delivery, risks and challenges (visible).

### **MUNICIPAL MODELS (Internal Units and External Units)**

In order to best achieve the objectives of local government, the incoming Metro presents with an opportunity to design a system that is effective and service-delivery orientated. One of the biggest challenges that has faced our Municipalities, especially large ones such as Emfuleni, is the ability to see each aspect of its operations in a clear and individually defined manner. With all of its management, resources and finances in a single ‘pot’ it becomes increasingly difficult to diagnose areas of underperformance and inefficiencies.

Section 76 of the Municipal Systems Act provides that a municipality may provide a municipal service in its area or a part of its area through an internal or external mechanism.

#### **An internal mechanism may be:**

- A department or other administrative unit within its administration.
- Any business unit devised by the municipality, provided it operates within the municipality’s administration and under the control of the council in accordance with operational and performance criteria determined by the council.
- Any other component of its administration. An external mechanism may be:
- A municipal entity with which the municipality has concluded a service delivery agreement.
- Another municipal entity with which the municipality has concluded a service delivery agreement.
- An organ of state entity with which the municipality has concluded a service delivery agreement.
- A community-based organisation or other nongovernmental organisation competent to enter into such a service delivery agreement.
- Any other institution, entity or person legally competent to operate a business activity with which the municipality has concluded a service delivery agreement.

#### **External delivery mechanisms**

The Municipal Systems Act recognises the following kinds of municipal entities:

- A private company, as referred to in the Companies Act, 1973, established by one or more municipalities, or in which one or more municipalities have acquired or hold an interest.
- A service utility established by a municipality.
- A multi-jurisdictional service utility established by two or more municipalities.

#### **Matters for consideration**



- A municipal service can easily be managed and accounted for separately, that is the costs of providing the service are known, the level of cross-subsidisation to, or from, other municipal services is known.
- A duplication of functions may occur, that is a situation may arise where both the electricity and water services business units have a credit control department.
- Holistically focused on effective delivery of a service.

## **CONCLUSION**

The incoming Metro presents a great administrative challenge to the administrative and political deployed in Local Government. Equally so, it presents great opportunity to shape a system of local government that will best achieve the aims and objectives of a developmental state and to address the needs of the residents in the Vaal area .