

CESA
Branch Function
KWAZULU-NATAL

"Municipal Asset Management
Strategies and Oversight Requirements for
Sustainable Service Delivery"

Collaboration in Planning

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About CMAM

- ❑ Established with the support of the South African Local Government Association in 2017; integrate municipal asset management support programmes, close the gap between Technical & Finance Departments
 - * Linked with *Canadian Network of Asset Managers (CNAM)*
- ❑ Brings together, promotes and strengthens the Asset Management Community nationally.
- ❑ Uplifts the professional status of Asset Management Practitioners.
- ❑ Establish and standardize common specifications for asset management and maintenance for municipal assets.
- ❑ Serves as centralized knowledge repository, to stimulate and promote education and training in asset management.
- ❑ Promotes asset management for long term sustainability.

Asset Management Concepts

- Infrastructure asset management, which forms part of municipal asset management, is the combination of management, financial, economic, engineering, and other practices applied to physical assets to provide the best value level of service for the costs involved.
- There is a Western world's growing understanding of infrastructure as encompassing social and cultural spaces and structures: public goods and services that produce healthy and well-educated citizens are essential components of the foundation for the business and individual activities that allow the economy and society to function.
- Brett Frischmann identified the characteristics that unite infrastructure assets in his book *Infrastructure: The Social Value of Shared Resources*.
- *Section 152 of the RSA Constitution stress the concepts of socio-economic development with service delivery.*

Municipal Finance Management Act

Section 63 states that:

- (1) The **Accounting Officer** of municipality is responsible for the management of
 - (a) The **assets of the municipality**, including the safeguarding and the maintenance of those assets.

Section 78 stipulates the following regarding Senior Management:

- (1) **Each Senior Manager** of a municipality ... must take all reasonable steps **within their respective areas** of responsibility to ensure (e) that the **assets** and liabilities of the municipality are **managed** effectively, and assets are safeguarded and maintained to the extent necessary.

CMAM promotes the establishment of an Asset Management Committee at each municipality to give effect to the MFMA.

Coordinated Planning

Municipal Systems Act

Section 24.

(1) The planning undertaken by a municipality must be **aligned** with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of **co-operative government** contained in section 41 of the Constitution.

Integrated Development Planning (IDP) Regulations, 2001

The Guide (DPLG) framed in terms of section 120 of the MSA determines that at District Council level, a framework will be developed in consultation with all local municipalities within the district. This framework will ensure **co-ordination**, consultation and alignment between the district council and local municipalities.

Engineering contribution

Section 20 (2) of the Spatial Land Use Management Act (Act No 16/2013) requires a municipality must prepare a Spatial Development Framework (**SDF**) as part of the **Integrated Development Plan**.

Section 21 requires a municipal SDF must:

- a) give effect to the development **principles** and applicable **norms** and **standards** set out in Chapter 2;
- b) include a written and spatial representation of a five-year spatial development **plan** for the spatial form of the municipality;
- c) include a longer-term spatial development **vision** statement for the municipal area which indicates a desired spatial growth and development pattern for the next 10 to 20 years;
- h) **identify, quantify and provide location requirements** of engineering infrastructure and services provision for existing and future development needs for the next five years.

Cost Recovery: Finance

MFMA Section 19. (2)

Before approving a capital project in terms of subsection (1)(b), municipal council must consider—

- (a) the **projected cost** covering all financial years until the project is operational; and*
- (b) the future **operational costs and revenue** on the project, including municipal tax and tariff implications.*

The Capital Development Plan must be based on business plans compiled for the asset life cycle for each project, and provide for the replacement of assets reaching the end of their useful life within the timeline of the IDP's MTEF.

There is a massive task to ensure the development, maintenance and rehabilitation of Infrastructure at the local government level.

It is up to us to make it work!

Thank You