

The state of metros – road to 2026

SOUTH AFRICA

Can the end 2026 local government elections mark a meaningful inflection point for metros? We are sceptical. Political and administrative instability generally continues. Administrative instability is a concern as the administration is supposed to cushion residents from the effects of political instability, a now common feature of South Africa's political landscape due to the rise of coalitions. This will continue after next year's elections and in some places like Johannesburg might see the status quo remaining even with the DA becoming the largest party. Overall political stability is a necessary condition for change and bankability. It is, therefore, no surprise that metros still struggle to attain clean audits with unauthorised, irregular, fruitless and wasteful expenditure proving to be stubborn ills, which at times manifests itself in observable service delivery shortcomings. Nothing demonstrates the poor state of metros more than the interventions that national and provincial governments have had to make in an effort to steer them towards prosperity. The gap between the best (Cape Town with an unqualified audit with no findings) and the worst (such as Mangaung) remains stark and may widen.

Given its importance, Johannesburg is receiving significant attention to prevent a total collapse and steer it towards recovery – however there are minimal if any signs of a turnaround yet. Tshwane faces immense challenges, but the "new" administration has ignited a level of optimism about a potential turnaround that has been refreshing. Political interests however threaten this momentum. While it faces service delivery challenges like most metros, Ekurhuleni's administration has remained stable in the midst of political changes. The Eastern Cape pair of Buffalo City and Nelson Mandela Bay face significant service delivery, administrative and political challenges. eThekweni is making slow positive progress and will provide an indication of whether national interventions deliver but this progress may be disrupted by the massive political changes that will likely occur in the city in 2026.

Bankability of metros themselves and their projects (particularly infrastructure) remains a challenge, and the entrenchment of coalitions does not provide reason for optimism given the instability that metros have experienced as a result. However, the local government OV reforms may enhance the ability of metros to secure credit and insulate the administrative side from potential political instability through ringfencing. For the rest of the non-metro municipalities (category B and C), this may not be true. In this note, we assess the status of metros and based on that and other factors, provide our expectations regarding the outcomes of the 2026 local elections.

The 2026 local government elections are fast approaching, and metros will once again be key centres of the electoral contest. Only three of the country's eight metros are under the control of a sole party; coalition arrangements govern the rest. This means that there are three metros that parties will hope to reduce to coalitions: Buffalo City, Mangaung and the City of Cape Town. In the other five metros, realistically, the battle will mainly be about becoming the biggest party or improving the vote share to be in a good position for coalition negotiations.

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Table 1: Summary table - state of metros

Interventions		Political developments	Administrative developments	Audit outcome	2026 elections
Johannesburg	Presidential Johannesburg Working Group; Bomb squad	ANC regional chairpersonship battle – 26-28 Sept	Increase in acting appointments at senior management level – including city manager	Unqualified with findings	DA leapfrogs, ANC decline – possibly ANC messy large coalition remains
Ekurhuleni		Status quo ANC regional conference outcome – 8-10 August	Uncertainty over the validity of contract of the now-retired municipal manger	Unqualified with findings	ANC-DA equalisation
Tshwane		Political stability threatened by administrative developments	Potential city manager removal	Qualified	DA to overtake the ANC
eThekweni	Presidential eThekweni Working Group; Abandoned? Section 154 intervention by provincial government	IFP is now part of the governing coalition	City manager followed by controversy	Unqualified with findings	MKP to become the biggest party
Cape Town		Thwarted motions of no confidence in speaker and mayor		Unqualified with no findings	DA to retain majority
Nelson Mandela Bay	Section 154 intervention by provincial government	Controversy around the deputy mayor	City manager suspension	Qualified	DA to slightly edge the ANC.
Buffalo City	Section 154 intervention by national government	Thwarted ANC-sponsored motion of no confidence in mayor (ANC)	13 experts come in as part of the section 154 intervention	Qualified	ANC to retain slim majority; downward risk
Mangaung	Section 139 intervention by national government	Allegation of ANC factionalism	Municipal manager controversy	Qualified	ANC to lose its majority.

Source: Krutham

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Overarching view

Metros are generally not in the best state, which is concerning considering that they are responsible for service delivery to 8.9 million households (46% of the SA total) and managed 57% of the estimated local government expenditure budget in 2023-24.¹

Interventions

The general inability of municipalities to drive their own recovery raises questions about the viability of the local government architecture. The constitution provides for co-operative government and the interdependence, interrelation and distinctiveness of the local, provincial and national government spheres. The seemingly constant need for national and provincial spheres to intervene in municipalities for them to fulfil the most basic aspects of their mandates points to an emerging trend of overdependence. Ideally, national and provincial government should not need to intervene in Johannesburg for the metro to fix streetlights and traffic signals or to carry out basic road maintenance.

The continuation of this could set a precedent which will result in a call for a more interventionist national government, in particular. This is already discernible in some circles. In turn this will raise questions about the need and viability of local government, if those entrusted with leading municipalities need constant “support” from the upper spheres of government.

An interventionist approach to intergovernmental relations also poses its own challenges, as this could be abused for political ends, especially in our increasingly diversified political setting, where the parties leading the different spheres of government differ, be it through coalitions or majority control. There is also a risk of genuine and necessary interventions being resisted for political reasons. The case of the section 154 intervention in eThekewini demonstrates these two risks. Another example of resistance is the case of uMkhanyakude District Municipality and the KZN Cogta MEC Thulasizwe Buthelezi. In fact, KZN has a history of allegations of interventions being used or resisted for political reasons. This is why the Intergovernmental Monitoring, Support and Interventions Bill will be important.

Local government reform

The local government sphere continues to receive significant attention from national government. The seventh administration has made local government reform one of its key areas of focus. At the heart of this is a recognition that whatever progress the administration makes at national level would be offset if municipalities, generally, continue their current trajectory of financial mismanagement, poor infrastructure maintenance, overall poor service delivery and political and administrative instability. The above, of course does not apply to all municipalities. The other consideration is the 2026 local government elections, which looks set to provide another significant twist in SA's political landscape. More on local government reforms may be found [here](#).

Metros are well-positioned to benefit from most of the local government reforms, as these reforms will help well-performing municipalities, mainly metros, to attract more investment and access blended finance. An example of such a reform is the metro trading services reform. In essence, this

¹ AGSA. 2025. “Consolidated General Report On Local Government Audit Outcomes 2023-24”. Auditor General South Africa. <https://mfma-2024.agsareports.co.za/>

will mark a continuation of an existing challenge as the more needy municipalities lack capacity and creditworthiness. But even in metros, political and administrative stability will be key to seeing the reforms through and therefore derive financial benefits that will be invested towards their service delivery objectives.

This means the challenge of bankability for the underperforming, but needy municipalities will persist, resulting in a widening gap between them and the well-performing ones.

Box 1: Local government reform implications for banks

For banks and financial institutions, two ongoing and upcoming important processes will determine the long-term creditworthiness of metros: the ongoing local government reform and the 2026 elections. With more metros set to fall into coalition hands, many would be inclined to foresee more chaos given the country's experience with coalition instability at this level of government. However, the local government reform process **can** mitigate against this. For instance, the metro trading services reform seeks to safeguard water and electricity provision, the Local Government: Municipal Structures Amendment Bill (Coalition Bill) seeks to stabilise coalitions, the Intergovernmental Monitoring, Support and Interventions Bill seeks to address the shortcomings of national and provincial government interventions in municipalities, MFMA amendments and review of the local government fiscal framework seek to address budgeting and financial management challenges, and the professionalisation agenda seeks to ensure adequate skills and capacity especially at senior management level.

While some of these reforms/interventions have their own shortcomings, they are meant to address common challenges in municipalities - political instability, financial mismanagement, financial resource constraints and limited administrative capacity – these factors may well end up dominating. Theoretically, these should be adequate to mitigate against potential coalition-induced political instability and therefore safeguard the administrative front of metros. In the long run, this should augur well for the ability of metros to secure credit on the market. However, there are multiple dependencies and the scope for derailment exists. Moreover, while reforms are key for the bankability of the local government sphere and projects, political stability still plays an outsized role in this. As such, reforms on their own may not be enough. This is why election outcomes and attempts to engender political stability through legislation will still be key factors in the bankability of metros and projects. All that said, there is then a risk that not much will change after the 2026 local government

2026 forecast thoughts

Metros look set to experience significant electoral shifts in next year's local government elections. In the three Gauteng metros, the DA has a chance to become the biggest party. However, the party needs to grow rather than depend on the ANC's decline. In eThekweni, the MKP looks set to become by far the biggest party, taking over from the ANC. Buffalo City appears to be the only metro where the ANC can still retain an overwhelming majority, while in Nelson Mandela Bay, the ANC and the DA will likely be closely matched again, with the DA taking a slight lead. The DA appears set to retain its majority in the City of Cape Town. The ANC will likely lose its majority in Mangaung but retain control through a coalition. The table below lays out our expectations of how the main parties in each metro will fare in 2026, based on several factors, including past electoral performance and political considerations.

Table 2: 2026 election expectations vs 2021 outcomes – all metros

Joburg		Ekurhuleni		Tshwane		eThekwhini		Cape Town		Nelson Mandela		Buffalo City		Mangaung		
	2021	2026	2021	2026	2021	2026	2021	2026	2021	2026	2021	2026	2021	2026	2021	2026
ANC	34%	25%	38%	30%	35%	30%	42%	10-15%	17%	11%	39.43%	35%	59%	52%	51%	45%
DA	26%	32%	29%	30%	32%	34%	26%	28%	58%	55-59%	39.92%	37%	20%	25%	26%	28%
EFF	11%	9%	14%	10%-12%	11%	9%	10%	2%	4%	6%	6%	10%	12%	16%	11%	14%
MKP		10%		15%-20%				45%								
PA									1%	7%	1%	5%				
ACSA	16%	12%			9%	11%										
IFP							7%	6%								
NCC									3%	5%						

Source: Krutham; IEC

Coalition permutations

One of the biggest contributors to the political instability in metros has been the reluctance of the two biggest parties, typically the ANC and DA, to work together. Instead of partnering to form stable and small coalitions, the two parties have opted for difficult-to-manage multiparty arrangements.

However, with the formation of the GNU, an ANC-DA coalition is no longer unthinkable. Nonetheless, a proliferation of such coalitions remains distant despite the precedent set by the GNU. The failure of the two parties to form coalitions in eThekwhini, Gauteng metros and several Western Cape municipalities after the formation of the GNU highlights that a partnership between them has not become the first coalition choice option for leaders at local (and provincial) level. The 2026 elections may result in interesting scenarios, which will once again test the willingness of the ANC and the DA to work together:

- In Gauteng metros, there is a realistic possibility that the DA may become the biggest party. Given the interest the DA showed in working with the ANC at provincial level last year, it remains to be seen whether it will now turn towards the ANC for a coalition partner or try to form large, unstable coalitions once more. This will be key especially in Johannesburg where the DA may be short of options and rejected by others including ActionSA. The result would be another ANC-led coalition with smaller parties or an ANC-DA coalition, the latter being less likely with Panyaza still in power.
- In the Western Cape, the question is whether the DA will opt for “traditional partners” such as the FF+ or move towards the ANC. The FF+’s newly found flexibility in approaching coalitions, as evidenced by partnerships with the ANC in some municipalities, means it is no longer an all-weather partner for the DA. The DA’s choices will further be complicated by the frosty relationship it has with the PA, a party we expect to be an important player across.
- In KZN, the MKP will make significant inroads, which may force the ANC and the DA to extend the provincial coalition to several municipalities in the hope of stopping the MKP from taking power. eThekwhini will be a big test, and it may take an ANC-DA-IFP partnership, as is the case in the province, to stop the MKP from assuming power. In many rural municipalities, this may not be possible as the DA has a limited footprint, and that is where the IFP comes in.

City of Johannesburg

Efforts to turn around Johannesburg are ongoing. At the centre are two interventions – the working group introduced by the president and the bomb squad introduced by the mayor. The ANC in the city is heading to a conference, which may ultimately determine who stands as its mayoral candidate in 2026.

The City of Johannesburg remains in the control of the ANC-led government of local unity (GLU), although the arrangement lost the additional cushion provided by ActionSA after it opted to remove Nobuhle Mthembu (ActionSA) as speaker of council in June, effectively terminating the relationship with ActionSA.

Political developments

Dada Morero remains the mayor of the city and is spearheading efforts to turn it around. After a month-long delay, Morero finally appointed Loyiso Masuku (ANC) as MMC for finance, a position which became vacant when Margaret Arnolds (AIC) was elected council speaker. Masuku is the former MMC for group corporate and shared services, a position now filled by Sithembiso Zungu (ANC), who was the chief whip.

Masuku is set to go up against Morero for the position of ANC Johannesburg regional chairperson when the long-overdue ANC regional conference finally sits – now expected to take place from 26 to 28 September. The delay in her appointment reportedly stemmed from a pushback by Morero's bloc, which saw her appointment to the important portfolio as a boost for her internal ANC campaign and a step towards the mayorship. The bloc was, however, on the back foot as Masuku was the leading ANC candidate for the finance portfolio from the beginning. It thus pinned its hopes on the position being given to the minority parties that are part of the coalition government, something which would have been inconsistent with the "coalition agreement".

There have been reports that support for Masuku's ANC chairpersonship candidacy has improved. This, and her appointment to the influential finance portfolio, means that there may be a closer contest now, compared to the beginning of the year when it appeared that Morero's victory was certain. This suggests there is now a realistic chance that Masuku may be the ANC's candidate for the Johannesburg mayorship in the 2026/27 elections, potentially going up against Helen Zille of the DA.

The position of MMC for transport remains vacant after Kenny Kunene (PA) resigned following revelations of his presence at the home of the murder accused Katiso Molefe during the latter's arrest. Liam Jacobs has replaced Kunene as a PA councillor, but his appointment as transport MMC is not certain as Morero is apparently still deciding on the matter. The ANC-led coalition has reportedly raised concerns about his lack of experience for such a portfolio, but he is the PA's preferred replacement for Kunene in the mayoral committee. Jacobs is the PA's mayoral candidate for Tshwane and has been given the councillor role to gain experience at local government level.

Administrative developments

The city has not appointed a permanent city manager since the high court ordered Floyd Brink to vacate the position in December 2024 on the basis that his appointment was irregular. In January, the council appointed COO Tshepo Makola to act in the position for three months. In June, the council

resolved to request Gauteng Cogta MEC Jacob Mamabolo to second a person to act as city manager, and he seconded Kiba Kekana.² This followed the lapse of Makola's six-month (extended from the initial three months) acting period.

Acting appointments in the city have become a hot topic. In May, the DA threatened court action against the city and several individuals over the appointment of seven acting senior managers. It sent a letter of demand to the MEC Mamabolo, Mayor Morero, council speaker who was then Nobuhle Mthembu and the seven senior managers, including the then acting city manager Tshepo Makola and Helen Botes, CEO of the Joburg Property Company. The DA demanded that the seven acting managers effectively cease acting in their positions and that Mamabolo confirm that he would not approve any application by council to extend the acting periods of the seven. ActionSA has demanded an audit and review of all current acting appointments and explanations for the delays in making permanent appointments.

Interventions

There are currently two chief interventions meant to aid the turnaround.

- The first is the **Presidential Johannesburg Working Group** (PJWG) introduced by President Cyril Ramaphosa in March. The working group will be in place for 24 months and has four objectives: strengthening governance and financial sustainability; improving service delivery; driving economic development; and rejuvenating inner-city hubs and townships. The work is divided into eight work streams – governance and financial sustainability, water and sanitation, electricity and energy, clean and safe public spaces (roads, lighting and waste management), safety and security, human settlements and social development, cultural institutions and heritage sites, and initiative: inner city and township rejuvenation. The working group consists of representatives from national government (several departments including Cogta, National Treasury, Water and Sanitation, the Presidency and Transport and more), Gauteng provincial government (several departments), the City of Johannesburg, SOEs, the private sector, trade unions and civil society. Members of workstreams are drawn from these.
- The second is the **bomb squad** which was announced by Mayor Morero in May. It is led by Snuki Zikalala and began operating in June. The bomb squad consists of Blake Mosley-Lefatola, Mavela Dlamini, Prof Trevor Fowler (all former city managers), Gerald Dumas (former Joburg COO), Phelisiwe Twala-Tau (Salga), Vicky Shuping (adviser to the mayor) Reggie Boqo (former Joburg CFO), Busani Ngcaweni (NSG Principal), Khwezi Mabasa (DTIC) and Audrey Mothupi (Systemic Logic Group). The bomb squad is a "specialised unit" meant to help the city arrest crime and grime, combat lawlessness, unlock service delivery bottlenecks and accelerate delivery. Morero described it as a high-power implementation impact team. The squad is tasked in particular with helping to execute the city's turnaround plan, which Morero unveiled in May. The bomb squad has faced significant scrutiny. The DA questioned its constitutionality, stating that it may be "a ploy to help out ANC cadres who have fallen on hard times" and

² Business Day. 2025. "Gauteng seconds acting city manager for Johannesburg". <https://www.businesslive.co.za/bd/national/2025-07-01-gauteng-seconds-acting-city-manager-for-johannesburg/>

an attempt by the ANC to cling to power in Joburg using public resources.³ The PA has also raised concerns about its constitutionality.

In addition, there are District Development Model (DDM) District Champions, meant to support the implementation of the DDM. President Ramaphosa appointed Pemmy Majodina, minister of water and sanitation, Ashor Sarupen, deputy minister of finance and Ganief Hendricks, deputy minister of social development, as the champions for Johannesburg.

Among other things, **the PJWG was tasked with implementing “quick win” interventions to demonstrate improvement and boost business confidence within two to three months.**⁴ There have been notable efforts to repair potholes, streetlights and traffic lights. In early August, Gauteng Premier Panyaza Lesufi provided an update on the province’s state of readiness to host the G20 summit. Many of the “quick win” interventions are aimed at ensuring that Johannesburg (and Gauteng) is ready to host the summit in November. Pothole repairs in Johannesburg are said to be above 70% and streetlight repairs are 71%-91% complete.⁵ Lesufi said that the provincial government will conduct a province-wide inspection every Tuesday to assess the state of readiness. According to a Johannesburg Roads Agency report on 59 intersections identified by the agency and the provincial government as impeding traffic flow, 28 were working and 31 were not in June.⁶ However, the Daily Maverick found that of the 231 intersections it was tracking, there were 73 functional traffic lights and 163 non-functional traffic lights.⁶

The city has a plan in place to overcome traffic signal and other road infrastructure challenges, which includes:

- A dedicated transport G20 plan with a team working on it
- An introduction of more “semi-actuated” control intersections and “fully actuated” signalised intersections, and AI-powered signals
- Proactive maintenance through monthly visits to signalised intersections and remote infrastructure monitoring that enables instant fault detection
- Adopt a traffic light initiative
- Underground safety chambers to prevent theft and vandalism
- Controller brackets to support and secure signal infrastructure from theft and vandalism
- Reduced copper content cables
- Alarms and cameras⁶

The provincial government has partnered with the city to address especially road infrastructure challenges ahead of the G20 summit.

The interventions in Johannesburg thus appear to be slowly bearing some fruit, albeit from a low base, at the basic service delivery level, but questions about constitutionality and duplication of functions remain. Moreover, the

³ DA. 2025. “DA questions motives behind Morero’s ‘Bomb Squad’ PR stunt”.

<https://dagauteng.org.za/2025/06/da-questions-motives-behind-moreros-bomb-squad-pr-stunt>

⁴ Presidency. 2025. “Presidential Johannesburg Working Group Terms of Reference and Next Steps”. https://www.gpma.co.za/wp-content/uploads/2025/05/2025_04-Presidential-Johannesburg-Working-Group.pdf

⁵ News24. “Repair frenzy ignites in Joburg: Gauteng govt repairs roads, lights ahead of G20 Summit”. <https://www.news24.com/politics/repair-frenzy-ignites-in-joburg-gauteng-govt-repairs-roads-lights-ahead-of-g20-summit-20250803-0985>

⁶ Daily Maverick. 2025. The long wait — Can Johannesburg’s broken traffic lights be fixed before the G20?. <https://www.dailymaverick.co.za/article/2025-07-22-the-long-wait-can-johannesburgs-broken-traffic-lights-be-fixed-before-the-g20/>

quick win interventions are supposed to be basic service delivery issues that the city should be dealing with daily in any case. That interventions are needed to move these forward paints a bad picture of the leadership of the city, both at the political and administrative levels. The other question is whether the city will be able to maintain momentum once the intervention terms expire.

Audit outcomes and finances

The City of Johannesburg received an unqualified audit with findings in 2023-24, an outcome which has been consistent since 2019-20.⁷ In 2023-24, the metro incurred R4.40bn (2022-23: R5.47bn) in unauthorised expenditure, R81.98m (R436.16m) in fruitless and wasteful expenditure and R7.92bn (R7.45bn) in irregular expenditure.⁷ This is despite the city's well-documented financial troubles. This was perhaps taken into account in allowing the PJWG to seek support and resources from the private sector, donors and stakeholders (in-kind), in addition to reprioritised government funding.

On 30 July, the **minister of finance Enoch Godongwana wrote a letter to Mayor Morero raising concerns about the failure of the metro to prevent unauthorised, irregular, fruitless and wasteful expenditure**, in contravention of the MFMA. The minister gave Morero 14 days to respond with reasons for the failure and a plan of action to address it and to implement consequence management against the responsible officials, including councillors if necessary. Minister Godongwana then threatened to invoke section 216(2) of the constitution if the metro failed to address the concerns he raised. The section empowers National Treasury to enforce compliance with measures prescribed by legislation (in this case, the MFMA) to ensure transparency and expenditure control in each sphere of government. Importantly, it also empowers National Treasury to stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of these measures.

In response to the minister, Morero placed the blame for failures and the increase in unauthorised, irregular, fruitless and wasteful expenditure on the poor leadership and mismanagement of the city by a DA-led coalition, which was removed in 2023.⁸ Morero revealed that the city had already initiated interventions to address the non-compliance, among other challenges:

1. Enhanced the unauthorised, irregular, fruitless and wasteful expenditure reduction strategy, focusing on timely investigations, consequence management and regularising non-compliant expenditure as outlined in section 32(2) of the MFMA.
2. Re-established and operationalised the Disciplinary Board in accordance with MFMA Regulations for Financial Misconduct Procedures and Criminal Proceedings.
3. Introduced the bomb squad and approached Ramaphosa for the PJWG, as already mentioned.

⁷ AGSA. "City of Johannesburg Metro". <https://mfma-2024.agsareports.co.za/municipality/3-city-of-johannesburg-metro>

⁸ City of Johannesburg. 2025. "Media Statement by The Executive Mayor of the City Of Johannesburg Cllr Sello Dada Morero". https://joburg.org.za/media/_Documents/2025-Media-Statements/MAYOR%20MORENO%20DETAILS%20CITY%e2%80%99S%20FINANCIAL%20TURNAROUND%20PLAN%20TO%20TACKLE%20R23.6-BILLION%20UIFWE.pdf

- Established a war room focusing on the city's finances, which he said is driving the metro closer to meeting the target of collecting an average of ZAR200m in revenue everyday.⁸

The mayor further provided an update on the progress made so far through these interventions including that of the ZAR23.6bn unauthorised, irregular, fruitless and wasteful expenditure reported in the city's 2023/24 financial statements; R12.9bn has been regularised in accordance with the MFMA, ZAR6.7bn is still under investigation and the rest has been investigated and is being processed by the relevant municipal committees.⁴²

The Auditor-General South Africa (AGSA) also made findings about procurement and contract management legislation compliance, expenditure management, effecting consequences, asset management and material, misstatement or limitations in submitted annual financial statements. **In relation to supply chain management (SCM)**, the AGSA found uncompetitive and unfair procurement, awards to family/partners/associates, awards to other state officials, limitations on the audit of SCM and inadequate contract management.

Regarding the **municipality's financial health**, the AGSA found that it takes an average of 311 days to pay creditors (instead of a maximum of 30), 92% of its debt is unlikely to be recovered, an indication of the work that lies ahead in the city's renewed effort to improve revenue collection.⁷

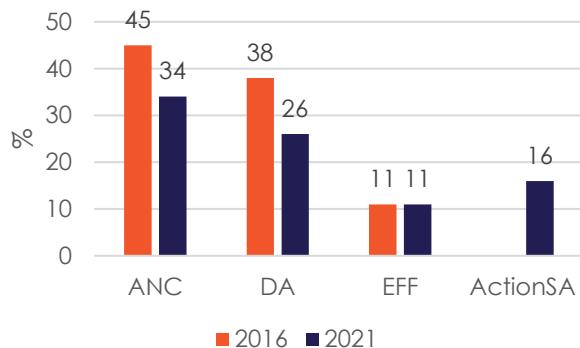
The AGSA found that the metro had underspent infrastructure grants by more than 10% and spent ZAR228.76m on repairing and maintaining property, plant and equipment which is equivalent to 0.5% of the value of property, plant and equipment, far from the National Treasury norm of a minimum of 8% of the value of property, plant and maintenance.⁷ Water losses stood at ZAR2.90bn (35% of water flowing through the metro's pipelines) while electricity losses totalled R4.93bn (30% of all electricity units distributed by the municipality).⁷

Despite tabling a fully funded budget for 2025/26, the city's financial troubles persist as some of the AGSA findings also demonstrate. In July, the metro secured a ZAR2.5bn (\$139m) corporate loan from the African Development Bank to finance critical infrastructure projects in electricity, water, sanitation and solid waste management.⁹ In July 2024, the city secured a ZAR2.5bn loan from the Agence Française de Développement (AFD). The city still faces bankability issues and cannot issue market debt as it did before.

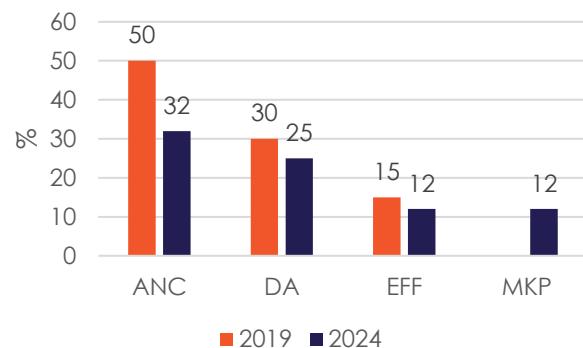
2026 elections

The city will be the centre of the metro battle between the ANC and the DA. Figures 1 and 2 demonstrate how close the two parties are and the gap may shrink even further in 2026. However, the DA should be concerned about declining alongside the ANC. If this persists, the narrowing gap will result from the ANC's decline rather than DA growth. The top 2021 performer, ActionSA is also in trouble, given that it only secured 6% of the vote in the provincial ballot last year in Johannesburg. These factors favour the MKP, which could make a grand entrance into the council, considering its performance in the 2024 provincial ballot in the city (Figure 2).

⁹ AfDB. 2025. "African Development Bank approves ZAR 2.5 billion loan to City of Johannesburg for critical urban infrastructure development". <https://afdb.africa-newsroom.com/press/african-development-bank-approves-zar-25-billion-loan-to-city-of-johannesburg-for-critical-urban-infrastructure-development?lang=en>

Figure 1: Municipal election results – Joburg

Source: Krutham, IEC

Figure 2: Provincial elections - Johannesburg

Source: Krutham, IEC

The chairperson of the DA's Federal Council, Helen Zille, may be the party's mayoral candidate. The DA does need some changes to turn around its fortunes in Johannesburg and other parts of the province. We think the ANC will decline to under 30% in 2026 and the DA will likely gain just under 7pp – if Zille stands. Table 3 outlines our expectations.

Table 3: 2026 election expectations vs 2021 outcomes – Johannesburg

	2021	2026
ANC	34%	25%
DA	26%	32%
MKP		10%
EFF	11%	9%
ActionSA	16%	12%

Source: Krutham, IEC

City of Ekurhuleni

Ekurhuleni faces the same service delivery challenges as Johannesburg, including non-functional traffic signals, potholes and more, but often escapes scrutiny as it is not as important as Johannesburg. Politically, it is the centre of the coalition choice debate between the ANC's (former) provincial leadership and the regional leadership.

Political developments

The City of Ekurhuleni has been relatively stable since the ANC's Nkosindiphile Xhakaza took over the mayorship in April 2024. The biggest coalition development since then has been the removal of the EFF's Nkululeko Dunga as MMC for Finance. At the heart of this was the ANC Ekurhuleni's push to ensure that the ANC, as the biggest party in the coalition, occupies the more important positions in the mayoral committee. Moreover, the removal was a manifestation of the ANC regional leadership's longstanding disapproval of the provincially imposed relationship with the EFF.

On 8-10 August, the ANC in Ekurhuleni elected the party's new leadership:

- Regional chairperson: Nkosindiphile Xhakaza
- Regional secretary: Jongizizwe Dlabathi
- Regional deputy chairperson: Jean Sethato
- Regional deputy secretary: Moipone Mhlongo
- Regional treasurer: Irvin Mohlala.

This is a largely status quo outcome as members of the regional task team that took over the party in 2023, when the high court in Johannesburg set aside the 2022 regional conference, occupy the senior roles in the newly elected leadership structure. This means the choice between partnering with the DA or the EFF will remain a source of contention after the 2026/27 elections.

Administrative developments

Back in May, the council resolved to place long-serving city manager Imogen Mashazi on special leave from May to 1 August, which is when she was meant to retire. Mashazi's contract was due to expire in 2027, but she had passed retirement age, prompting the council to place her on special leave while searching for her replacement.¹⁰ Mashazi refused to go on special leave, stating that in addition to her valid contract, she had an agreement with the city to go on leave on 1 August on the condition that she was compensated for the remainder of her contract.¹⁰ Mashazi has finally vacated her position, but the validity/invalidity of her contract remains unclear, especially considering that when she was reappointed in 2022, the city applied for a ministerial waiver – the outcome of which is still pending – which would have allowed her to complete her full contract.¹⁰ Beyond the risk that the city may be liable to pay out Mashazi, it still has to find a new city manager, a process we imagine will be highly contested given the political interest.

In July, Mayor Xhakaza announced a suspension of the ZAR109 and ZAR203 fixed electricity tariffs on A2 residential users (single and three-phase, respectively). This was in response to the violent protest that residents of Tembisa embarked upon. The suspension was subsequently approved by the

¹⁰ News24. 2025. "Ekurhuleni city manager Imogen Mashazi: 'I will not allow anyone to damage my reputation'". <https://www.news24.com/citypress/politics/ekurhuleni-city-manager-imogen-mashazi-i-will-not-allow-anyone-to-damage-my-reputation-20250607-1122>

council on 31 July and is in place for two months, with the view to facilitating further public consultation. While this was the most pronounced pushback, there has been a growing resistance to and questioning of financial obligations towards municipalities by residents as rates and tariffs increase.

Audit outcomes

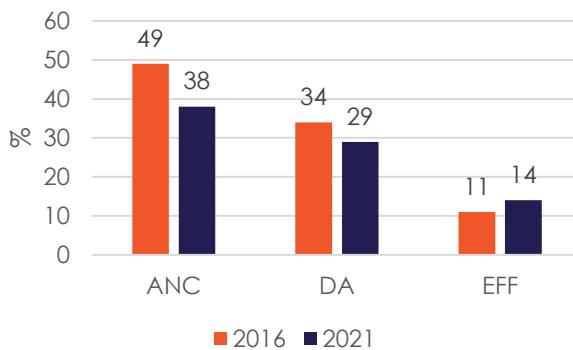
For 2023-24, Ekurhuleni received an unqualified audit with findings, unchanged from 2022-23, which is when the city regressed from consecutive unqualified with no findings outcomes.¹¹ The AGSA raised concerns about compliance with procurement and contract management legislation and found uncompetitive and unfair procurement practices. For 2023-24, unauthorised expenditure amounted to ZAR397.11m (ZAR0 in 2022-23), fruitless and wasteful expenditure was ZAR68.77m (ZAR68.77m), and irregular expenditure was ZAR1bn (ZAR929.31m).¹¹ The AGSA also found that the metro takes an average of 125 days to pay creditors and concluded that 70% of the municipal debt is unlikely to be recovered.¹¹

The metro spent ZAR3.31bn on property, plant and equipment maintenance and repair, an equivalent of 5.4% of the value of property, plant and equipment.¹¹ Water loss stood at ZAR1.30bn (equivalent to 27.6% of all water flowing through municipal pipelines) and electricity loss stood at R2.75bn (16.3% of all electricity units distributed by municipality).¹¹

2026 elections

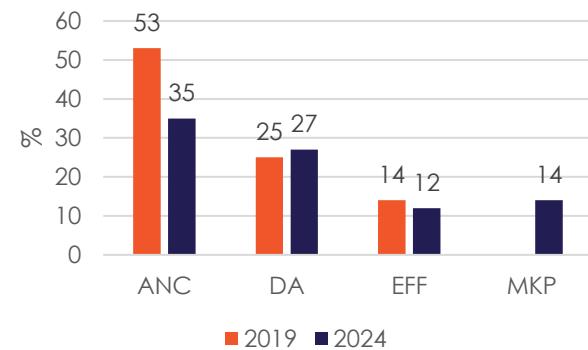
Ekurhuleni is shaping up to be one of the hotly contested metros between the ANC and the DA in 2026. The ANC's downward spiral continues (see Figures 3 and 4) while the DA will be encouraged by an improvement in last year's provincial ballot in the metro (Figure 4) after a decline in 2019 from 29%.

Figure 3: Municipal election results - Ekurhuleni



Source: Krutham, IEC

Figure 4: Provincial election - Ekurhuleni



Source: Krutham, IEC

In Table 4, we present our expectations of the outcome of the 2026 elections.

Table 4: 2026 election expectations vs 2021 outcomes - Ekurhuleni

	2021	2026
ANC	38%	30%
DA	29%	30%
MKP		15-20%
EFF	14%	10-12%

Source: Krutham, IEC

¹¹AGSA. 2025. "City of Ekurhuleni Metro". <https://mfma-2024.agsareports.co.za/municipality/3-city-of-ekurhuleni-metro>

City of Tshwane

Tshwane is in a dire state, but the “new” mayor has ignited hopes of a recovery. In addition to the hands-on approach the mayoral committee appears to have adopted to service delivery, the city’s finances require urgent attention.

Tshwane presents an interesting power transition case study characterised by blame shifting, accusations and counter accusations. At the centre are two erstwhile partners, the DA and ActionSA. Tshwane was supposed to be a model for DA governance excellence (at metro level) in Gauteng but has instead become a stain. The Midvaal Local Municipality could serve this purpose, but in terms of size is incomparable to the Gauteng metros the DA aspires to lead. Now occupying the opposition benches, the DA, like any other opposition party, is constantly piling pressure on the ActionSA-ANC-EFF-led governing coalition seeking accountability. The response, especially from ActionSA, is typically along the lines of, “we are fixing your mess”. While this is not uncommon after power changes happen, it is very pronounced in Tshwane since the DA led several coalition governments there from 2016 until 2024.

Political developments

Since the election of Nasiphi Moya (ActionSA) as mayor in 2024, the political front has been relatively stable. However, that may be about to change. At the centre of this is the ANC and the EFF’s disagreement with the handling of the irregularity in the appointment of senior managers in the municipality that has recently come to light (see “administrative developments” below). But notably, this development does not emanate from a political misalignment in the coalition. It is more an administrative-political interface issue, highlighting negligence on the political side, which could have dire consequences for both the administrative (removal of senior managers) and political (collapse of the governing coalition) aspects.

Administrative developments

Administrative developments now threaten to collapse a fairly stable coalition arrangement in Tshwane. At the centre of this is the irregular appointment of senior managers, especially that of city manager Johann Mettler, who was appointed in 2022. The irregularity was raised by Gauteng Cogta MEC Jacob Mamabolo in reaction to the appointment of a management support officer. The MEC called for the appointment to be rescinded. This opened a can of worms, as the city has been following this same procedure in appointing senior managers.

The appointment of senior managers is governed by the Municipal Structures Act.

Its regulations on the appointment and employment of senior managers stipulate that a selection panel for the appointment of a municipal manager should be made up of a minimum of three and a maximum of five members, including the mayor, a councillor designated by council and at least one person who is not a councillor or staff member but is an expert on the issue. In the case of senior managers, other than the municipal manager, the panel must consist of three to five members, including the municipal manager, an MMC or councillor who is the portfolio head of the relevant portfolio and at least one other person who is not a councillor or staff member but has expertise or experience in the area of the advertised post. It, however, appears that Tshwane has contravened these regulations for some time. Mamabolo said that he could not identify a member of the panel who could be deemed to have expertise or experience in the area of the advertised post as required by regulation. The ANC in Tshwane argued that the

appointment of a candidate to a vacant city manager position, was supposed to include a maximum of two councillors, but it instead included four councillors.

The consequence of this is that several senior managers' appointments could be deemed irregular. These include the city manager, CFO, COO, etc.

Subsequent to the revelations, the metro reportedly sourced legal opinion which indicated that the improper constitution of the panels may not be ground enough to remove the managers and therefore went back to the MEC and Cogta minister to seek guidance.

However, the ANC and the EFF are insisting that the managers be removed, while ActionSA wants the city's actions to be guided by the MEC and minister. This has thus strained relations somewhat between ActionSA and its partners, and the removal of the mayor, Nasiphi Moya (ActionSA), is now being considered. Moya has become a popular figure in Tshwane due to her hands-on approach to governance, thus making her removal somewhat politically risky. As such, we place the probability of her ousting at 30% for now, but this will certainly increase as we get closer to the 2026 election. A particular target of the parties demanding action is the city manager, and this may well reflect a misalignment of interests between the political leadership and the head of the administration ahead of an election. The revelations of irregularity thus provide a perfect reason for his removal.

Audit outcomes

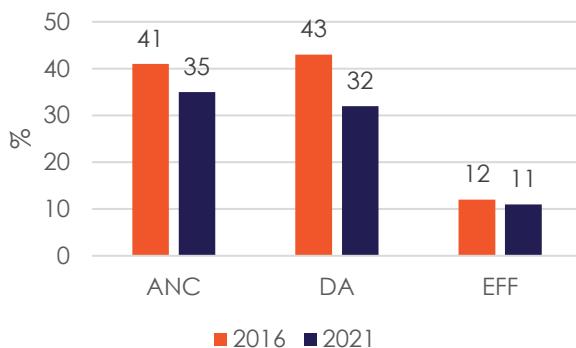
In 2023-24, the City of Tshwane achieved a qualified audit outcome, unchanged from 2022-23, which is when the city improved from an adverse outcome in 2021-22. The AGSA made several findings on financial reporting, performance reporting and compliance with legislation.¹² In 2023-24, unauthorised expenditure amounted to ZAR2.15bn (ZAR423.28m), fruitless and wasteful expenditure was ZAR3.07bn (ZAR2.82bn), and irregular expenditure was ZAR15.44bn (ZAR13.03bn).¹² This paints a picture of a situation worsening rather than improving, highlighting how much still needs to be done in Tshwane, not just on service delivery but financial management.

The AGSA noted that there is **doubt that the metro will be able to continue operating**, a situation which has persisted for four years.¹² The municipality takes an average of 243 days to pay creditors and 72% of its debt is unlikely to be recovered.¹² The metro spent ZAR820.23m on property, plant and equipment maintenance, an equivalent of 1.7% of the value of property, plant and equipment.¹² Water loss amounted to ZAR1.3bn (34.4% of all the water flowing through the metro's pipelines), while electricity loss totalled R2.53bn (equivalent to 19.1% of all electricity units distributed by the metro).¹²

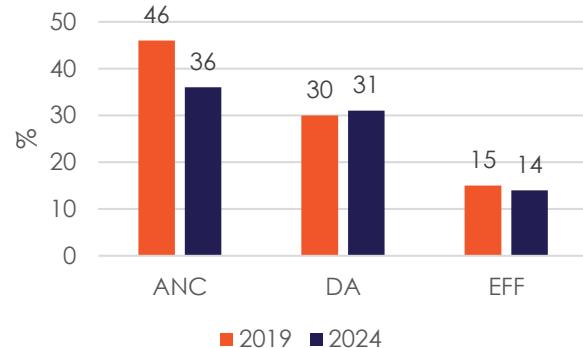
2026 elections

The ANC Tshwane regional conference is scheduled for 28-30 August 2025. This will be a key event for the party's attempts to recover its absolute majority in the capital, something we think is unlikely. We base this on the party's persistent downward spiral in both provincial and local government elections in the metro (see Figures 5 and 6).

¹² AGSA. 2025. "City of Tshwane". <https://mfma-2024.agsareports.co.za/municipality/3-city-of-tshwane-metro>

Figure 5: Municipal election results - Tshwane

Source: Krutham, IEC

Figure 6: Provincial election – Tshwane

Source: Krutham, IEC

After a decline in 2019 (from 34% in 2014), and the sharp fall in 2021 (Figure 5), the DA took a step towards recovery in the provincial election (Figure 6). Based on these and other considerations, we expect another decline for the ANC in 2026 and minimal improvement for the DA (Table 5).

Table 5: 2026 election expectations vs 2021 outcomes - Tshwane

	2021	2026
ANC	35%	30%
DA	32%	34%
EFF	11%	9%
ActionSA	9%	11%

Source: Krutham, IEC

eThekvinci Metropolitan Municipality

eThekvinci is on a very slow path to recovery, but this has again required an intervention from the president. Importantly, we expect the MKP to come out as the largest party in the metro in 2026.

Political developments

eThekvinci has been fairly stable since the election of Cyril Xaba (ANC) as mayor in July 2024. Xaba was elected unopposed after the DA decided against fielding a candidate for the position, something it had promised when it failed to reach a coalition deal with the ANC in the metro. eThekvinci was therefore meant to be a model for the transference of the GNU (ANC-DA) to the local government sphere. However, that did not materialise. In addition to the rocky relationship with the EFF, the other notable development in eThekvinci was the IFP joining the ANC-led governing coalition and taking over the trading services portfolio.

Intervention

Much of the focus of the metro has been arresting its decline, which, in addition to poor service delivery, was ravaged by the 2021 July unrest and the 2022 floods, leading to massive infrastructure damage and business closures. This is in line with Xaba's election – a more senior national ANC leader being brought in to stabilise the city. In response to the city's challenges, President Ramaphosa established the Presidential eThekvinci Working Group (PEWG) in April 2024 for 24 months, co-chaired by the

director-general in the presidency and secretary of cabinet, Phindile Baleni and former KZN MEC of economic development and tourism, Mike Mabuyakhulu, who is now coordinator of the ANC's KZN provincial task team. The intervention aims to accelerate efforts by the metro to improve service delivery, improve business confidence and reposition eThekwini as an investment and tourism hub.¹³ The focus of the PEWG is on eight priority areas: governance and financial sustainability, water and sanitation, safety and security, tourism revitalisation, roads, bridges, and transport, human settlements, disaster response and communication and stakeholder management.¹³

Like the PJWG, the PEWG consists of several stakeholders, including the three government spheres, SOEs, the private sector, organised labour and civil society. The PEWG has been credited with helping steer the metro towards recovery. The president acknowledged progress in the metro's water and sanitation turnaround plan, including an acceleration of repairs to address water and sanitation challenges as well as the completion of the KwaXimba Package Plant (phase 1 at the time), the finalisation of water supply agreements for the Mkhomazi Water Project and the rehabilitation of Nagle Aqueducts damaged in the 2022 floods.¹⁴ Water and sanitation have been a key challenge for eThekwini.

On 13 August, Mayor Xaba reopened the Coedmore Bridge which was damaged by the 2022 floods.

On the energy front, the metro recently became the first metro to be approved to generate its own electricity from renewable sources. This is after the minister of electricity and energy, Kgosientsho Ramokgopa, announced a Section 34 Ministerial Determination, empowering it to procure 400 megawatts (MW) of new generation capacity (100MW Solar PV and 300 MW Gas-to-Power).¹⁵ From the programme, the city expects to unlock ZAR8.5bn in private investment, create roughly 2,200 jobs during construction and operation phases and reduce its reliance on the national grid by 18% once fully operational. **Error! Bookmark not defined.**

The city has also been placed under a controversial section 154 intervention by the provincial government. In 2023, then Cogta MEC Nomusa Sithole-Moloi (ANC) announced the intervention, which would have been led by Mike Sutcliffe and Cassius Lubisi. However, the status of this team was unclear, with reports suggesting that ANC councillors were resisting it, especially ahead of elections (2024). In June 2024, the new Cogta MEC Thulasizwe Buthelezi (IFP) introduced Sutcliffe and Lubisi to the metro.¹⁶ However, in August 2024, reports emerged that finance minister Godongwana had informed the KZN Cogta that the intervention was a duplication of other interventions (including the PEWG) in the city and a

¹³ Presidency of RSA . 2024. "Presidency update on the Presidential eThekwini Working Group". <https://www.thepresidency.gov.za/presidency-update-presidential-ethekwini-working-group>

¹⁴ Presidency RSA. 2025. "President Ramaphosa notes progress by the Presidential eThekwini Working Group (PeWG) stakeholders". <https://www.thepresidency.gov.za/president-ramaphosa-notes-progress-presidential-ethekwini-working-group-pewg-stakeholders>

¹⁵ eThekwini. 2025. EThekwini breaks new ground as first metro to generate electricity from renewable energy sources". <https://www.durban.gov.za/press-statement/EThekwini+breaks+new+ground+as+first+metro+to+generate+electricity+from+renewable+energy+sources>

¹⁶ Cogta KZN. 2024. "KZNCOGTA intervenes in Ethekwini Metro". <https://www.kzncogta.gov.za/archives/8488>

violation of government's cost containment measures, thereby halting the intervention.¹⁷ The intervention, one of a couple, was a source of friction between Buthelezi and the then ANC provincial secretary Bheki Mtolo.

Administrative developments

City manager, Musa Mbhele, has been followed by controversy for some time. He was appointed permanently in September 2022, after acting in the position. From the onset, allegations of political influence clouded his appointment. In June, the Constitutional Court dismissed an application to appeal previous judgements that directed the metro to honour a settlement agreement it reached with service provider, Daily Double Trading. In 2013, the city had terminated contracts with Daily Trouble Trading, which then challenged this decision in the high court, after which it reached a ZAR30m settlement with eThekwini.¹⁸ However, the city kept on appealing the settlement, claiming the lawyer who reached it was unauthorised to do so.¹⁸

After the ConCourt ruling, the DA called for Mbhele's suspension and investigation by the Financial Misconduct Board, arguing that he should have complied with previous orders instead of wasting public funds on litigation.¹⁸ The high court has also directed eThekwini to pay another erstwhile service provider, Bless Joe Trading. Mbhele admitted that legal claims affected service delivery.¹⁹ Toyota's insurer is also claiming ZAR6.5bn from the Department of Transport, Transnet and eThekwini, for damages from the 2022 floods which affected its production plant in the metro.

Audit outcomes

For 2023-24, eThekwini received an unqualified audit opinion with findings, unchanged from 2022-23.²⁰ The AGSA made findings on compliance with legislation but most notably on supply chain management, highlighting uncompetitive and unfair procurement, awards to employees/councillors, awards to family/partners/associates and awards to other state officials, among others.²⁰ One positive development is that there was no unauthorised expenditure, but fruitless and wasteful expenditure amounted to ZAR17.22m (ZAR14.73m in 2022-23) and irregular expenditure stood at ZAR1.26bn (R3.59bn).²⁰ The metro takes an average of 77 days to pay creditors and 62% of its debt is unlikely to be recovered.²⁰ It spent ZAR2.89bn on property, plant and equipment maintenance and repair (4.9% of the value of property, plant and equipment).²⁰

Water losses in the metro amounted to ZAR2bn (equivalent to a shocking **53.8%** of all water flowing through municipal pipelines) while electricity loss stood at ZAR1.72bn (equivalent to 11.6% of all electricity units distributed by municipality).²⁰ The water loss explains the DA's call for Mbhele to resign over the issue and the overall handling of the city's water challenges.

¹⁷ IOL. 2024. "Section 154 intervention halted". <https://iol.co.za/mercury/news/2024-08-20-section-154-intervention-halted/>

¹⁸ IOL. 2025. "eThekwini City Manager under fire over R53 million payout due to service provider, call for suspension". <https://iol.co.za/mercury/2025-06-08-ethekwini-city-manager-under-fire-over-r53-million-payout-due-to-service-provider-call-for-suspension/>

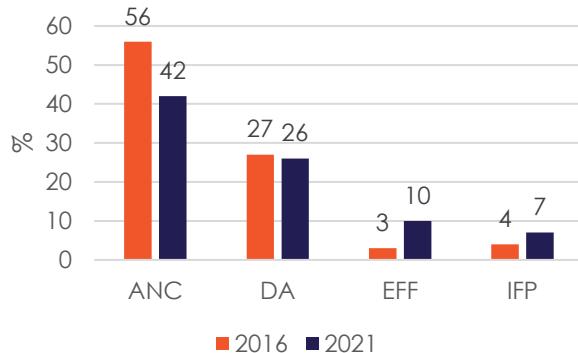
¹⁹ News24. 2025. "eThekwini Municipality says legal claim pay-outs draining service delivery budget dry". <https://www.news24.com/southafrica/news/ethekwini-municipality-says-legal-claim-pay-outs-draining-service-delivery-budget-dry-20250612-0842>

²⁰ AGSA. 2025. "eThekwini Metro". <https://mfma-2024.agsareports.co.za/municipality/4-ethekwini-metro>

2026 elections

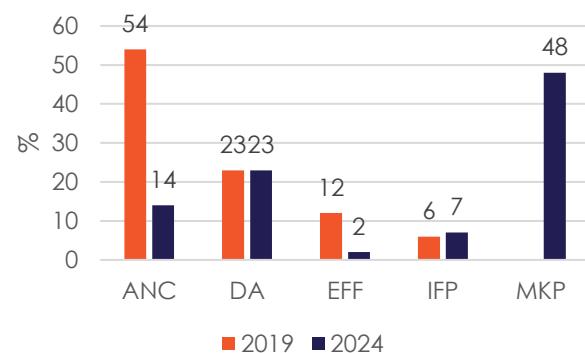
Figure 8 paints a worrying picture for the ANC's hopes of remaining the biggest party in eThekwin in 2026. The party, together with the EFF, were decimated by the MKP. On the other hand, the DA has been very consistent in both local and provincial elections, while the IFP's fortunes in the metro have improved.

Figure 7: Municipal election results- eThekwin



Source: Krutham, IEC

Figure 8: Provincial election – eThekwin



Source: Krutham, IEC

eThekwin is one of the municipalities in which we think the MKP will emerge as by far the biggest party; an outright majority is also within reach for the party. In Table 6, we outline the rest of our expectations. The key question is whether the MKP can also encroach on DA territory. In April this year, the MKP just about edged out the DA in a hotly contested Ward 110 by-election. More of this in 2026 could assure it of an outright majority.

Table 6: 2026 election expectations vs 2021 outcomes - eThekwin

	2021	2026
ANC	42%	10-15%
DA	26%	28%
EFF	10%	2%
IFP	7%	6%
MKP		45%

Source: Krutham, IEC

City of Cape Town

The City of Cape Town remains the poster child of metropolitan municipalities and the go-to municipality for the demonstration of the DA's capabilities. That its mayor is the only metro mayor elected in 2021 who is still in office indicates the political instability that characterises the country's other metros.

Political developments

That the DA governs the metro with an outright majority (58%) helps in maintaining political stability, something almost all the coalition-governed metros frequently struggle with. However, the stories of Mangaung and Buffalo City demonstrate that it takes more than just an outright majority to run metros efficiently.

Despite the DA's majority, the city has had its fair share of typical metro drama. Some notable developments:

- In March, speaker Felicity Purchase (DA) faced a motion of no confidence, which could not proceed. It had been tabled by Banele Majingo (then ANC), but on the day, Majingo was not in council and it emerged that he had joined the DA.
- In May, Mayor Geordin Hill-Lewis (DA) survived an NCC-sponsored motion of no confidence with 138 votes against 46. Hill-Lewis is the only metro mayor elected in 2021 who is still in office.
- In January, the police raided the offices of MMCs JP Smith (Safety and Security) and Xanthea Limberg (for Energy), reportedly as part of an investigation into "tender fraud in the construction sector within the city". The pair denied involvement in any wrongdoing, and in May, Smith announced litigation against the SAPS and the magistrate, citing reputational harm and arguing that the warrants obtained for the search and seizure were unlawful.
- This followed the September 2024 arrest of the former Human Settlements MMC, Malusi Boo, on charges of fraud, corruption, money laundering and racketeering, specifically relating to a R1bn housing tender fraud case.²¹ The charges against Boo and his co-accused were provisionally withdrawn in May. Boo was removed from the mayoral committee in 2023 following a publicised raid of his office.

Audit outcomes

The City of Cape Town remained a shining example for metros, receiving an unqualified audit opinion with no findings for 2023-24, unchanged from the previous year. Concerning supply chain management, the AGSA made non-material findings, including uncompetitive and unfair procurement and awards to family/partners/associates.²² There was no unauthorised expenditure and fruitless and wasteful expenditure (an improvement from a figure of ZAR12.31m in 2022-23), but irregular expenditure was ZAR626.12m (ZAR51.63m in 2022-23).²² The metro takes an average of 68 days to pay creditors, and 74% of its debt is unlikely to be recovered.²²

The municipality spent ZAR3.83bn on property, plant and equipment maintenance and repairs (5.9% of the value of property, plant and

²¹ Daily Maveric. 2024. "Ex-Cape Town mayco member Malusi Boo arrested in 'major probe linked to 28s gang, construction tenders'".

<https://www.dailymaverick.co.za/article/2024-09-10-ex-cape-town-mayco-member-malusi-boo-arrested/>

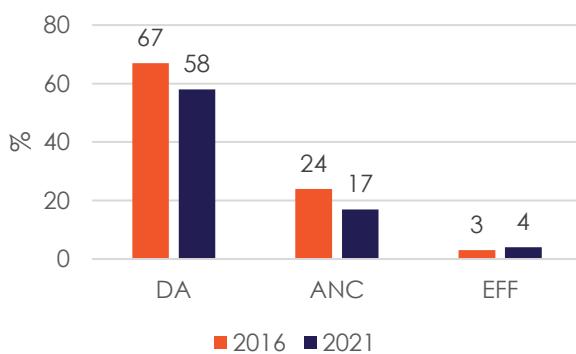
²² AGSA. 2025. "City of Cape Town Metro". <https://mfma-2024.agsareports.co.za/municipality/9-city-of-cape-town-metro>

equipment).²² Water loss totalled ZAR112.54m (5.9% of all water flowing through municipal pipelines) while electricity loss stood at ZAR633.19m (11% of all electricity units distributed by the municipality).²²

2026 elections

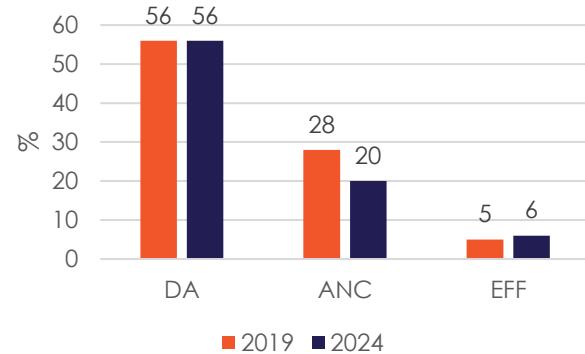
The DA's decline in 2021 (Figure 9) would have been a source of concern for the party ahead of the 2026 elections. However, the stabilisation in the provincial election last year (Figure 10) after a decline in 2019 from 62% the party received in 2014, indicates that its support will likely be in the mid-50s range in the local election next year. On the other hand, the ANC's sharp decline and relegation to irrelevance in the metro and the province seem inevitable. It is for this reason that the party has resolved to reconfigure its structures in the Western Cape.

Figure 9: Municipal election results – CPT



Source: Krutham, IEC

Figure 10: Provincial election – Cape Town



Source: Krutham, IEC

Overall, elections in the Western Cape are becoming more competitive, hence we struggle to see the DA being in the upper 60s, at least in Cape Town. Parties such as the PA, NCC and GOOD will play a central role in the outcome, although the latter is on a decline. In Table 7, we present our broad expectations for Cape Town in the 2026 elections.

Table 7: 2026 election expectations vs 2021 outcomes – City of Cape Town

	2021	2026
ANC	17%	11%
DA	58%	55-59%
EFF	4%	6%
PA	1%	7%
NCC	3%	5%

Source: Krutham, IEC

Nelson Mandela Bay

Nelson Mandela Bay has struggled to achieve political stability for a prolonged period. The suspension of its city manager reflects a problem in the administration, too. In 2026, we foresee a level of fragmentation in the metro's electoral battle, which has always been dominated by the ANC and DA.

Political developments

In October last year, the ANC took the mayorship through Babalwa Lobishe from coalition partner the National Alliance, which had occupied the position since May 2023 through Gary Van Niekerk. The NA was handed the mayorship after helping oust the DA-led governing coalition. However, controversy followed Gary Van Niekerk, who was demoted to deputy mayor after Lobishe was promoted from that position to that of mayor. In December 2024, van Niekerk was “suspended”, following allegations of fraud against him, but the decision was rescinded in March 2025, and he remains the deputy mayor.

Administrative developments

City manager, Noxolo Nqwazi, has also had a controversial stay in the metro. In October 2023, she was suspended after a battle with the then-mayor van Niekerk. Nqwazi had acceded to a request by a faction of the National Alliance to declare two seats, occupied by Van Niekerk and Stag Mitchell, vacant after it “expelled” the pair from the party.²³ In June 2025, the Gqeberha high court dismissed an application to remove Van Niekerk as a councillor and National Alliance leader.²³ However, Nqwazi’s suspension related to her arrest in 2022 for her alleged role in the awarding of a ZAR24m Covid-19 emergency toilet project contract in 2020.²⁴ The minister of finance demanded that the metro take action against her before releasing ZAR781m in grants.²⁴

Nqwazi’s future with the metro remains unclear and a contested subject in council. On the one hand, she had reached a settlement with the metro, pending council approval, which would have seen her walking away with ZAR6.47m.²⁵ On the other hand, there are concerns about irregularities in her suspension. In the meantime, Eastern Cape MEC for Cogta, Zolile Williams, announced Ted Pillay as acting city manager for six months in April 2025.²⁶ Pillay replaced Mandla George, who also acted in the position. Pillay was appointed alongside Lonwabo Ngoqo, who is now the acting COO, following the resignation of Christopher Dyani.

In February, Mayor Lobishe requested a section 154 intervention from MEC Williams to stabilise the city’s administration.

²³ The Herald. 2025. “Court dismisses bid to remove Gary van Niekerk from National Alliance”. <https://www.theherald.co.za/news/2025-06-12-court-dismisses-bid-to-remove-gary-van-niekerk-from-national-alliance/>

²⁴ Daily Maverick. 2023. “Conflict-riddled Nelson Mandela Bay places city manager on precautionary suspension”. <https://www.dailymaverick.co.za/article/2023-10-22-conflict-riddled-nelson-mandela-bay-places-city-manager-on-precautionary-suspension/>

²⁵ The Herald. 2025. “Legal fees over Nqwazi’s suspension cost metro R800,000”. <https://www.theherald.co.za/news/2025-06-24-legal-fees-over-nqwazis-suspension-cost-metro-r800000/>

²⁶ AlgoaFM. 2025. “Cogta MEC announces new acting City Manager, COO for NMB”. <https://www.algoafm.co.za/politics/cogta-mec-announces-new-acting-city-manager-coo-for-nmb>

Audit outcome

The metro's regression to a qualified audit outcome in 2023-24, after it had improved to an unqualified audit with findings, reflects the concerning state of the administrative and political leadership.²⁷ The AGSA made several findings on the city's compliance with legislation. On supply chain management, the AGSA found uncompetitive and unfair procurement, awards to employees/councillors, awards to family/partners/associates, and inadequate contract management.²⁷ In 2023-24, unauthorised expenditure totalled ZAR1.45bn (ZAR74.17m in 2022-23), fruitless and wasteful expenditure was ZAR705.31m (ZAR722.35m) and irregular expenditure was ZAR22.23bn (ZAR20.28bn).

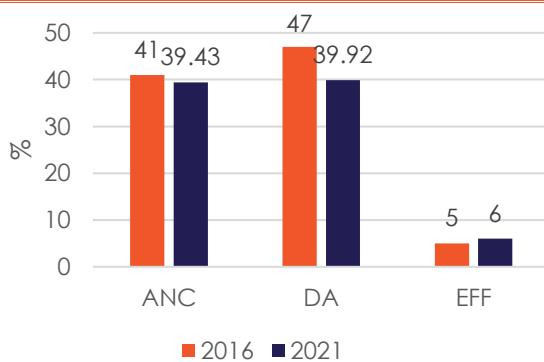
The city takes an average of 90 days to pay creditors and 80% of its debt is unlikely to be recovered.²⁷ The metro spent ZAR484.31m on property, plant and equipment maintenance and repair (2.5% of the value of property, plant and equipment).

Water loss amounted to ZAR368.60m, which is an astonishing 48.7% of all the water flowing through municipal pipelines, while electricity loss totalled ZAR1.20bn (26.3% of all the electricity units distributed by the municipality).²⁷

2026 elections

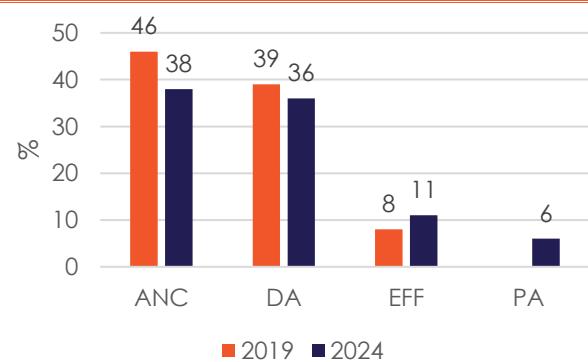
Elections in Nelson Mandela Bay have been a two-horse race (the ANC and the DA) but that changed in 2021 when parties such as the PA and National Alliance came into the picture, resulting in a level of fragmentation as evidenced by the concurrent decline of the ANC and the DA in 2021 (Figure 11) and 2024 (Figure 12). In past elections, a direct swing from the ANC to the DA was observable, especially in the local government elections. For instance, the ANC went from 52% in 2011 to 41% in 2016, while the DA went from 41% to 47%. In the 2021 elections, the ANC stabilised while the DA declined significantly.

Figure 11: Municipal election results - NMB



Source: Krutham, IEC

Figure 12: Provincial election – NMB



Source: Krutham, IEC

The PA has already launched its campaign in the metro for 2026, and we expect it to make substantial inroads. In Table 8, we present the rest of our expectations.

²⁷ AGSA. 2025. "Nelson Mandela Bay Metro". <https://mfma-2024.agsareports.co.za/municipality/1-nelson-mandela-bay-metro>

Table 8: 2026 election expectations vs 2021 outcomes – Nelson Mandela Bay

	2021	2026
ANC	39.43%	35%
DA	39.92%	37%
EFF	6%	10%
PA	1%	5%

Source: IEC, Krutham

Other parties which have a keen interest in the metro and will be worth watching are the UDM and the MKP, but the latter's 2024 performance does not inspire much confidence.

The ANC's Nelson Mandela Bay region is due for a conference, which has twice been postponed and no date has been confirmed. Lobishe will go up against Luyolo Nqakula in her pursuit of re-election to the position of regional chairperson.

Buffalo City Metropolitan Municipality

The ANC-led metro is in a difficult space, hence a national government intervention has just been introduced. Lack of economic diversification in the city, as highlighted by the concerns over US tariffs, brings into question whether it's worthy of its metropolitan municipality status.

Buffalo City faces a myriad of challenges, the latest being the US tariffs. Mayor Princess Faku (ANC) recently called on national government to mitigate the potential impact of US tariffs on the metro.²⁸ The Mercedes-Benz plant in East London is the biggest employer in the metro and a decline in the export of vehicles produced by the plant threatens around 2,600 jobs.²⁸ It is, however, unclear what sort of help the metro is expecting from national government. Perhaps, the city is looking to benefit from some of the measures announced under the "Implement an Economic Response Package" presented by the DTIC and Dirco, which includes a plan to mitigate potential job losses, using existing instruments within the Department of Labour entities.

Political developments

In late July, Mayor Faku removed Graham Lottering (ANC) as MMC for Sport, Recreation and Community Development and replaced her with Mninawa Nyusile (ANC). Subsequently, Pearl Hanse (ANC) tabled a motion of no confidence against Faku, which was seconded by Lottering, but it was not debated as it was not on the agenda of the council meeting.²⁹ The ANC secretary general demanded a report from the provincial leadership and Buffalo City leadership on the "ill-discipline" of ANC members. Faku then reinstated Lottering following an instruction from the ANC provincial leadership.

²⁸ News24. 2025. "Buffalo City pins hopes on national govt as US tariffs threaten jobs in East London". <https://www.news24.com/southafrica/news/buffalo-city-pins-hopes-on-national-govt-as-us-tariffs-threaten-jobs-in-east-london-20250810-0868>

²⁹ News24. "ANC councillors turn on their own mayor with no confidence motion in Buffalo City". <https://www.news24.com/politics/anc-councillors-turn-on-their-own-mayor-with-no-confidence-motion-in-buffalo-city-20250730-1178>

Intervention

In early August, Cogta deputy minister Dickson Masemola, introduced a section 154 intervention in Buffalo City, in the form of a reinforcement support team, consisting of 13 experts in different areas, including project management, town and regional planning, engineering, finance and supply chain, information communications technology and data cleansing and administration.³⁰³¹ The team is tasked with turning the metro around with a focus on :

- Strengthening governance structures and accountability mechanisms
- Elevating the efficiency and quality of service delivery
- Building robust institutional and human resource capacity
- Fostering inclusive stakeholder engagement and collaboration
- Ensuring financial sustainability and effective resource management
- Accommodating complexity and promoting humble governance perspectives
- Prioritising technical support interventions based on municipal needs and readiness³⁰

Audit outcomes

For 2023-24, the metro received a qualified audit outcome as it did in 2022-23.³² In regard to compliance with legislation, the AGSA made several findings, including on revenue management, expenditure management and asset management, to name only a few.³²

On supply chain management, the AGSA noted uncompetitive and unfair procurement, awards to employees/councillors, awards to family/partners/associates, awards to other state officials and inadequate contract management.³² Unauthorised expenditure totalled ZAR403.50m (none in 2022-23), fruitless and wasteful expenditure was ZAR981,826 (ZAR10.73m) and irregular expenditure was R10.56bn (R10.93bn).³² The metro takes an average of 169 days to pay creditors and 65% of its debt is unlikely to be recovered.³² Buffalo City spent ZAR485.09m on property, plant and equipment repairs and maintenance (equivalent to 1.6% of the value of property, plant and equipment).³²

The water lost by the city amounted to ZAR147.96m (an equivalent of 37.7% of all water flowing through municipal pipelines) while electricity losses reached ZAR556.02m (equivalent to 24.2% of all electricity units distributed by the municipality).³²

2026 elections

The EFF has enjoyed a level of consistent success in Buffalo City in both local government elections and provincial elections. Nonetheless, the ANC remains dominant in the metro, which is one of two, the other being Mangaung, which it won with an outright majority in 2021. However, the party appears to be on a decline (Figure 14). While it stabilised at 59% in 2021

³⁰ Cogta. 2025. "Deputy Minister Masemola Introduces Reinforcement Support Teams for Buffalo City Metro and Makana Municipalities".

<https://www.cogta.gov.za/index.php/2025/08/08/deputy-minister-masemola-introduces-reinforcement-support-teams-for-buffalo-city-metro-and-makana-municipalities/>

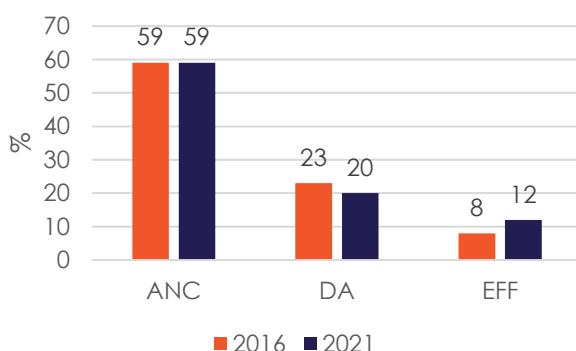
³¹ Buffalo City. 2025. "Accountability and support assessment oversight visit".

<https://www.buffalocity.gov.za/article.php?id=5fd1d3e>

³² AGSA. "Buffalo City Metro". <https://mfma-2024.agsareports.co.za/municipality/1-buffalo-city-metro>

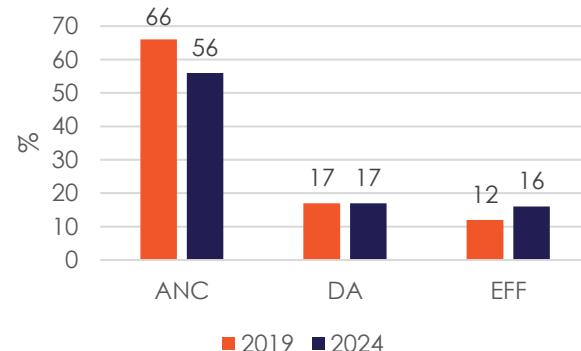
(Figure 13), it had experienced a heavy decline in 2016, dropping to just 59% from 70% in the 2011 local government elections.

Figure 13: Municipal election results – Buffalo City



Source: Krutham, IEC

Figure 14: Provincial election – Buffalo City



Source: Krutham, IEC

Table 9 presents our 2026 elections expectations. Apart from the listed parties, the UDM is also worth watching after experiencing some growth, although from a low base.

Table 9: 2026 election expectations vs 2021 outcomes – Buffalo City

	2021	2026
ANC	59%	52%
DA	20%	25%
EFF	12%	16%

Source: IEC, Krutham

Another factor in electoral outcomes will be the ANC Dr WB Rubusana regional conference scheduled for 5 to 7 September after multiple postponements. Faku is standing for re-election to the position of regional chairperson and will be up against Vuyo Jali.

Mangaung Metropolitan Municipality

Mangaung continues to be on a path towards collapse as provincial and national government interventions have not yet yielded the desired results.

Intervention

As a result of its struggles, the Free State provincial government placed the metro under a Section 139(5) (a) and (c) (of the constitution) intervention in 2019. However, the situation did not improve as the metro failed to implement a mandatory financial recovery plan that was imposed on it in 2020. This prompted national government to invoke Section 139(7) of the constitution, enabling it to intervene in the metro in 2022.³³

It does not seem that the interventions have worked. In an assessment of the intervention, Minister Godongwana reportedly noted slower-than-expected progress in the implementation of the mandatory financial recovery plan.³⁴ The national cabinet representative and technical support team were appointed to oversee the implementation of the financial recovery plan, with a focus on the challenges: significant deterioration of the metro's financial health and service delivery performance; deteriorating financial management and credit control; non-payment of creditors and incomplete creditors records; inadequate governance practices; poor communication with communities and key stakeholders; and lack of strengthening and improving the functionality of the administration.³⁵ Other challenges are in the broad areas of governance, institutional, financial health and service delivery.³⁵

At the top of the city's service delivery shortcomings is water and sanitation services.³⁶ Illegal dumping, poor road infrastructure maintenance and failing stormwater drainage add to the service delivery woes.³⁶

Political developments

The metro has been fairly stable after the election of Gregory Nthatisi as mayor, on a permanent basis, in October 2023. Nthatisi came in during a period of instability in the ANC caucus, which saw eight ANC councillors voting in support of the election of a DA speaker, a move that ultimately resulted in their expulsion from the party. The case of MMC for Integrated Development Plan (IDP) and Performance, Sibongile Tsoleli, stood out as allegations of factionalism followed attempts by her party (ANC) to discipline her.³⁷ This followed an Equity Court Judgement which found her guilty of hate speech and discrimination in a case relating to her comments about

³³ Cogta. 2022. "National Intervention in the Mangaung Metropolitan and Enoch Mgijima Local Municipalities".

<https://www.cogta.gov.za/index.php/2022/04/07/national-intervention-in-the-mangaung-metropolitan-and-enoch-mgijima-local-municipalities/>

³⁴ Central News. 2025. "Finance Minister Highlights Slow Progress in Mangaung's Financial Recovery Plan in Letter to Free State Speaker".

<https://centralnews.co.za/finance-minister-highlights-slow-progress-in-mangaungs-financial-recovery-plan-in-letter-to-free-state-speaker/>

³⁵ Mangaung. 2025. "Mangaung Metropolitan Municipality Updated Status Quo Assessment".

https://www.treasury.gov.za/comm_media/press/2023/MangaungFRP/Mangaung_Final_SQA_15_Aug_2023.pdf

³⁶ BusinessTech. 2025. "Important South African city collapsing in front of everyone's eyes". <https://businesstech.co.za/news/government/815968/important-south-african-city-collapsing-in-front-of-everyones-eyes/>

³⁷ Journal News. "ANC Mangaung: Factional battles intensifies".

<https://journalnews.co.za/news/anc-mangaung-factional-battles-intensifies>

the former speaker of the metro, Stephanie Lockman-Naidoo.³⁸ The period of relative political stability since then has however not turned the tide on service delivery.

At the administrative level, city manager Sello More has a fair share of controversy following him, including allegations of his appointment being irregular, his making irregular appointments and potential wrongdoing concerning the Integrated Public Transport Network contract.³⁹⁴⁰⁴¹

Audit outcomes

The audit outcomes of Mangaung reflect the observable service delivery and governance failures in the city. The metro received a qualified audit in 2023-24, unchanged from 2022-23.⁴² The AGSA made findings on compliance with legislation, including expenditure management, strategic planning and performance management, asset management, revenue management and many more.⁴² On supply chain management, the AGSA found uncompetitive and unfair procurement and inadequate contract management.

Unauthorised expenditure reached ZAR7.80bn (ZAR6.45bn in 2022-23), fruitless and wasteful expenditure was ZAR448.51m (ZAR325.99M) and irregular expenditure stood at ZAR3.4bn (ZAR3.12bn).⁴² The AGSA noted that the continued operation of the metro is in doubt and has been for more than five years. The metro takes an average of 318 days to pay creditors, and 84% of its debt is unlikely to be recovered.⁴²

The metro spent ZAR232.08m on property, plant and equipment repairs and maintenance, which is just 2% of the value of property, plant and equipment.⁴² Water losses amounted to ZAR490.55m, which is a weighty 49% of all water flowing through municipal pipelines, while electricity losses totalled ZAR202.22m, which is 7.7% of all electricity units distributed by the municipality and more in line with norms.⁴²

2026 elections

The ANC's performance in the 2024 provincial election in Mangaung closely mirrored its performance in the metro in the 2021 local government elections (Figures 15 and 16). The DA experienced considerable growth last year (Figure 16) after stabilising in 2026. However, this appears to have been at the expense of the FF+.

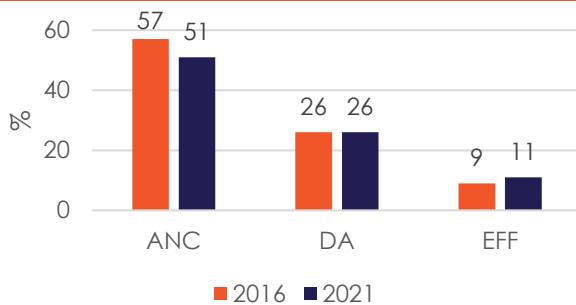
³⁸ Sunday World. 2025. "Free State ANC suspends Mangaung MMC over hate speech, racism court ruling". <https://sundayworld.co.za/politics/free-state-anc-suspends-mangaung-mmcover-hate-speech-racism-court-ruling/>

³⁹ News24. 2025. "ANC factions in Mangaung clash over cadre deployment, report on probe into R12m contract". <https://www.news24.com/politics/anc-factions-in-mangaung-clash-over-cadre-deployment-report-on-probe-into-r12m-contract-20250227>

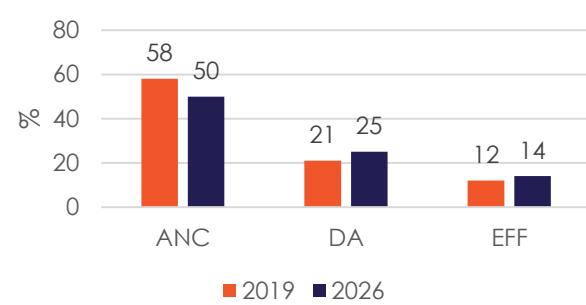
⁴⁰ The Star. 2025. "Ex-councillors raise alarm over irregular appointments in Mangaung Municipality". <https://thestar.co.za/news/2025-03-24-ex-councillors-raise-alarm-over-irregular-appointments-in-mangaung-municipality/>

⁴¹ IOL. 2025. "R2J threatens legal action against Mangaung municipality for re-employing Sello More as municipal manager". <https://iol.co.za/saturday-star/news/2023-11-18-r2j-threatens-legal-action-against-mangaung-municipality-for-re-employing-sello-more-as-municipal-manager/>

⁴² AGSA. 2025. "Mangaung Metro". <https://mfma-2024.agsareports.co.za/municipality/2-mangaung-metro>

Figure 15: Municipal election results – Mangaung

Source: Krutham, IEC

Figure 16: Provincial election – Mangaung

Source: Krutham, IEC

Our expected election outcomes for 2026 are presented in Table 10.

Table 10: 2026 election expectations vs 2021 outcomes – Mangaung

	2021	2026
ANC	51%	45%
DA	26%	28%
EFF	11%	14%

Source: IEC, Krutham

Other parties that will be worth watching in the metro will be the PA, MKP, FF+ and Ace Magashule's ACT to a smaller extent.

Conclusion

The state of metros and previous electoral formations paint a bleak picture of the ANC's electoral fortunes in 2026 and beyond. Buffalo City looks set to be the only metro the party still has a chance of retaining with an outright majority. But even there, we only foresee at most a 52% majority. In Mangaung, the party will likely remain the biggest party but looks set to at least lose its majority. Elsewhere, the picture looks even bleaker. In Johannesburg, there is a realistic chance that the DA may become the biggest party, especially if Zille is its mayoral candidate. In Tshwane, the DA also has a chance of becoming the biggest party, but not because we expect much growth from it, but because we expect a significant ANC decline. In Ekurhuleni, we expect the ANC and the DA to be on roughly the same level in 2026, again because of ANC decline rather than DA growth. That said, the DA needs to find ways to grow its support across Gauteng generally and not depend on the ANC's decline. If it does not, parties such as the MKP are on the fringes and will profit from an ANC decline. In the long term, the MKP has an opportunity to outgrow the DA in Gauteng. However, its biggest hindrance is uncertainty over its own longevity and sustainability.

In eThekweni, the MKP looks set to become by far the biggest party, while in Nelson Mandela Bay, the DA and the ANC will likely remain roughly on the same level, with the DA in a slight lead. While Cape Town is becoming more competitive, we expect the DA to retain its majority and stabilise around the mid-50% range.

While political instability that may result from the emergence of more **coalitions may unsettle banks** about the long-term creditworthiness of metros, we think this must be considered in conjunction with the local

government reforms that **may** prevent the negative implications of political instability from spilling over to the administration and financial management. However, for the rest of the municipalities, some of these reforms may serve to perpetuate inequality and therefore not change their bankability outlook. That said, political stability still outweighs many of these factors including the reform, meaning the situation may remain the same even in metros after the 2026 elections

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