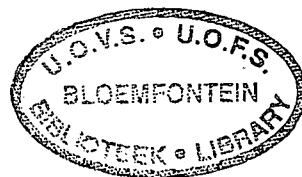


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University Free State

Universiteit Vrystaat

**IMPLEMENTING INTEGRATED STRATEGIC PLANS IN FREE STATE
MUNICIPALITIES**

By

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Student Number: 2004152407

Submitted in fulfilment of the requirements for the degree

PHILOSOPHIAE DOCTOR (Ph.D.)

In the Faculty of Economic and Management Sciences at the University of the Free
State

(Department of Public Administration and Management)

February 2013

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DECLARATION

I hereby declare that this thesis, submitted by me for the degree

Philosophiae Doctor (Ph.D.) in Public Administration and Management at the

University of the Free State, is my own work and has not previously been submitted to any other university for this or any other purpose. I furthermore cede copyright of this thesis in favour of the University of the Free State.



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2 OCT 2013

UY CASOL BIBLIOTEEK

III

TO PERLE, JENNA, MARK AND DALE

ACKNOWLEDGEMENTS

Upon completion of this thesis, I wish to acknowledge:

My Heavenly Father for granting me strength and wisdom to study.

My promoter, Professor Koos Bekker, for providing valuable professional supervision and support during this process.

The University of the Free State for financial assistance provided.

My colleagues in the Department of Public Administration and Management for their continued support and academic advice.

Mr. Monyake Mothekge of the Free State Department of Cooperative Governance and Traditional Affairs for his never-ending enthusiasm and support in assisting me with data collection for the research and his willingness to be interviewed for the purpose of the research.

Mr. Thabo Masukela and Dr. Frans Minnaar for participating in the interviews for the study.

All the IDP Managers in the Free State who completed the questionnaire for the purpose of the study. It is hoped that this work will contribute towards our shared vision of improving local government in South Africa.

Ms. Dudu Dlodlo for assisting me with the statistical analysis of the empirical data.

Ms Robynne Sudbury for the language editing of the document.

My family and friends who supported me throughout this process. A special thank you to my father, Franklin Du Plessis who taught us the value of education and the importance of being of service to society.

My precious wife and children, Perle, Jenna, Mark and Dale who have loved me unconditionally through good and bad times and without whom my existence would be meaningless. This thesis is dedicated to you.

TABLE OF CONTENTS

	PAGE
ACKNOWLEDGEMENTS	IV
TABLE OF CONTENTS	VI
LIST OF TABLES	XVIII
LIST OF APPENDIXES	XIX
LIST OF FIGURES	XX
ABSTRACT	XXV
OPSOMMING	XXVII
 CHAPTER ONE: INTRODUCTION	 1
1.1. INTRODUCTION	1
1.2. MOTIVATION FOR THE STUDY	2
1.3. PROBLEM STATEMENT	4

	PAGE
1.4. HYPOTHESIS	5
1.5. AIMS AND OBJECTIVES	5
1.6. RESEARCH DESIGN	6
1.7. CHAPTER OUTLINE	7
1.8. CONCLUSION	8
CHAPTER TWO: THE NATURE AND EXTENT OF LOCAL GOVERNMENT IN SOUTH AFRICA: EXAMINING KEY DIMENSIONS	9
2.1. INTRODUCTION	9
2.2. THE RATIONALE FOR LOCAL GOVERNMENT	10
2.3. THE CHARACTERISTICS OF LOCAL GOVERNMENT AND A NEW POLITICAL ORDER	14
2.3.1. Local autonomy in context	16
2.3.1.1. Local autonomy in a new constitutional framework	18
2.3.1.2. Local autonomy and the new enabling legislative environment	21
2.3.1.2.1. The White Paper on Local Government, 1998	22
2.3.1.2.2. Municipal Demarcation Act, 1998, No. 27 of 1998	23
2.3.1.2.3. Municipal Structures Act, 1998, No. 117 of 1998	24

VIII

	PAGE
2.3.1.2.4. Municipal Systems Act, 2000, No. 32 of 2000	25
2.3.1.2.5. Municipal Finance Management Act, No. 56 of 2003	27
2.3.2. Financial and Economic Considerations	28
2.3.2.1. Unconditional Grants	29
2.3.2.2. Conditional Grants	30
2.3.3. Municipalities and Economic Development	33
2.3.4. Service delivery as a prerequisite for local government functioning	36
2.3.5. Community participation in local government: involving citizens in improving their lives	39
2.3.6. Municipal institutional development and transformation	42
2.4. CONCLUSION	44
CHAPTER THREE: INTEGRATED STRATEGIS PLANNING: ON SOUTH AFRICAN LOCAL GOVERNEMNT	 47
3.1. INTRODUCTION	47
3.2. DEFINING STRATEGIC PLANNING	47

	PAGE
3.3. STRATEGIC PLANNING IN A MUNICIPAL ORGANISATIONAL CONTEXT	49
3.3.1. The business concept of local government	50
3.3.1.1. The local government customer in perspective	50
3.3.2. The organisation concept of local government	53
3.3.2.1. Municipal human resources: the human drivers of municipalities	54
3.3.2.1.1. Municipal human driver number one: the elected council/councillors	55
3.3.2.1.2. Municipal human driver number two: the appointed officials	58
3.3.2.1.3. Municipal driver number three: the local community	61
3.3.2.1.4. Municipal driver number four: provincial and national spheres of government	62
3.3.2.2. Municipal financial resource management as a key organisational factor	63
3.3.2.2.1. Ensuring municipal solvency and liquidity	64
3.3.2.2.2. Ensuring organisational growth through financial resources	69
3.3.3. The core processes of product creation	75

	PAGE
3.4. THE INTEGRATED NATURE OF LOCAL GOVERNMENT	
STRATEGIC PLANNING	75
3.4.1. Aspects contributing to the integrated nature of IDP	76
3.4.1.1. Long term development for municipalities	76
3.4.1.2. The existing level of development in the municipality	77
3.4.1.3. A council's development priorities for its elected term	78
3.4.1.4. Alignment of local development strategies with national and provincial sector plans	79
3.4.1.5. Spatial development framework	79
3.4.1.6. Operational strategies	80
3.4.1.7. Financial management and performance plans	81
3.5. CONCLUSION	82
CHAPTER FOUR: POLICY PROCESSES AS FACILITATION MECHANISMS	
FOR THE IMPLEMENTATION OF MUNICIPAL STRATEGIC PLANS	84
4.1. INTRODUCTION	84
4.2. DEFINING PUBLIC POLICY	85

	PAGE
4.2.1. Public policy – expressing local government’s intended pursuit of Predetermined goals	86
4.2.1.1. Facilitating democratic and accountable local government through policy determination	87
4.2.1.2. Rendering sustainable services to local communities	88
4.2.1.3. Promoting social and economic development in local government	90
4.2.1.4. Promoting a safe and healthy environment	93
4.2.1.5. Encouraging the involvement of communities and community organisations in the matters of local government	96
4.2.2. Public policy – authoritative representation of constituency values	98
4.2.3. Public policy – raising societal expectations	100
4.2.4. Public policy – reacting to societal shortcomings	103
4.3. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS	105
4.4. THE LINK BETWEEN PUBLIC POLICY AND STRATEGIC PLANNING	106

	PAGE
4.4.1. Strategic leadership: taking South African municipalities Into a new management environment	108
4.4.1.1. Characteristics of strategic leaders	109
4.5. CONCLUSION	111
 CHAPTER FIVE: RESEARCH METHODOLOGY AND FINDINGS	
REGARDING THE IMPLEMENTATION OF INTEGRATED STRATEGIC	
PLANS IN FREE STATE MUNICIPALITIES	113
5.1. INTRODUCTION	113
5.2. RESEARCH DESIGN	113
5.3. SELECTION OF THE SAMPLE FOR THE STUDY	114
5.4. ANALYSIS OF ENVIRONMENTAL AND/OR ORGANISATIONAL FACTORS AND ITS INFLUENCE ON THE IMPLEMENTATION OF INTEGRATED STRATEGIC PLANNING	117
5.4.1. Location of participants	118

	PAGE
5.4.2. Responses to the various question categories	118
5.4.2.1. The extent of local autonomy: constitutional and legislative factors and the functioning of municipalities	119
5.4.2.1.1. The extent to which Free State municipalities exercised its constitutional right of governing without undue interference by the other spheres of government	119
5.4.2.1.2. The availability of financial and administrative capacity to act more independently/autonomously	120
5.4.2.1.3. The existence of sufficient national and provincial support in strengthening municipal capacity	122
5.4.2.1.4. The functioning of municipal structures in promoting operational competence	123
5.4.2.1.5. Role clarification between political office bearers and officials	124
5.4.2.1.6. Obstacles to institutional efficiency	126
5.4.2.2. The extent of local autonomy: financial and economic factors influencing the municipal environment	127
5.4.2.2.1. The contribution of equitable share (ES) to basic services	127
5.4.2.2.2. Participation in or benefits from conditional grant schemes	128
5.4.2.2.3. Conditional grants are used for the purpose they were allocated for to the municipality	129

	PAGE
5.4.2.2.4. Municipalities do not depend on conditional grant allocations to sustain operational requirements	130
5.4.2.2.5. Quality standards as a means of promoting value for money	130
5.4.2.3. Community participation in municipalities	131
5.4.2.3.1. Implementing legislative requirements regarding community participation	131
5.4.2.3.2. Involving communities in municipal affairs other than those prescribed by legislation	132
5.4.2.3.3. Integrating community inputs into municipal plans	133
5.4.2.3.4. Commitment of councillors and officials to community participation	134
5.4.2.3.5. Community participation free from political bias	135
5.4.2.3.6. Commitment and challenges to and mechanisms to improve community participation	136
5.4.2.4. Defining local communities as municipal customers	137
5.4.2.4.1. Instilling the idea of communities as customers	138
5.4.2.4.2. Promoting a customer focused approach amongst councillors	138
5.4.2.4.3. Reflecting customer care in municipal strategies	139
5.4.2.4.4. Citizens' feedback on the nature and quality of services	140
5.4.2.4.5. Incorporating citizens' feedback in quality improvement efforts	140

	PAGE
5.4.2.4.6. Improving the relationship between municipalities and their customers	141
5.4.2.5. Role player contribution to IDP as municipal strategic plan	142
5.4.2.5.1. Role clarification between politicians, officials and communities	142
5.4.2.5.2. Role-players understanding their contribution to the IDP process	143
5.4.2.5.3. Councillors representing the needs of local residents equally	144
5.4.2.5.4. Functional relationship between councillors and officials	144
5.4.2.5.5. Local residents' involvement in the IDP process	145
5.4.2.5.6. Cooperation in terms of IDP between municipalities and other spheres of government	146
5.4.2.5.7. General obstacles to and the involvement of communities in the IDP process	147
5.4.2.6. Translating IDP as part of the overall local government policy framework into action	148
5.4.2.6.1. Understanding the IDP as part of the overall local government policy framework	148
5.4.2.6.2. IDP targets as a direct response to expressed community needs	150
5.4.2.6.3. IDPs reflecting a fair representation of the expectations of all residents	151
5.4.2.6.4. Resource allocation in line with achieving strategic objectives	151

	PAGE
5.4.2.6.5. SDBIPs as sufficient operational plans	152
5.4.2.6.6. SDBIPs as monitoring and evaluation mechanisms	153
5.4.2.6.7. The impact of IDP on community well-being	154
5.4.2.7. Leadership competencies for implementing IDP – municipal and other managers responsible for IDP	155
5.4.2.7.1. The authority and influence of municipal managers to facilitate the formulation and implementation of the process	155
5.4.2.7.2. Municipal managers and decision making discretion	156
5.4.2.7.3. Municipal managers establishing an organisational culture around IDP	157
5.4.2.7.4. Municipal managers infusing ethical values into municipalities in order to strive towards continuous overall organisational improvement	158
5.4.2.7.5. Most important leadership challenges for municipalities	158
5.5. CONCLUSION	159
CHAPTER SIX: GENERAL CONCLUSIONS AND RECOMMENDATIONS	162
6.1. INTRODUCTION	162
6.2. GENERAL CONCLUSIONS	162

	PAGE
6.3. RECOMMENDATIONS	168
6.4. CONCLUSION	174
BIBLIOGRAPHY	175

LIST OF APPENDICES

APPENDIX A: SCHEDULE 4 OF THE CONSTITUTION – FUNCTIONAL AREAS OF
CONCURRENT NATIONAL AND PROVINCIAL LEGISLATIVE COMPETENCE

APPENDIX B: SURVEY QUESTIONNAIRE

APPENDIX C: LIST OF INTERVIEW QUESTIONS

LIST OF TABLES

	PAGE
Table 1: Reliability Statistics: Cronbach's Alpha	117

XIX

LIST OF APPENDIXES

	PAGE
APPENDIX 1: Schedule 4(B) and 5 (B) of the Constitution	193
APPENDIX 2: Questionnaire distributed to IDP managers in the Free State	196
APPENDIX 3: Interview Questions to provincial government participants and consultant	204

LIST OF FIGURES

	PAGE
FIGURE 1: Transversal material issues that for the basis for qualified/ adverse/disclaimed opinions on the financial statements of Free State municipalities	66
FIGURE 2: Service delivery protests per province – January to June 2009	71
FIGURE 3: Unauthorised, irregular, fruitless and wasteful expenditure by Free State municipalities for 2009/2010	74
FIGURE 4: Location of Participants	118
FIGURE 5: Exercising of Constitutional governing right	119
FIGURE 6: Financial and administrative capacity to act independently	120
FIGURE 7: National and provincial support for municipalities	122
FIGURE 8: Municipal structures in promoting operational competence	124

	PAGE
FIGURE 9: Role clarification between political office bearers and officials	125
FIGURE 10: The contribution of equitable share (ES) to basic services	127
FIGURE 11: Participation in or benefits from conditional grant schemes	128
FIGURE 12: Use of conditional grants for purpose they are allocated	129
FIGURE 13: Dependence on conditional grants to sustain operations	130
FIGURE 14: Legislative requirements regarding community participation	132
FIGURE 15: Involving communities in affairs other than legislated	133
FIGURE 16: Integrating community inputs into municipal plans	134
FIGURE 17: Commitment of councillors and officials to participation	135
FIGURE 18: Community participation free from political bias	136

	PAGE
FIGURE 19: Instilling the idea of communities as customers	138
FIGURE 20: Promoting customer focused approach amongst councillors	139
FIGURE 21: Reflecting customer care in municipal strategies	139
FIGURE 22: Citizens' feedback on the nature and quality of services	140
FIGURE 23: Incorporating citizens' feedback in quality improvement	
FIGURE 24: Role clarification between politicians, officials and communities	142
FIGURE 25: Role players understanding their contribution in IDPs	143
FIGURE 26: Councillors representing the needs of residents equally	144
FIGURE 27: Functional relationship between councillors and officials	145
FIGURE 28: Local residents' involvement in IDP process	146

	PAGE
FIGURE 29: Cooperation between municipalities and other government spheres	147
FIGURE 30: IDP as part of overall local government policy framework	149
FIGURE 31: IDP targets as direct response to expressed community needs	150
FIGURE 32: IDPs reflecting a fair representation of residents' expectations	151
FIGURE 33: Resource allocation in line with achieving strategic objectives	152
FIGURE 34: SDBIPs as sufficient operational plans	153
FIGURE 35: SDBIPs as monitoring and evaluation mechanisms	154
FIGURE 36: Authority and influence of municipal managers – formulating and implementing IDPs	155
FIGURE 37: Municipal managers and decision-making discretion	156

	PAGE
FIGURE 38: Organisational culture and IDP	157
FIGURE 39: Promoting ethical values	158

ABSTRACT

Local government in South Africa forms part of an overall state system also consisting of national and provincial government. Together their main objective is to promote the general welfare of the populace through service delivery and development initiatives.

For the purpose of delivering services and promoting development local government is of significant importance as it is the state agency that citizens firstly come into contact with. The local sphere of government has undergone fundamental transformation, both from a political and structural point of view. In addition to local government becoming democratic structures in line with the overall democratisation of South Africa, the approach to and actual municipal structures also changed dramatically. Municipalities, the organisational units of local government, have the task of pursuing the "new" goals of local government within this changed environment.

One of the significant changes that have been introduced into municipal management is the utilisation of an integrated strategic approach to organisational planning. This has been facilitated by legislative reform that provides for municipalities to compile integrated development plans (IDPs) and utilise it, together with budgets and performance management systems, to promote service delivery and development in their areas of jurisdiction. Therefore reference to the term integrated strategic planning.

The introduction of this new system has, however, not been flawless with dissatisfaction about the service levels of municipalities being expressed through negative reporting on municipal performance from a variety of public role-players as well as through local communities illustrating their dissatisfaction through protest action. A critical question

therefore revolved around why there was such a high degree of dissatisfaction with municipal services, in spite of legislative provisions for improved municipal planning.

This thesis therefore explored the implementation of integrated strategic plans in Free State municipalities in order to ascertain what the typical factors were that contributed to the inability of municipalities to implement such plans. Recommendations were furthermore provided, based on empirical and literature research on the issue with the view of improving the status quo, not only in the Free State, but in South Africa as a whole.

Key Concepts: Local government, Institutional reform, Local autonomy, Integrated strategic planning, Policy implementation.

OPSOMMING

Plaaslike regering in Suid Afrika vorm deel van 'n oorhoofse staatsbestel ook bestaande uit nasionale en provinsiale regering. Saam is hul oorhoofse doel om die algemene welsyn van die bevolking te bevorder deur middel van dienslewering en ontwikkelingsinisiatiewe.

Vir die doeleinde om dienste te lewer en ontwikkeling te bevorder, is plaaslike regering van besondere belang, omdat dit die regeringsagentskap verteenwoordig met wie landsburgers eerste in kontak kom. Die plaaslike sfeer van regering het fundamentele transformasie ondergaan, beide vanuit 'n politieke sowel as strukturele oogpunt. Addisioneel daartoe dat plaaslike regering demokratiese strukture geword het binne die algehele demokratisering van Suid Afrika, het die benadering tot, asook die strukture van munisipaliteite ook dramaties verander. Munisipaliteite, die organisatoriese eenhede van plaaslike regering, het dus die doel om hierdie "nuwe" doelwitte van plaaslike regering nate streef binne 'n veranderde omgewing.

Een van die besondere veranderinge wat in in die bestuur van munisipaliteite ingestel is, is die gebruik van 'n geïntegreerde strategiese benadering tot organisatoriese beplanning. Dit is gefasiliteer deur wetgewende hervorming wat voorsiening maak vir munisipaliteite om geïntegreerde ontwikkelingsplanne (GOPs) saam te stel, en dit saam met begrotings en prestasiebestuurstelsels te gebruik, om dienslewering en ontwikkeling binne hul areas van jurisdiksie te bevorder. Daarom verwysing na die term geïntegreerde strategiese beplanning.

Die instelling van hierdie nuwe stelsel was egeter nie sonder uitdagings, met ontevredenheid oor diensvlakke van munisipaliteite wat deur negatiewe verslagdoening

deur verskeie openbare rolspelers uitgespreek is, sowel as deur plaaslike gemeenskappe wat hul ontevredenheid deur protesaksie begin illustreer het. 'n Kritiese vraag sentreer daarom rondom waarom daar so 'n hoë vlak van ontevredenheid oor munisipale dienslewering is, ten spyte van wetgewende maatreëls om verbeterde munisipale beplanning te bevorder.

Hierdie tesis het daarom ondersoek ingestel na die implementering van geïntegreerde strategiese planne in munisipaliteite in die Vrystaat om vas te stel watter tipiese faktore bygedra het tot die onvermoë van munisipaliteite om sulke planne te implementeer. Aanbevelings, op grond van die empiriese en literatuurnavorsing, is voorts verskaf, met die oog daarop om die huidige stand van sake te verbeter, in die Vrystaat, maar ook in die res van Suid Afrika.

Sleutelkonsepte: Plaaslike regering, Institusionele hervorming, Plaaslike outonomieit, Geïntegreerde strategiese beplanning, Beleidsimplementering.

CHAPTER ONE

INTRODUCTION

1.1. INTRODUCTION

Local government in South Africa has come to a crossroads with many municipalities, the system of local government's functional units perceived as being unable to fulfil their mandate of providing services to their communities. Several reasons are provided by various commentators for the current state of affairs. These reasons aside, it is critical that municipalities in South Africa be in a position to meet the modern challenges of service delivery to expectant communities.

There have been fundamental changes to the system guiding local government in South Africa. An amended policy framework, resulting from provisions in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) [hereinafter referred to as the Constitution], has led to changes in various facets of local government management. This includes changes in the structures of municipalities as well as changes to the manner in which municipalities have to be managed. In terms of managing municipalities, there has been increased reference to strategic planning in municipalities. A fundamental question is therefore whether municipalities are in a state of improvement due to the implementation of strategic planning, and whether municipal managers possess the skills and expertise to develop and implement strategic plans.

Based on the above, this thesis aims to examine various issues pertaining to the implementation of strategic planning in South African local government, and ultimately provide recommendations for improving the status quo. An empirical component is envisaged, limited to the Free State province of South Africa. In spite of this limitation,

the results of the study would contribute to improved service delivery in the rest of South Africa.

1.2. MOTIVATION FOR THE STUDY

Local government has a vital role to play in governments' service delivery efforts. Municipalities represent the first point of interaction between citizens and government. This is of particular significance in a developing society, where so many people depend on government for a prosperous existence. In South Africa, significant responsibility for promoting community welfare is placed on local government, both in terms of the interrelated role it has to fulfil together with national and provincial government and, in terms of the Constitutional mandate assigned to municipalities given its specific service delivery responsibilities.

The Constitution, in Section 40(1), states that "in the Republic government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated". Section 41 (1) (b) of the Constitution furthermore states that "all spheres of government and all organs of state within each sphere must secure the well-being of the people of the Republic". These constitutional provisions imply that municipalities, as part of the overall state system of South Africa, have an important role to play in promoting people's well-being.

Chapter 7 of the Constitution is applicable with regard to the more direct role of local government. Section 152 (1) states that the objects of local government are as follows:

- To provide democratic and accountable government to local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.

- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2) adds that “a municipality must strive, within its financial and administrative capacity, to achieve the above objectives.

Given the above constitutional provisions, there is certainty about the enormity and extent of municipalities’ responsibility as a vital cog in the service delivery chain. There could however be uncertainty as to how these constitutional provisions are to be translated into operationally effective and efficient municipal organisations. In addition to the Constitution, a series of enabling legislation has been promulgated by Parliament in order to give effect to the constitutional mandate of local government, and therefore South African municipalities in general. These legislative measures place certain fundamental requirements on those responsible for managing municipalities.

According to Section 25 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), [hereinafter referred to as the Systems Act], each South African municipality must compile an Integrated Development Plan, a five year plan outlining the municipality’s vision for the long, medium and short term development of its area of jurisdiction. The Systems Act, Section 25 (1) [a] states that IDPs should be strategic and inclusive in nature and should link, integrate and coordinate other plans. Furthermore, Section 25 (1) [b & c] requires IDPs to be aligned with municipalities’ resources and capacity, taking into consideration the annual budget. From these references, two important aspects become clear: (i) that municipal IDPs can be equated to organisational strategic plans in the case of South African municipalities and (ii) that the strategic plans must be integrated in nature in that they should be linked to other plans of the municipality pertaining to its available resources and capacity.

On the basis of the above, this study was undertaken with the intention of addressing deficient municipal service delivery. This was done by examining the relationship between formulating integrated strategic plans, as required by relevant legislation, and operationally implementing these plans in the Free State. Recommendations for improving the current state of affairs that will benefit municipalities in the province, and could also possibly be utilised by municipalities in the rest of the country, are provided at the end of this thesis.

1.3. PROBLEM STATEMENT

A number of recent protest activities in parts of South Africa seem to indicate dissatisfaction on the part of local communities. In this regard Botes, Lenka, Marais, Matebesi & Sigenu (2007:1) state that "over the past few years municipal protests have become commonplace in South Africa". Managa (2012:1), in addition, states that in spite of South Africa now being a democracy, the country still faces serious challenges of unemployment, poverty and inequality that have culminated in citizens taking to the streets to raise their dissatisfaction over poor service delivery. Finally, McDonald (2002:4-5) is of the opinion that although major strides have been made in the provision of water and electricity in particular, substantial amounts of citizens were still in need of these basic amenities, while in the area of sanitation and refuse collection, government's service delivery record was poor.

There is a blatant contradiction between the aforementioned references to questionable municipal service delivery, and the sound existing policy framework for the management of municipalities and therefore service delivery. In fact, Cloete, in De Villiers (2008:100) states that "there is sufficient evidence that the current lack of service delivery at all government levels can be attributed to inadequate implementation of the current constitutional structure rather than to the inadequacy of the contents of these constitutional provisions and the current structure itself".

On the basis of the above, this study thus focused on eliminating pitfalls that exist between the compilation of integrated strategic plans and the implementation of these plans. The Free State province was used as focal area for the study, but as has previously been mentioned, it is envisaged that the value of the study could be extended to municipalities outside the province.

1.4. HYPOTHESIS

Improving the implementation of integrated strategic plans will enhance the quality of municipal services rendered and development and thus increase the satisfaction levels of local communities in the Free State.

1.5. AIM AND OBJECTIVES

The aim of the study was to develop constructive recommendations for the improved implementation of integrated strategic plans in Free State municipalities in order to improve service delivery to local communities. To achieve this aim, the following specific objectives of the study were identified:

- To analyse the role of local government in the overall South African constitutional state.
- To provide an appraisal of the enabling policy framework for integrated strategic planning in South African local government.
- To providing a detailed theoretical framework for integrated strategic planning in organisations.
- To empirically determine the current state of affairs and the typical factors that challenge the implementation of integrated strategic plans in the Free State.

- To provide recommendations for the improved implementation of integrated strategic plans in the Free State that will ultimately lead to improved service delivery.

1.6. RESEARCH DESIGN

According to Mouton (2001:55) a research design is “a plan or blueprint of how you intend conducting the research”. At this stage of the thesis, note should be taken of the following in terms of the research design.

It is envisaged that the study will consist of:

- A literature review in order to provide an in-depth analysis of the role of local government in the South African state system. Furthermore, an in-depth literature study is necessary to assess the policy framework for integrated strategic planning in South African local government, as well as the value of integrated strategic plans to organisations in general. This information will be sourced from academic literature in the form of books, periodicals, government policy documents and reports, as well as from the results of relevant conference proceedings.
- An empirical study to gather evidence and make inferences about whether implementation levels were in accordance with the existing policy framework. In addition, the objective is to ascertain what problems and challenges respondents in the study were experiencing in their endeavours to effectively translate policy into service delivery.

A specific chapter, in which the exact nature of the empirical component of the study is outlined, will be included in the thesis.

1.7. CHAPTER OUTLINE

Chapter One of the thesis will provide the general foundation for the study. It therefore provides the basis on which decisions to conduct the study were made. It indicates the key objectives of the study and the broad methodological approach to be taken.

Chapter Two will provide a detailed theoretical appraisal of the nature of local government in democratic South Africa. The reason for the existence of local government within the overall state system will be explained, and the necessity for a strategic approach to municipal service rendering will be outlined.

Chapter Three will analyse the integrated nature of strategic planning in the context of South African local government. Specific emphasis will be placed on the policy framework for strategic planning. Furthermore this chapter will deal with the requirement for integrating and aligning key municipal strategic planning processes, namely Integrated Development Planning, Budgeting and Performance Management.

Chapter Four will address the organisational requirements for implementing integrated strategic plans as part of the policy framework for local government. This discussion will attempt to determine the essential elements required in a South African local government context, in order to facilitate sufficient progression from determination of integrated strategic plans as a policy mechanism to the implementation thereof.

Chapter Five will, on the basis of empirical investigation, provide an analysis of the current state of affairs with regard to the implementation of integrated strategic plans in local municipalities in the Free State province of South Africa. A detailed explanation of the profile of municipalities in the province will be provided in this chapter, as well as the methodology employed to gather relevant data. Furthermore, deductions will be made as to the state of implementing integrated strategic plans in the province.

The thesis is concluded with the provision of general recommendations and a conclusion in **Chapter Six**.

1.8. CONCLUSION

The thesis is intended to contribute significantly to the study of municipal governance and management in the Free State and South Africa, by providing recommendations for the improved implementation of integrated strategic plans. It is envisaged that it will contribute to the academic debate concerning municipal management as an important component of the Public Management subject field, and engage practitioners of municipal management.

CHAPTER TWO

THE NATURE AND EXTENT OF LOCAL GOVERNMENT IN SOUTH AFRICA: EXAMINING KEY DIMENSIONS

2.1. INTRODUCTION

The purpose of this chapter is to provide a detailed overview of the main dimensions of the system of local government in South Africa. This is of profound importance if the environment within which municipalities, the functional units of local government, have to operate, is to be fully understood. It is furthermore of importance, as it will provide an illustration of the role of local government in the South African system of government.

Local government, in line with almost all facets of South African society, has undergone fundamental transformation in the country's transition to a democratic state. Now these democratic structures are charged with ensuring that the general welfare of local communities is promoted, and that the ideals associated with the struggle for a democratic South Africa are achieved.

Although the intention of change is often noble, immediate positive results are usually difficult to achieve and the situation in South African local government seems to be no exception. Recent service delivery protests, and accompanying negative reports on the state of local government, suggests concerns over the ability of municipalities to satisfy community expectations. On the other hand, those managing the system provide what they regard as relevant explanations for the current state of affairs. Irrespective of these opposing views, it is necessary to objectively investigate the intended functioning of local government in South Africa for the benefit of local communities. Before this is attempted however, it may be necessary to firstly contemplate the rationale for the existence of local government.

2.2. THE RATIONALE FOR LOCAL GOVERNMENT

In an attempt to highlight the importance of local government, Reddy (1999:10) states that "local authorities are created to render services in defined geographical areas, primarily because of the inability of central governments to attend to all the detailed aspects of government". Kafle and Karkee (2004:4) add that "local governments are relatively autonomous, multi-purpose institutions, providing a wide range of services, with tax raising capacity and are controlled through the election of representatives to oversee the work of full-time officials". From these definitions, it becomes clear that local government is important with regard to the provision of services at a smaller geographical scale (defined geographical areas), and they have to do this with the assistance of locally elected political representatives and appointed employees. The issue of service delivery is of particular significance in the context of South Africa. The transition to democracy did not only signify the restoration of political equality to the majority of its citizens, but was also meant to eradicate the inequality in service delivery that characterised the previous political order.

In addition to the matter of service delivery, local government is regarded as an important vehicle for promoting democratic values so sorely missed during the years of racial divide in South Africa. To this effect, Pratchett (2004:4) argues that without some degree of freedom for self-determination, communities are unlikely to cultivate democratic practices. This notion in turn also highlights the significant role that local citizens are required to play in addition to locally elected representatives and appointed officials. In fact, in South Africa, its importance is deemed significant enough for the Constitution Section 152 (1) (e) to state that local government should "encourage the involvement of communities and community organisations in the matters of local government".

Should it be argued that local government should play a pivotal role in the delivery of services and the promotion of democracy, logic dictates that the power to do so be

decentralised to local government. In this regard, Reddy (1999:16) emphasises the importance of decentralisation as “the sharing of decision-making authority with lower levels in the organisation in an effort to unblock central bureaucracy and giving more direct access for the people to the government and the government to the people”. Gildenhuis and Knipe (2000:287) argue that “the decentralisation of authority defines the powers of lower governments and leaves them free to decide on these matters without intervention from above”. Treisman (2002:3-4) suggests the following two important advantages of decentralisation in support of the previous authors’ assertions:

- Local knowledge - local politicians and officials are deemed to have better knowledge of unique local circumstances, and it is therefore argued that their decision-making would be more responsive to local needs.
- Greater accountability - the fact that local political representatives are elected at community level means that greater accountability can be demanded by the same communities who elect them.

The perceived and theoretical benefits of decentralised power would however be irrelevant, without considering the extent of said decentralisation, for the purpose of this thesis, in a South African context. The question is thus to what extent Reddy’s (1999:16) notion of “devolution of decision-making authority to relatively autonomous regional or local governments” takes place. Chapter One of this thesis explained that the Constitution, in describing the composition of the South African state, emphasises the existence of national, provincial and local spheres of government that are distinctive, interdependent and interrelated. This implies that each sphere has relatively unique characteristics and by virtue of the Constitution Schedules 4 and 5, also specific decision-making powers.

South Africa can thus not be seen as being characterised by a rigid centralised authority. According to Gildenhuis, Fox and Wissink (1991:92) “political centralisation is a basic characteristic of unitary political systems where all authority is vested in a

sovereign legislature and regional and local authorities receive their legislative and executive authority directly from the central legislature, which can be withdrawn, expanded or reduced at any time". Contrary to what is contained in this definition of centralisation, the legislative and executive authority of the regional (provincial) and local authorities are in fact enshrined in the Constitution, and can thus not be "withdrawn, expanded or reduced" without the inputs of these government spheres and the required amendments to the Constitution.

The reference to the terms interdependence and interrelatedness adds an interesting dimension to the South African situation. Although distinctiveness could be interpreted as suggesting autonomy, these terms suggests the existence of common goals and characteristics between the three spheres and therefore an inability to function completely independent from one another. Therefore absolute autonomy or "the right to self-government" from a state point of view, as defined in the Shorter Oxford English Dictionary (1973:126), can also not be deemed applicable. According to Steytler (2005:204) the constitutional terms describing how government is constituted refers to the three spheres being "distinctive in their powers, interrelated in a hierarchy of supervisory powers and interdependent to perform the task of government in a cooperative manner". Steytler's reference to supervisory powers, suggests that while the three spheres of government possess distinct powers, a vertical hierarchy of supervisory power remains which implies that, to an extent (to a lesser extent it might be argued), local government remained subservient to the national and provincial spheres of government.

In light of the aforementioned, the conclusion could be drawn that local government provides an opportunity for the provision of services to communities confined to a pre-determined jurisdictional areas by locally elected political representatives and appointed officials responsible for such areas. Furthermore, it could be concluded that local government should undertake its endeavours, while also nurturing and promoting democratic values by ensuring that the communities they serve become active participants in the governance process. An important consideration with regard to local

government would revolve around the resources required for local governments to carry out their mandate. Therefore the manner in which local government is funded, and local government's relationship to other government spheres in this regard, is important.

It can furthermore be concluded that, in the South African context, local government has an integral role to fulfil in the governance process. This becomes evident when examining the Constitutional positioning of local government and the reference, not to levels, but spheres of government (national, provincial and local) with equally important responsibilities and decision-making authority. This reference to spheres rather than levels suggests a more integrated governance structure rather than the top-down hierarchical relationship between the levels of government, as was previously common in South Africa. It furthermore suggests that the previously "lower" spheres of government, provincial and local government, have more authority to, through their own initiatives, devise strategies in order to address provincial and local societal issues.

Finally, having considered the above information, the following characteristics of local government and municipalities as its functional units, can be outlined for the purpose of this thesis:

- Autonomy.
- Service delivery responsibility.
- Democracy promotion responsibility and community participation.
- Financial sustainability.

The above characteristics could be deemed to be similar, indirectly, to the five key performance areas for local government, as determined in Section 26(4) of the Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers of 2006, namely:

- Basic service delivery.
- Municipal institutional development and transformation.

- Local economic development.
- Municipal financial viability and management.
- Good governance and public participation.

It is however necessary to contemplate the exact extent to which the above characteristics are in fact applicable to local government in a “new” state order in South Africa. Therefore, in the paragraphs that follow, an attempt is made to explain how the above characteristics of local government are manifested in South Africa.

2.3. THE CHARACTERISTICS OF LOCAL GOVERNMENT AND A NEW POLITICAL ORDER

Although it is not the intention of this chapter to focus on the historical and political events leading to the current system of local government, the discussion would be incomplete without providing the historical and political context relevant to local government.

The democratisation process has resulted in fundamental changes to South Africa’s state structures. The establishment of nine (9) provinces and accompanying provincial government structures was firstly, an expansion of the four provinces that had previously existed and, secondly, an indication of the approach to be taken by the newly elected government, in order to render services to its citizens. Similarly, the nature of local government structures also changed fundamentally. In addition to existing municipalities having to find new “provincial homes”, in terms of the new provincial order, the number of municipalities was reduced from 843 to 283 (at that stage), in terms of a municipal boundary re-demarcation process.

The most fundamental reason behind the reorganisation of the structures of state in South Africa was obviously to ensure the provision of government services to an equal base, detached from the racial considerations that had previously characterised service rendering. This was of particular significance in terms of local government, considering that separate local government structures had previously existed based on the racial division in the country. Du Plessis (2005:22-24) refers to the existence of White and Black local authorities as well as Coloured and Indian Management committee structures, that had to provide for the needs of these designated racial groups although the resource allocation with which to do so was not necessarily equal to the task. In addition, the re-demarcation of municipal boundaries and therefore their geographical areas of jurisdiction, had to deal with structural inequities associated with the existing municipal structures. In this regard, Cameron (2000:3-6) asserts that some of the major considerations in re-demarcating municipal boundaries included the following:

- The creation of municipal structures devoid of subjective needs and preferences, but rather on the basis of national norms and standards. In certain provinces for example, there were municipalities with fewer than one hundred voters, whereas in the same province, some urban communities with over fifteen thousand voters had no primary local government.
- Approximately two thirds of all rural councils were relatively small with less than two thousand voters. This resulted in some of these areas becoming “ghost towns”, often with inadequate resource bases for rendering services.
- The tax base of existing local government structures had to be expanded in order to ensure that it was as inclusive as possible of the users of municipal services in the area.

It can therefore be deduced that the past political order, based on racial divide and the inequitable local government structures associated with it, had a major influence in determining the newly created structures. The question remains, as to what extent

these newly created municipal structures have influenced the characteristics of local government as identified earlier.

Based on the literature referred to earlier in this chapter, it could be argued that there are two primary reasons for the existence of local government. Firstly, local government exists to bring government structures closer to local communities, and thereby promote democracy. Secondly local government exists to provide services to citizens in a defined geographical area, over which the municipality has jurisdictional powers. The first identified characteristic of local government, autonomy, therefore seems to be an integral one.

2.3.1. Local autonomy in context

As previously stated, absolute autonomy in local government in South Africa cannot be claimed given the constitutional provision of distinctiveness, interrelatedness and interdependence between the three spheres of government. Tyler Dickovick (2005:189) in this regard states that “while the constitution claims that the three “spheres” of government are “interdependent”, in reality the traditional principles of a hierarchy between the levels of government have been upheld.” To this effect, the Department of Provincial and Local Government’s Policy Review (2007:9) document states that “even though the three spheres (of government) are independent, they have to work together when deciding on budgets, policies and activities, particularly in areas that cut across all spheres”.

Furthermore, according to the United Nations’ Guidelines on Decentralisation and the Strengthening of Local Authorities and Habitat Agenda (2007:4) “local autonomy aims to allow local authorities to develop to a point where they can be effective partners with other spheres of government and thus contribute fully in the development process”. Galvin (1999:1) furthermore raises the interesting idea that in a relatively new

democracy such as South Africa, there might be pressure to exercise more centralised power “in response to local government’s lack of capacity and the desire of the national government to control planning and development.” This implies that the central government could be tempted to take control of planning and development initiatives in order to consolidate its powerbase.

From a local perspective, autonomy could therefore be seen to refer to municipalities taking initiative in identifying and pursuing opportunities to enhance the lives of local communities. They could then work together with other spheres of government, to realise pre-determined goals and objectives presented by such opportunities. While it is possible for municipalities to identify local needs and develop strategies and plans to address such needs, they often lack the financial resources to address the needs. It could be argued that municipalities in South Africa are “stripped” of their autonomy in two major ways, firstly by the financial dependence of municipalities on other spheres of government. Secondly, municipalities are, to a large extent, dependent on sector departments at the provincial sphere of government for directives in terms of basic services to be rendered locally. These basic services include water, energy and sanitation. In the case of water provision as an example, the Constitution, according to Earle, Goldin & Kgomotso (2005:16), allows national government in the form of the Department of Water Affairs (DWA) to decentralise its power and attendant responsibilities. As a result, local government can assume the responsibility for the provision of water services, but the DWA (national government) ultimately remains responsible to ensure compliance with the state’s obligation towards citizens for the provision of water, as contained in the Bill of Rights of the Constitution (Earle, Goldin & Kgomotso 2005:16). To this end, Fleurke and Willemse (2006:72) argue that there are two sets of indicators that determine local autonomy, which can be described as follows:

- Legal indices such as the formal distribution of tasks between governmental tiers, the formal constitutional competencies and protection of local government.

- The financial and economic aspects such as the relative amount of revenues raised by central or local government (this will be discussed in detail under the tax raising and financial sustainability component of this chapter).

These indicators are discussed hereafter to further examine the nature of local autonomy in South Africa.

2.3.1.1. Local autonomy in a new constitutional framework

A Constitution mainly regulates the relations between the constituent units of a state. This was however not always the case in local government. In spite of the fact that, in its development towards democracy South Africa has had five Constitutions, it was only in the Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993) [interim constitution] and finally the Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996) that there was significant provision for local government. Reference has already been made to Section 40(1) of the Constitution's reference to the three spheres of government, and the entrenchment of local government as an equal partner to national and provincial government. In addition there are more explicit provisions in the Constitution regarding local government. These include the following:

Sections 151 to 163 that deal, inter alia, with numerous matters pertaining to local government. Those matters that can be linked closest to the issue of autonomy are, for the purpose of this thesis, discussed below:

- **Status of municipalities** – In terms of the status of municipalities, two constitutional provisions are of importance in as far as local autonomy is concerned. Section 151 (3) firstly states the right of municipalities to govern, on its own initiative, the affairs of communities, subject to national and provincial legislation. Section 151 (4) continues that national or provincial government may not compromise or impede a municipality with regard to exercising its powers or performing its functions. The constitution therefore does not guarantee absolute autonomy, and it is therefore the legislature's responsibility to interpret

constitutionally referred terms such as “own initiative” and “not compromise or impede”.

- **Objects of local government** – Section 152 (1) outlines the objectives of municipalities in terms of rendering services, development and the promotion of democracy through community participation. Section 152 (2) emphasises the fact that municipalities have to achieve these constitutional objectives within their administrative and financial capacity. An impediment to absolute autonomy in this regard could arguably be the administrative and financial capacity of municipalities. The dire position in terms of financial and administrative capacity will be referred to later in this thesis. A logical deduction from this has to be that, in the absence of financial and administrative capacity, municipalities cannot realistically achieve the constitutional objectives of service provision, development, and the promotion of democracy optimally.
- **Municipalities in co-operative government** – Cooperative government has received much attention in the democratically elected government’s efforts to promote the well-being of all South Africans equally. In terms of local government Sections 154 (1) and (2) emphasise the support to be given to local government by national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs and to consult with local government in the event of the initiation of legislative measures that may affect the status of local government. In terms of the Section 163 of the Constitution, an act of parliament must provide for the recognition of national and provincial organisations. The Organised Local Government Act, 1997, No. 52 of 1997 provided for the establishment of the South African Local Government Association (SALGA), nationally as well as with provincial branches, to ensure the representation of all municipalities in this organisation. Section 5 of the Act allows, inter alia for municipal representation on the Financial and Fiscal Commission who determines the formula for the annual Equitable Share of

nationally raised revenue, as well as for representation in the National Council of Provinces.

Finally, the Intergovernmental Relations Framework Act 2005, No. 13 of 2005 was passed in Parliament in 2005, and suggests a number of measures and/or structures to improve the cooperative relationship between the three spheres of government. These include provincial intergovernmental forums that must consist of the provincial premier, as well as the mayors of metropolitan and district municipalities (Steytler 2005:207). It is therefore clear that, although municipalities are deemed to have more initiative through which to solve local community problems, they are to a large degree having to promote and implement these initiatives in a spirit of cooperation with the other spheres of government. This is because legislative and policy measures prescribe this, but also because municipalities do not really have a choice when considering resource and capacity constraints.

- **Powers and functions of municipalities** – In terms of Section 156 of the Constitution, a municipality has executive authority in respect of, and has the right to administer local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution. These schedules are attached as Appendix A to this thesis. Furthermore, a municipality has executive authority in respect of any other matter assigned to it by national or provincial legislation. On 17 June 2009 the Constitution 17th Amendment Bill was published with the aim of providing national government with greater power to regulate the executive authority of municipalities. The aim of the proposed Bill was to ensure the establishment of Regional Electricity Distributors, which the government had been attempting to do for an extended period of time, without success. While under consideration, this Bill drew widespread criticism, as it was seen as an effort on the part of the national government to inhibit the same autonomy the

Constitution attempts to guarantee for local government. The Bill was subsequently abolished, but not without reminding all that the autonomy of local government could come under threat in cases where the legislature determined the need to intervene, and that there was no absolute constitutional provision with regard to the autonomy of local government.

Although the Constitution does not provide specific and detailed prescriptions with regard to the above matters, the fact that they are constitutionally entrenched emphasises the degree of independence of local government as a constituent state structure. In addition, the constitutional provisions regarding local government have been followed by a series of enabling policies and legislative provisions which have fundamentally changed the structures of local government and the manner in which municipalities should be managed. These policies and legislative provisions are discussed in the paragraphs that follow.

2.3.1.2. Local autonomy and the new enabling legislative environment

In order to ensure that the constitutional provisions regarding local government translated into operational action, various policies and legislative measures were introduced. With regard to legislative measures, Robinson (1998:3) suggests that the "autonomy" of local government is entirely dependent on the national legislation governing local state capacity. It is therefore almost impossible to think of local government as autonomous at all against this background. The extensive legislative framework for the regulation of local government management can be described in two ways. Firstly, the legislative framework could be viewed as an effort to facilitate the decentralisation of central power to more "autonomous" municipalities bearing in mind the extent to which municipalities can have absolute autonomy. Secondly, depending on what the various legislative measures provide for, it could also be viewed as a rigid regulation of local government, thereby inhibiting the concept of autonomy. Hereunder follows a discussion on the most important municipal legislative measures in the

democratic era, as an effort to determine the influence of these measures on local autonomy.

2.3.1.2.1. The White Paper on Local Government, 1998

According to Du Plessis (2005:47), the White Paper in 1998 became the official policy document for local government in South Africa and envisaged the restructuring of local government in order to become fully democratic in terms of local service delivery and development. The White Paper (1998:17) defined the following challenges for local government in a new dispensation:

- Settlement patterns that leads to inefficiency.
- The redistribution of economic resources to ensure that not only formerly white areas benefit from local government activities.
- Backlogs in terms of service infrastructure in historically underdeveloped areas.
- Modes of decision-making, administration and delivery to ensure that it conforms to the new inclusive approach of the government.
- Cooperation between local government and the private sector in order to secure resources from this sector for development.
- Variations in capacity that exist in municipalities.
- Building constructive relationships between municipalities and the communities they have to serve.

Based on the above challenges, the White Paper proposed numerous issues to be addressed in formal acts of parliament pertaining to the “new” local government agenda. This included the need for applicable institutional and administrative arrangements to be in place, to give effect to local government service delivery, and more importantly to promote what the White Paper termed developmental local government. The White Paper on Local Government laid the foundation for the system of local government that is in place in South Africa today. It led to the enactment of legislation discussed below,

that would in the future determine the direction municipalities are required to take in their pursuit of providing services to, and developing local communities. As far as the influence of the White Paper on the concept of local autonomy is concerned, it is rather complex to consider without considering the legislative measures that followed on the White Paper itself. The issues raised in the White Paper could all be seen as legitimate and noble ideas, necessary for transforming the local sphere of government in accordance with the Constitution. However, as previously mentioned, the extent to which addressing these issues is "workable" for individual municipalities could realistically only be considered in a discussion on the enabling legislation.

2.3.1.2.2. Municipal Demarcation Act, 1998, No. 27 of 1998

The Demarcation Act has, as its main objective, facilitating the re-drawing of municipal boundaries in alignment with the constitutional provisions for the establishment of different categories of municipalities. According to Craythorne (2006:12), the Demarcation Act established the Municipal Demarcation Board as a juristic person with the main function of fulfilling the constitutional requirement that the determination of municipal outer boundaries, as well as the determination of wards within municipal areas, be carried out by an independent authority. In addition, the Demarcation Act had to specify procedural requirements to be followed by the Demarcation Board, as well as the exact nature and scope of its activities and the interrelationships with other role-players. The Act is quite clear about the demarcation objectives, and the factors to be taken into account in Sections 24 and 25.

Furthermore, Section 28 of the Act refers to the importance of the established provincial demarcation boards to involve the public in its processes and decisions, so as to ensure devolution of decision-making on the boundaries of municipal areas to the lowest levels in local communities. The extent to which these noble provisions of the Municipal Demarcation Act came to fruition has been questioned in many circles though. There has been a school of thought suggesting that the demarcation board in essence

rubberstamped the proposals on municipal boundaries of the major political party, the African National Congress, in an attempt to ensure the party's political powerbase. This would suggest that the boundaries had been pre-determined in party caucuses rather than the municipal demarcation boards. The legislative provisions created by the Demarcation Act have therefore been perceived to be surplus to an already politically determined outcome, and therefore of very little positive contribution to local autonomy.

2.3.1.2.3. Municipal Structures Act, 1998, No. 117 of 1998

According to Craythorne (2006:13) the Structures Act emanates from the Constitution, "for example, for the definition within the categories, of types of municipality, the establishment of municipalities and the electoral system". Furthermore, according to Fourie and Opperman (2007:5), the Structures Act "focused primarily on the establishment of municipalities, the election of municipal councillors and the composition, membership, operation and structuring of municipal councils." What becomes evident is that, in determining municipal boundaries and wards, the Demarcation Board also had to seriously consider the provisions of the Structures Act. This is echoed by Craythorne (2006:45) who states that "in practice the provisions for providing criteria and procedures for determining municipal boundaries are found partly in the Municipal Demarcation Act and partly in the Municipal Structures Act".

The Structures Act could be said to determine municipal structures and procedural arrangements for the effective functioning of said structures. This in itself could be seen to be a necessary legislative directive in an effort to decentralise on the part of the legislature. It could also be seen to be a facilitation mechanism to ensure autonomous functioning on the part of municipalities, in whichever category or type they may fall. In spite of this, one could again question the positive impact of the Act on the positive functioning of municipalities. Sections 72 to 78 for instance refer to the role and functioning of ward committees in municipalities, as a mechanism for promoting community involvement in municipal affairs. Although the Act is quite clear on the impact ward committees should have, this has not materialised in practice for a variety

of reasons. There has been increasing intervention on the part of provincial governments in order to address this. It could therefore be argued that, without necessarily focussing on the issue as such, the autonomous functioning of municipalities, as envisaged by the legislation, is compromised.

Another contentious area with regard to the Structures Act is the powers and functions of municipalities as defined in Sections 83 to 89. There remains, in the light of these provisions in the Act, uncertainty over the division of functions between district and local municipalities, as well as the division and coordination of functions between municipalities and provincial governments. Health services and education are good examples of this uncertainty. This, once again, raises questions regarding the autonomous functioning of municipalities.

2.3.1.2.4. Municipal Systems Act, 2000, No. 32 of 2000

During the discussion of the background and reason for the study in Chapter One of this thesis, reference was made to the Systems Act and its provisions with regard to integrated strategic planning by South African municipalities. Emphasis was placed inter alia on the alignment of municipal plans for service delivery and development with resource planning (budgeting), as well as the measurement and management of municipal performance as key requirements of the Systems Act. In the foreword to the Act, this is referred to as “providing the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all”. Craythorne (2006:13) states that the Systems Act focuses “mainly on community participation, integrated development planning, performance management, local public administration, municipal services and credit control and debt collection”.

The Systems Act and policy requirements (regulations) emanating from it, can therefore be regarded as one of the cornerstones of this study, and various components thereof will be examined in more detail at various stages of this thesis.

As far as the Systems Act and local autonomy is concerned, it is important to refer to a number of provisions in the Act. Sections 16 to 22 of the Act refer to, and prescribe mechanisms for promoting community participation in municipalities. In the South African context, it is understandable that there should be a focus on community participation as local government should inherently be the place where community participation is promoted and as the previous political dispensation did not have community participation on equal footing as a result of the racial division that characterised the old order. When considering the manifestation of community participation in municipalities, as discussed later in this chapter, the likelihood that approximately 280 individual and presumably more autonomous municipalities could realistically be required to adhere to a nationally determined recipe for community participation becomes questionable. Communities, especially within South Africa, differ and the circumstances within local communities at any given moment may differ. Taking all this into consideration, it is doubtful whether the majority of the municipalities in South Africa are able to promote community participation as envisaged in the Systems Act.

Sections 95 to 104 of the Systems Act furthermore refers to credit control and debt collection in and by municipalities. In spite of the Act being clear on matters of outstanding debt to municipalities, the problem of outstanding debt and the inability of municipalities to collect outstanding revenue seem to be increasing rather than diminishing. It is a known fact that without consistent revenue collection, no service organisation can deliver on its mandate of delivering quality service to its client base. Although the provisions on debt collection and credit control have good intentions, it is questionable, in the wake of financial difficulties municipalities are experiencing *inter alia* because of poor credit control and debt collection practices, whether these provisions are in fact aiding municipalities. The resultant intervention in municipal

financial affairs by other spheres of government seems proof enough of this. In addition, it should be remembered that the geographical size of South Africa's municipalities as well as the socio-economic conditions experienced by each may vary. The "one-size-fits-all" syndrome of attempting to fix every municipal problem in this regard with the same solution could therefore be questioned.

2.3.1.2.5. Municipal Finance Management Act, 2003, No. 56 of 2003 [MFMA]

The MFMA was based on the provisions of the Constitution and the White Paper and revolves around the transformation of the financial management system of municipalities, as well as promoting sound fiscal relations between local government and the other spheres of government. According to Section 2 of the MFMA, the following can be regarded as the main objectives of the Act:

- Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities.
- Managing the revenues, expenditure, assets and liabilities and the handling of the financial dealings of municipalities.
- Budgetary and financial planning processes and the coordination of those processes with the processes of organs of state, in other spheres of government.
- Borrowing.
- The handling of financial problems in municipalities.
- Supply chain management.
- Other financial matters.

While it is not in doubt that the intention of the MFMA is to strengthen the financial affairs of municipalities, the dire financial position of many municipalities in the country has resulted in the MFMA becoming less of a regulatory mechanism and more of a mechanism ensuring continuous financial aid to struggling municipalities.

When one considers the above policy and legislative interventions, it becomes clear that local government stakeholders have had to participate in an extensive process of change. In fact the process of change is still in progress given the many challenges in municipalities. It highlights the notion that the result of change often does not take effect as rapidly as might be envisaged, but requires an extensive evaluation of the newly introduced policy scope. In this regard South African local government might have some distance to go and the transition is therefore far from complete.

Finally, the extensive centrally determined policy and legislative framework for local government suggests that there is little argument for total autonomy on the part of municipalities in South Africa.

2.3.2. Financial and Economic Considerations

As per the criteria for autonomy provided by Fleurke and Willemse (2006:72), as well as the legislative and policy considerations, it is necessary to examine the extent of financial and economic independence in municipalities, to measure autonomy. The purpose of this discussion is not to look into the financial viability of municipalities, as this will be discussed later in this chapter. Rather, the purpose is to examine the extent to which municipalities are dependent on other spheres of government for funds.

Municipalities, like any other organisation, need money to remain operationally sustainable and to fulfil their mandates of rendering services and facilitating development within their areas of jurisdictions. A critical question in the South African local government environment remains the extent to which municipalities are able to financially sustain themselves, and thereby determine the well-being of their constituencies in an autonomous fashion. In addition to having to generate money on an individual basis, municipalities are, in accordance with the intergovernmental fiscal relations system in South Africa, entitled to various grants from national and provincial

government. These grants are categorised according to conditional and unconditional types and examples of such grants, which are discussed hereafter.

2.3.2.1. Unconditional Grants

According to Whelan (2004: 2), the most important unconditional grant to local government is the Equitable Share (ES) of nationally raised revenue. These grants are paid directly to all municipalities in the country, and are based on a formula that takes into account the operating cost required by each individual municipality, to deliver basic services to local communities, specifically those sections that are too poor to pay for these services. In this regard, Whelan (2004:2) is of the view that the grant is only partially needs-based. Where it wholly needs-based, it would also have to take into account the revenue generated by each municipality across all households, and thus their ability to render these services with their own money.

According to Fourie and Opperman (2007:411), although the Equitable Share is essentially an unconditional grant, in terms of determining the amount allocated to each municipality, the grant is broken down into specific components, also known as “funding windows”. These “funding windows” represent suggestions as to how the ES should be utilised, and although Whelan (2004:3) suggests that it does not amount to legally forced spending, it is an attempt by national government attempting to ensure that the grant is utilised towards basic services to poor local communities. It can therefore be seen as efforts on the part of national government to ensure that citizens benefit from the grants, and that it is not used for day to day operational costs of the municipality, such as the payment of salaries for example.

In addition to the ES as unconditional grants, the following examples of conditional grants to municipalities are also prevalent.

2.3.2.2. Conditional Grants

The following are examples of conditional grants to municipalities by a variety of national departments.

- **Financial Management Grant (FMG) received from the National Treasury** – This grant is designed to promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act, 2003, Act 56 of 2003 (Fourie and Opperman, 2007:409).
- **Neighbourhood Development Partnership Grant (NDPG) received from the National Treasury** – According to the National Treasury (www.treasury.gov.za) this grant has been established “with the ultimate objective of leveraging private sector investment in underserved residential neighbourhoods thereby unlocking the social and economic potential in these areas.” It is essentially a grant through which treasury will provide a combination of technical support and capital financing for municipal projects, that will attract private sector investment to make these projects sustainable in the long term. The grant can therefore be described as a combination of a grant in kind (technical support) and cash grant (capital finance).
- **Municipal Systems Improvement Grant (MSIG) received from the Department of Cooperative Governance and Traditional Affairs (COGTA)** – This grant is a cash transfer “directed to selected Local and District municipalities and its purpose is to support municipalities in implementing new systems as provided in the Municipal Systems Act, Municipal Structures Act and other related local government policy and legislation” (www.dplg.gov.za).
- **Municipal Infrastructure Grant (MIG) received from the Department of Cooperative Governance and Traditional Affairs (COGTA)** – The MIG is a cash grant to selected municipalities combining all existing capital grants for

municipal infrastructure into a single consolidated grant (www.dplg.gov.za). The following existing capital grants resort under the MIG:

- Consolidated Municipal Infrastructure Programme.
 - Water Services Projects.
 - Community Based Public Works Programme.
 - Local Economic Development Fund.
 - Urban Transport Fund.
 - Building for Sport and Recreation Programme.
 - National Electrification Programme (www.dplg.gov.za).
-
- From the above discussion on unconditional and conditional grants, it is clear that municipalities rely substantially on the national sphere for funding to render services in line with the Constitutional provision for the sharing of nationally raised revenue. In addition, the situation is complicated in that, although provinces have a monitoring role over municipalities in their areas, the grants are directly paid to municipalities, and are not channelled through the provinces except in the case of the housing subsidy provision (Pillay, Tomlinson and Du Toit, 2006:163). Provincial governments therefore have limited input as to the money provided to municipalities, and yet they have to monitor the progress made by municipalities and ensure that expenditure is in line with the intended outcome of the grants.

In addition to the dependency of municipalities for funding, Venter and Landsberg (2006:149-150) highlights the following financial management deficiencies in municipalities, as a fundamental contributing factor to the undesirable financial position of municipalities:

The continued culture of non-payment for services – According to Schoeman (2011:3) outstanding debtors of municipalities for which data was available amounted to 3.7 billion US dollars in the 2009/2010 fiscal year compared to 3,4 billion US dollars in the 2007/2008 fiscal year. Although there is recognition that many local consumers default in terms of service payment due to dire socio-economic conditions, Venter and Landsberg (2006:149) are of the opinion that the political and administrative inability and unwillingness to consistently and fairly apply credit control and debt collection strategies represents the main reason for the current debt crisis in local government.

Poor financial management- Considering service backlogs and the limited resources municipalities have at their disposal, sound financial management should logically be one of the cornerstones of operationally managing a municipality. The importance of sound financial management lies in the fact that it can contribute to municipalities' efforts to transform their local areas into better places to live and work. Furthermore it can aid councillors and officials in terms of monitoring activities, so that the vision of creating this better place is operationally implemented (www.etu.org.za). However, Venter and Landsberg (2006:150) are of the view that in too many municipalities, politicians and officials embark on irresponsible expenditure to the detriment of sound financial management, and ultimately service delivery. It is therefore imperative for municipal councillors and officials to align the allocation and utilisation of scarce resources with actual organisational and service delivery needs so as to avoid unnecessary and wasteful expenditure.

Lack of legal measures to enforce accountability – According to Brinkerhoff (2001:2) “the availability and application of sanctions for illegal or inappropriate actions and behaviour uncovered through answerability constitute a defining element of accountability.” This implies that there can be no real accountability unless individuals and/or organisations (municipalities in this case) are subjected to punitive measures, in the event that they are responsible for irregular behaviour and/or expenditure. Venter and Landsberg (2006:150) are of the view that, although municipal managers as accounting officers are subject to being held accountable, in terms of various municipal laws, there is limited authority to hold councillors accountable for fruitless, wasteful or

irregular expenditure. This is important as councillors are more often the root cause of financial mismanagement. It is therefore important that individuals responsible for the misguided utilisation of municipal resources be exposed, but more important that appropriate sanctions be instituted in order to avoid repetition of such behaviour. On the basis of the above discussion, it becomes evident that South African municipalities are too reliant for financial aid, in various forms, on the other spheres of government. In the absence of financial dependence, municipalities cannot really be said to be autonomous, as those who control the money inadvertently control the activities of an organisation.

2.3.3. Municipalities and Economic Development

In addition to the issue of funding provision to municipalities for operational and service delivery purposes, the issue of developing local economies is a contentious one in the newly established system of local government. While reference to developmental local government encompasses far more than local economies, it is economic prosperity that would enable municipalities to achieve many of the other development objectives (i.e. social, human and physical). The question is what the role of a municipality in local economic development is, and whether municipalities in South Africa possess the tools needed to fulfil this role, and in the process become self-reliant.

According to Bekker (2003:3), local economic development (LED) can be defined as “a process whereby local initiatives combine skills, resources and ideas in stimulating local economies to respond innovatively and competitively to changes in the national and global economies, towards the goals of job creation, poverty alleviation and redistribution.” According to Venter and Landsberg (2006:147), local economic development presents a challenge to most municipalities in South Africa, especially in the rural areas, as they often lack even the most basic infrastructure, and poverty levels remain extremely high.

According to the National Framework for LED in South Africa, 2006-2011 (2006:13-14) the following are key considerations for local economic development:

- **Links with macro-economic policy** – Although from a macro- economic policy level, there has been much consideration to reduce unemployment and thereby reduce poverty levels, there is generally a lack of coordination of these efforts with the efforts in local government. To this end, Du Plessis and Thomas (2007:25) refer to elimination of the second economy as a key consideration for eradicating poverty. In 2003, former President Thabo Mbeki expressed the desire for the first economy, comprised mainly of wealthy individuals and industries, to absorb the majority of South Africans “trapped” in the second economy, comprised mainly of non-functioning local township and marginalised rural areas (Philip 2010: 1). It can therefore be regarded as pivotal for the local sphere of government to have an understanding of this reality of the South African economy, and its manifestations in the local sphere of government, to accordingly develop strategies that would neutralise its effects.
- **Enabling the environment** – In order to address the abovementioned situation, specific steps are obviously needed. The National Framework for LED in South Africa, 2006-2011 report states that resources should be directed towards creating conditions which stimulate the environment in which business is done. This should be done by means of information, knowledge and skills programmes that can assist in leading municipalities to a higher growth path. Furthermore, according to Bekker (2003:4) this should be done by “making people who have lived in social isolation and in a spirit of dependency understand the inescapable reality that they have to make significant contributions towards the improvement of their own quality of lives”. De Visser (2001: 2) supports this notion by stating that development should be initiated and sustained by the people themselves. De Visser (2001: 3) further states that, the inherent dignity of people dictates that they should be able to make choices about their own well-being. It must therefore be concluded that promoting economic development in local government cannot be a unilateral process on the part of municipalities, but

should rather involve a reciprocal process of empowering all stakeholders (including the citizens as beneficiaries of LED), and simultaneously having adequate institutional strategies in place for promoting local economic development.

- **Institutionalising local economic development** - It cannot be expected of municipalities to promote economic development in their areas if it is not an integral part of their organisational strategy. To this end, Du Plessis and Thomas (2007:22) refer to municipal strategic plans in the form of Integrated Development Plans (IDP), as required by the Systems Act, 32. Local economic development within the context of municipal IDPs require that municipalities identify key economic development strategies, ensure concrete decision-making with regard to economic priority areas to be addressed within specific time frames, align municipal institutional strategies with national and provincial planning to ensure cooperative efforts, and allocate resources for promoting economic development and ensuring that economic development targets are subject to performance evaluation (Du Plessis and Thomas, 2007:22). Furthermore, Pieterse (www.local.gov.za/dcdindex:1) states that, with regard to local economic development, municipalities should support small and medium businesses through the provision of training and other support mechanisms, improve infrastructure and services in general to improve economic efficiency, employ targeted investment initiatives to boost potentially growing sectors, and employ a pro-localism procurement and servicing policy in order to define the municipality as an actor in promoting LED.

In conclusion, in order to ensure local economic development, municipalities are required to foster a thorough understanding of the macro-economic dynamics that are applicable to the South African situation, enable the local environment in order to have a launching pad for local economic development strategies, and ensure that local

economic development forms an integral part of municipalities' broad institutional strategies.

2.3.4. Service delivery as a prerequisite for local government functioning

After 1994 there was a major focus on service delivery by the new government. This was to ensure that all sectors of society had equal access to the services government was responsible to provide. Service delivery in a South African context has an additional dimension however as the efforts of government are also aimed at ensuring that backlogs in services due to previous unequal service distribution would be addressed. Many initiatives have been launched to ensure improved service delivery. These include institutional mechanisms to ensure that the required services reach the end consumer, as well as general mechanisms centred on the improvement of customer relations. This will be explained in the paragraphs that follow.

From an institutional perspective, the most significant service delivery mechanism in local government has arguably been the introduction of an integrated approach to service delivery. In terms Sections 23 to 25 of the Systems Act, this integrated approach requires that municipalities' Integrated Development Plans (IDP), budgets and performance management plans be linked, in order to address actual needs within local communities. To this end, a recent IDASA report to the portfolio committee on COGTA (2010:8) emphasised the need for integrating IDPs and budgets. The report states that "the effectiveness of municipalities to deliver on their mandate is largely dependent on their ability to plan and allocate public resources in a developmental and sustainable manner.

Therefore it is significant that municipalities carefully integrate community needs in their development plans and when allocating budget". Furthermore the South African Local Government Association (SALGA) (2006:11) states that municipal key performance

indicators “must contain performance targets that are practical and realistic, in line with the municipality’s IDP and take into account the municipality’s budget.” It can thus be concluded that a concerted effort, from a regulatory point of view, has been initiated to constructively plan for the delivery of services to local communities. Questions remain regarding the impact of this effort in the wake of growing dissatisfaction and protest over what is seen as a lack of local service delivery.

According to the COGTA report on the state of local government in South Africa (2009:36-38), a number of problems regarding the successful implementation of the integrated management approach were identified, that have had a negative impact on service delivery. These include the following:

- The scale of the problem regarding ageing and decaying infrastructure that support bulk services, such as water and electricity.
- An unresponsive political and official environment that marginalises communities.
- A lack of accountability by municipalities to communities regarding the implementation of the development plan, and discrepancies in what communities put forward during consultative processes as priorities, and the inclusion thereof in the plan and the budget of the municipality.
- A lack of councillor involvement in the development planning process.

From the above it is clear that the service delivery problems of municipalities revolve around two key issues. Firstly, the service delivery backlogs that exist in local communities are often underestimated, and given a limited resource base, this poses a fundamental challenge to municipalities. In this regard Sokupa, in www.ngopulse.org (2011:3) is of the opinion that, although the provision of grants to municipalities is a noble idea, government should reconsider the equality regarding the distribution of money. Sokupa argues that money is often unequally distributed in relation to needs, and poorer rural municipalities often do not receive adequate funding in order to address the backlogs that exist in their areas. It could also be argued that municipalities

should be innovative in their approach to securing funding, and that more efforts should be made to involve the private sector in improving local service provision, rather than merely waiting to receive additional funding.

Secondly, the institutional incapacity of the municipalities needs to be addressed. An unresponsive political and official environment, a lack of accountability and a lack of councillor involvement in the development planning process, suggests human error on the part of those primarily responsible for satisfying community needs and meeting the growing expectations of local communities. According to Muller (2009:6) it is imperative that councils (councillors and officials) have a system in place by means of which they can accurately assess what the actual backlogs are, what service levels should be reviewed in line with community expectations, whether the service backlogs are being reported, and whether the reporting standards are uniform so as to ensure a shared understanding of the services being discussed.

It is thus clear that, in terms of service delivery, municipalities are challenged with regards to funding in order to address backlogs. Municipalities need to ensure that available resources are well spent in accordance with locally determined priorities, and in addition they need to attempt to secure alternative sources of funding in order to address the increasing need for services. It is furthermore imperative that councillors and officials respect the mandate that they have been given as public representatives, by being responsive and accountable to local communities. This includes regular interactions with local communities, in order to ensure that decisions on service delivery initiatives are indeed aligned with community needs and expectations. This discussion on local service delivery would therefore be incomplete without considering the issue of citizen participation as an important mechanism in local government management.

2.3.5. Community participation in local government: involving citizens in improving their lives

Since the advent of democracy in South Africa in 1994, much emphasis has been placed on the importance of involving communities in the governance process at all levels of government. This has been emphasised especially in local government, as municipalities are the agents of state closest to local communities, and since it is the place where people's most basic needs are to be satisfied.

According to Nyalunga (2006:1), community participation could be seen as a relatively new phenomenon in the South African context. This is due to the fact that no equal opportunity for participation really existed under Apartheid, but moreover because of the strong central approach to governing the country prevalent during this period, which meant that local communities were frequently denied the opportunity to voice their views. It could be argued that this is why the new government decided to regulate a system of community participation through policy and legislative measures. The Constitution, 1996, Section 152 (1) [e] states that one of the objectives that municipalities should strive towards, is involving communities and community organisations in their affairs. Community participation in local government is therefore a constitutionally entrenched requirement, and because of this ensuing, enabling legislation has attempted to promote it in various facets and processes of municipalities. Indeed, there are various legislative measures in place to regulate community participation in local government.

- **Local Government: Municipal Structures Act, 117 of 1998:** Sections 72 (3) and 74 (a) provide for the establishment of ward committees in local and metropolitan municipalities, to enhance participatory democracy in local government. Ward committees can make recommendations to ward councillors on matters affecting their wards, or to the local council through the ward councillors.

- **Local Government: Municipal Systems Act, 32 of 2000:** Sections 29(1) [ii] and 42 stipulate that local communities have to be involved in the process of compiling a municipality's Integrated Development Plan (IDP) and Performance Management System, prior to its formal approval by the municipal council. Since both the establishment of the development plan (which includes the setting of service delivery priorities), and performance management mechanisms, can be seen to be highly influential in terms of service delivery, it is significant that the Systems Act compels municipalities to involve its communities.
- **Local Government: Municipal Finance Management Act, 56 of 2003:** Section 23 (1) [a] of the Act requires that municipalities consider any views by the local community during the budget preparation process. This implies that, in attaching financial value to the service delivery targets, as set out in a municipality's IDP, communities have to be consulted.

When considering the above examples, it is clear that local government legislation has been drafted to promote the notion of participation in the decision-making process by local communities. Nyalunga (2006:2) is of the view that, although these legislative guidelines have the promotion of transparency and accountability as a primary purpose, it has inadequately been practiced due to:

- **Party politicisation of development and participatory structures** – this could imply that many local citizens feel isolated in these processes. This is because those not aligned to the governing party are often seen to be isolated from key consultative processes.
- **A lack of commitment by municipalities to prioritise public consultation** – councillors and officials often neglect participatory processes, as they do not rank highly on the managerial list of priorities.
- **The slow pace of basic service delivery** – It is relevant to question people's willingness to participate in consultative sessions if their most basic needs are not addressed.

A general lack of capacity amongst stakeholders – If, for example, a municipality requires of its citizens to participate in the budget process, these citizens must have a level of understanding regarding how the budget works. If not, the constructive value of such consultative processes could be questioned.

- **Access to information** – the value of consultative processes depends on the timely dissemination of accurate information, without which consultative sessions could be reduced to being mere “talk shops”.
- **Failure to recognise and work closely with community based organisations** – Officials and councillors are often sceptical in involving these organisations, especially when opposing views on matters exist. The reality is that through constructive interaction with community based organisations, the pool of alternative solutions to local problems could only be increased.

In an attempt to address the above issues, Africa (2006:6) is of the view that municipal officials should work hand in hand with local communities in developing a mutually beneficial customer service charter. This charter should, inter alia, explicitly outline the rights and responsibilities of the municipality and its citizens to cooperate as a collective, towards addressing local problems. Nicol (2006:12) furthermore states that, from a political perspective, councillors should be deemed leaders to ensure that the clear philosophy of involving local communities becomes a practical reality.

It is evident that from a local government perspective, the philosophy of community participation is crucial. Hence the thorough legislative guidelines put in place for these processes. It is however apparent that a clear legislative framework does not automatically translate into a satisfactory result for all concerned, and that local leaders need to ensure that continuous efforts are made to promote the community's constructive involvement in local affairs. In order to address the relatively independent functioning of municipalities, ensure financial viability, promote economic development, provide basic services to local communities, and ensure citizen involvement, it is

important that the necessary institutional structures are in place. To this end, the institutional development and transformation of municipalities is imperative.

2.3.6. Municipal institutional development and transformation

In order to achieve its pre-determined objectives, it is imperative for any organisation to possess the institutional capacity to do so. When considering local government, it is clear that municipalities have been fundamentally affected by structural changes in terms of the demarcation process, as well as changes in terms of the broader role municipalities should play in society, in addition to merely regulating local communities. It can therefore be argued that municipalities have to perform expanded functions in an environment of change, and this could prove rather challenging considering the service delivery and development needs that exist in the South African context.

Section F of the White Paper on Local Government (1998) refers to the need to have administrative structures that are geared towards the new mandate of local government in place. According to the former department of Provincial and Local Government (now known as Cooperative Governance and Traditional Affairs [COGTA]) (www.dplg), municipalities need the following administrative capacities for the purpose of promoting developmental local government:

- Strategic capacity to assess, plan and develop innovative programmes to meet local needs. This includes taking into account existing resource levels, as well as ensuring that while immediate service needs are addressed, medium and long term objectives are set, and strategies are developed to meet these objectives.
- Integrating capacity in order to coordinate inputs both internal and external to municipalities. It is suggested that capacity building and sound resource utilisation should, in addition to being driven by municipalities themselves, also

be informed by the results of cooperating with the national and provincial government.

- A community orientation to inform a user-friendly and quality driven approach to local government service delivery. It is important that access to local services includes promoting the idea of acceptable quality standards, and a willingness on the part of municipal officials to redress poor service quality, thereby promoting the concept of user-friendliness. In order to do this, municipalities should be staffed by individuals who understand the importance of building customer relations of trust and goodwill.

The aforementioned three sets of capacities are crucial for the achievement of the development local government model. In this regard, IDASA (2010:4) states that “the developmental local government model is premised on recognition of the primacy of linkages between development, service delivery and citizen participation, defined as the organised effort to increase control over resources.” This implies that the control over resource distribution and allocation should not be limited to the local government authorities (councillors and officials) as such, but that the communities should also exercise a degree of control.

For the above to take place, it is important that local government leaders (elected politicians and appointed officials) provide appropriate leadership in order to ensure that platforms for constructive community involvement are indeed created, without these leaders being intimidated by the community involvement. In this regard, Leftwich (2010: 103) is of the view that successful and sustained development depends on whether leaders are able to form inclusive developmental coalitions that establish locally appropriate, legitimate, and feasible institutional arrangements to facilitate economic growth and (inclusive) social development.

Finally, it is imperative that, logical and goal-directed work units, which are staffed by qualified and competent individuals, are created in each municipality in the country for municipalities' broad service delivery and developmental visions to be achieved. Meiring and Parsons (1994: 102), in Du Plessis (2005: 75) state that the creation of specialized work units could lead to the improvement of work performance and, in the context of local government, improved service delivery and development outcomes. It is therefore imperative that municipal structures, aligned with the functions of an individual municipality, are created if the objectives of such a municipality are to be attained.

2.4. CONCLUSION

The purpose of this chapter was to provide a detailed analysis of important dimensions pertaining to local government in South Africa. This was to establish how local government contributed to the South African government's overall vision to promote the general welfare of its citizens, through the delivery of quality services and enhanced social and economic development. This is of particular importance in the South African context, given the backlogs that exist in many local communities in terms of access to basic services, and low levels of economic and social (including human) development. For the purpose of the analysis, a number of key characteristics attached to the local sphere of government were identified and discussed.

The importance of local autonomy was discussed as a prerequisite for local communities to take ownership of governing their locally defined areas of jurisdiction. It was determined that, from a South African perspective, local government could not be defined as being totally autonomous. This was firstly because of the Constitutional reference to the distinctiveness, interrelatedness, and interdependence of the three spheres of government in South Africa. In addition to this, it was ascertained that local government remained dependent on the other spheres of government to provide directives from a macro perspective to municipalities in the country. This was

particularly evident when consideration was given to the extensive nationally determined policy and legislative framework for local government in South Africa.

The financial viability of municipalities was highlighted as another important dimension for ensuring local government success. It was ascertained that this issue was significantly challenging for South African municipalities. This was firstly because of the dependence, that existed within municipalities, on the national government for intergovernmental grants, whether conditional or unconditional grants. In addition to this, an inability on the part of municipalities to collect revenue owed to them by local communities thereby missing an opportunity for greater self-sustainability, poor judgement and decision-making in terms of financial management, and a lack of accountability, were identified as factors detrimental to financial viability.

Local economic development was identified as a key requirement for creating conditions locally that would lead to wealth creation, a rise in employment, poverty alleviation, and thus contribute to the socio-economic well-being of all at community level. In order to ensure that local economies would indeed be developed, a number of key requirements were identified. Firstly, it was necessary for any strategy aimed at developing the local economy to be closely linked to the macro-economic policy objectives of the state. Secondly, it was imperative to create an enabling environment for local economic development. This could be done by directing resources to create suitable conditions in which to conduct business, and furthermore by involving and empowering the beneficiaries of economic development initiatives, thereby rendering them equal partners in the process. Finally, local economic development had to be institutionalised. In other words, a municipality could not realistically be expected to promote economic development unless it formed an integral part of the organisational structure and human resource strategy of the municipality.

One of the primary reasons for the existence of local government is fulfilment of this government sphere's mandate to provide for the most basic needs of local residents. In South Africa, access to water, electricity and sanitation proves more difficult for many citizens, than should normally be the case. Even though democratic municipal structures in South Africa exist, local communities have recently been expressing dissatisfaction with service quality more frequently. In addition, people have increasingly complained about the lack of responsiveness to their complaints. It was therefore necessary to ensure renewed commitment to service delivery by municipal leaders, and to address the issue of institutional incapacity where dissatisfaction with the level and quality of municipal services to be rectified.

The importance of, and emphasis on, community participation in local government since the advent of democracy, was furthermore analysed as a key local government dimension. The constitutional and legislative requirements for community participation were referred to, and strong emphasis on the issue when considering the legislative regulation attached to it was indeed evident. It became apparent however, that in spite of the regulatory measures, many challenges existed in terms of practically achieving constructive community participation.

Finally, it was determined that institutional development and transformation played an important role, in ensuring that municipalities could succeed in fulfilling their expanded role in society. This means that local government requires a unique brand of leadership to ensure that the broad vision of achieving local government's objectives is in place, and that operationally effective administrative structures are created to ensure the implementation of that vision.

CHAPTER THREE

INTEGRATED STRATEGIC PLANNING: PERSPECTIVES ON SOUTH AFRICAN LOCAL GOVERNMENT

3.1. INTRODUCTION

It was established in the previous chapter that municipalities in South Africa had a two-fold task to fulfil in South African society, namely to: (i) render basic essential amenities to the public, while (ii) simultaneously developing underdeveloped sections of society, that had become underdeveloped as a result of skewed development practices during the previous political dispensation. It was also found that an extensive regulatory/policy framework was established, within which local government should operate in order to achieve its objectives. In discussing the regulatory/policy framework, the discussion on the Municipal Systems Act is of particular significance, especially the Act's reference to integrating planning, resource allocation (budgeting), and performance measurement and management.

The purpose of this Chapter is therefore to provide a theoretical basis for strategic planning in local government, with specific reference to its relevance in the South African context. The integrated nature of strategic planning in the South African local government environment and the value of such an approach in the South African context will also be dealt with.

3.2. DEFINING STRATEGIC PLANNING

Hussey (1999:1) defines strategic planning as "the detailed specification of both the long-term aims of an organisation and the strategy for achieving them, giving consideration to organisational culture, structure and systems so that every element of the organisation can be mobilised to make the strategy effective". Bovaird and Löffler

(2009:61) are of the view that, for an organisation to be without a strategy is "to appear directionless and incompetent".

When considering the above definitions, the importance of strategic planning appears to lie not only in the plan itself (strategic planning), but also in the act of the decision taken by an organisation to embark on a particular future direction. Towards interpretation of the latter part of the above, it could be argued that the end-result of the organisation's decision is known, without necessarily having an operational plan in place to achieve the future state of affairs. Thus, a concrete decision of where the organisation is headed in the immediate, as well as medium and long-term, future must precede the drafting of a strategic plan. In the case of local government in South Africa this decision could, simply put, be interpreted as relating to the rendering of basic services and promotion of local, physical, social and economic development.

In the context of the South African local government, the Integrated Development Plan (IDP) to be compiled by each municipality in the country, in terms of Section 25 of the Systems Act, 2000, constitutes the strategic plans of municipalities. In this regard, Myeza (2009:14) holds that the IDP serves as the principal strategic plan of a municipality, and that it supersedes all other development initiatives at the local sphere of government. An interesting observation at this point is that IDPs are nationally prescribed strategic plans for municipal organisations, with a local/community focus. In relation to the definition of a strategy as being a concrete and deliberate decision to take an organisation in a particular direction, this element could be seen to be absent, and the IDPs could be interpreted as being merely an enforced strategic planning exercise in local government. It could therefore be argued that IDPs constitute a politically driven direction for South African municipalities, over which the legislature rather than individual municipalities themselves, has dictated the concrete decision. In this regard, it is questionable whether a nationally determined strategic direction for individual municipal organisations could be regarded as an ideal management approach.

Irrespective of this argument, all South African municipalities are required to compile Integrated Development Plans as strategic instruments for service rendering and the development of local communities, in terms of legislation. It is within this context therefore of key importance to, in some detail, look at the logic for the existence of municipal organisations and what municipal strategies should entail.

3.3. STRATEGIC PLANNING IN A MUNICIPAL ORGANISATIONAL CONTEXT

In referring to the strategic logic for the existence of organisations, Sanchez and Heene (2004:59) refer to three interrelated reasons for/components of organisational existence:

A **business concept** - identifies the customers of the organisation and the key activities to be undertaken to create value for those customers.

An **organisation concept** - defining the resources the organisation will use in its value-creating activities, the organisational design for coordinating activities, the controls for monitoring activities, and the plan for value distribution.

The **core processes** of product creation - refers to stakeholder development and organisational transformation, through which the organisation attempts to create value on a sustainable basis.

It should be borne in mind that Sanchez and Heene's reference to the logic for organisational existence relates to the private sector, and could therefore not be regarded as applicable to the municipal environment in this specific form. However, when investigating the logic for the existence of municipal organisations specifically, it becomes clear that there is merit in considering important elements provided by these authors.

3.3.1. The business concept of local government

When considering the “customers” of the municipality as an organisation, and the “key activities for value creation” proposed by Sanchez and Heene in relation to the logic for organisational existence, there do not seem to be any simple answers. The customers are local residents/citizens, and the activities of the municipality revolve around providing services to those residents/citizens, in order to satisfy their needs and expectations. The business concept of local government therefore seems clear and simplistic. It does become rather complex however, when considering various aspects regarding South African local government “customers”, and therefore the activities for the common benefit of these customers. The fact of the matter is that there are a variety of municipal customers who are in need of a variety of services in varying geographical and socio-economic circumstances. In this regard Reddy, Nzimakwe and Ramlucken (2012:52) state that it is essential for municipalities to take cognisance of their local circumstances, needs and dynamics and based on that develop a vision for improving the quality of life of their local communities. This is proof that, although it might be argued that service delivery constitutes the business concept of local government organisations, there can be no uniform recipe for approaching this business concept. This, it can be argued, is one of the primary reasons why, in spite of a uniform legislative framework, municipalities are experiencing varying degrees of success in implementing this legislative framework.

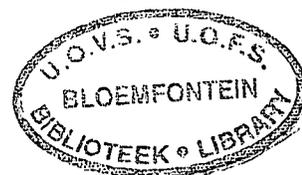
3.3.1.1. The local government customer in perspective

A customer can be defined as a person who pays for a product and/or service. In return, the person has preconceived expectations as to the quality of the product or service, in order to satisfy their needs. In the absence of such quality, individuals often feel that they have the right to bring such deficiency to the attention of the service provider, in order to improve the standard of products.

When considering a traditional private sector enterprise, there are certain considerations with regard to the customer, and the relationship between the enterprise and its customer. The enterprise normally caters for, and targets, a specific market within which it wants to promote and sell its products. There is thus a differentiation in terms of certain factors, such as the income levels of the targeted customers, their levels of sophistication, and therefore their expectations. Based on this, pricing of the product would obviously also be in a particular range. This implies that, in this scenario, different customers could purchase similar products or services from different providers, depending on factors such as affordability and the quality of the product or service. It could therefore further be assumed that an organisation's strategy, in terms of producing, marketing, and ultimately selling its products, will primarily depend on the target customers.

When considering local government, the situation differs quite dramatically. Municipalities, as organisations, have no choice as to their customer base. They therefore have to provide products and services to all residents under their areas of jurisdiction, regardless of factors such as ability to pay more or less for particular services, and/or the level of sophistication of its customer base. Indeed, irrespective of residents' levels of sophistication, all need basic amenities such as water, electricity and sanitation. Although measures, such as the indigent policies (as part of municipal credit control and debt collection strategies), provide price relief for poorer customers, there is not a possibility of different price structures based on customers' ability to pay.

In addition to the above, it should also be borne in mind that some residents are more dependent on municipalities than others. This is because of the varying socio-economic conditions found in South African towns and cities, and the accompanying reality that in most municipal areas, the majority of residents remain poor and therefore dependent on government for promoting their well-being. It could therefore be argued that self-sufficiency, which could be regarded as one of the cornerstones of local development,



remains a major challenge to South African municipalities. Although many local residents are only dependent on municipalities for basic amenities such as water, electricity, sanitation and refuse removal, the majority of residents, in addition to needing basic services, are also dependent on the municipality for promoting their daily livelihoods, and in so doing ensuring their prosperous existence.

When considering the aforementioned, it becomes evident that determining strategy from a municipal perspective might be complex. Politt (2003:8) encompasses this essential differentiation between private and public organisations aptly by referring to:

- A perceived lack of efficiency in terms of satisfying the needs of its customers on the part of public organisations, as opposed to their private sector counterparts.
- A perception that private sector organisations provide customers merely with what they *want*, whereas public organisations' business entails interfering with people, whether they like it or not (e.g. the inability to purchase municipal amenities from alternative service providers, whether customers are satisfied with their current service or not).
- The notion that the role of public organisations could at times seem broad/poorly defined, and where the extent to which the organisation is successful could be difficult to determine.
- The fact that private organisations have competitors that keep them efficient, while public organisations do not, and customers have to purchase products and services from a single provider which ultimately disadvantages them.

It can therefore be deduced that, as far as the business concept of local government is concerned, the customer relationship between municipal organisations and their customers differs vastly from that of private organisations. In line with this, municipalities' activities also differ vastly, mainly because municipalities cannot research a particular market and choose their customers on the basis thereof, but have

to provide in the varying needs of all local customers. Municipalities have a responsibility, albeit on a varying scale, towards all citizens who live in their areas of jurisdiction, and their strategies have to cater for the needs of all their customers.

3.3.2. The organisation concept of local government

Sanchez and Heene (2004) state that the organisation concept of an organisation defines the resources that the organisation is to use in its value creating activities, the organisation design for coordinating activities, the controls for monitoring activities, and the plan for value distribution.

In discussing the relationship between the municipality and its client, it has been ascertained that municipalities' value creating activities revolve around the provision of services and the promotion of local development (social, economic and physical) in order to satisfy locally determined needs. In chapter two of this thesis it was also determined that, in order for these needs to be addressed satisfactorily, it was essential for municipalities to work with local communities in determining needs, and ultimately, municipal strategy. This would determine how the municipality's resources would be allocated to achieve its organisational goals. Chapter Two however, also brought to light the fact that municipalities in South Africa are limited in their service delivery endeavours due to the severe limitations as far as resource availability is concerned. This resulted from a combination of poor financial management on the part of municipal councils and officials with regard to expenditure patterns, financial controls, and local socio-economic conditions, as well as the inability of municipalities, in many instances, to enforce credit control and debt collection policies. Local socio-economic conditions contributed to the inability of many local residents to pay for locally rendered services, and thereby robbed municipalities of a primary source of revenue. The inability of municipalities to enforce credit control and debt collection policies (where such policies are in place) could almost be viewed as a self-inflicted inability by municipalities to collect much needed revenue.

From the above the deduction could be made that two resource factors could be seen as vital for strategy determination in a municipal context. These include the presence of adequate human resources for determining organisational vision and plans and activities for implementing such a vision, and the availability and management of adequate financial resources.

3.3.2.1 Municipal human resources: the human drivers of municipalities

Human beings are inadvertently linked to organisations, as without them, organisations would not exist. Furthermore, there are reasons for the existence of organisations, as a lack of reasons would result in no logical rationalisation for creating organisations. The deduction can thus be made that organisations exist to give meaning to the lives of a target group (in the case of government, a whole society), and for this to happen, such organisations require the involvement of people with qualities that would drive the achievement of organisational objectives. The question is thus who drives local government, and who drives local government in a South African context in particular. Furthermore, this begs the question as to what requirements these drivers of local government require in order to successfully steer local government in the intended direction. The discussion on the role-players in local government will, for the purpose of this thesis, aim to identify those involved internally in municipal organisations, and those involved in municipalities from an external point of view.

From an internal point of view, it is important to understand the system of local government as far as the exercising of legislative and executive authority is concerned. It is imperative to understand who is responsible for decision-making in the form of local legislation and policy, as well as who is responsible for the execution thereof. From an external point of view, it is important to understand who the external role-players are that have a significant influence on the functioning of municipalities.

Section 151 (2) of the Constitution states that “the executive and legislative authority of a municipality is vested in its Municipal Council”. This implies that the power to make policy decisions, or to determine local legislation, rests with the local municipal council, as well as the power to monitor the implementation of such policy/legislative decisions. It can therefore be argued that the first important internal human resource component of a municipality is its municipal council.

3.3.2.1.1. Municipal human driver number one: the elected council/councillors

In referring to the composition and election of municipal councils, the Constitution, Section 157 (1) states that “A Municipal Council consists of members elected by national legislation and that the national legislation must prescribe a system of the following:

- Proportional representation based on a municipality’s segment of the national common voters’ roll, which provides for the election of members from lists of party candidates drawn up in a party’s order of preference; or
- Proportional representation combined with a system of ward representation, based on a municipality’s segment of the national common voters’ roll.

According to Craythorne (2006:69), the national legislation on the local government electoral system is referred to in the Constitution as the Municipal Structures Act. The Act, Schedule 1, states that a municipality consists of councillors elected by the following:

- Voters to proportionally represent the parties contesting the election.
- Voters in wards, to directly represent the wards.

The Structures Act specifically provides for a combined system of ward and proportional representatives in Category A (Metropolitan) and Category B (Local) municipalities, where the ward councillors must be equal to 50% of the total number of councillors determined for the municipality. In Category A (District) municipalities, 60% of the total

number of councillor positions are allocated to the local councils, who reside in the area of the specific district municipality, and the other 40% are filled by the voters in the district (Craythorne 2006:69).

Whatever the technicalities of the electoral system may be, what is of importance is the fact that the members of municipal legislative bodies are elected, as at national and provincial level, by the public. This implies that the first, and arguably the most important, human resource components of municipalities are elected and not appointed. It further implies that political considerations, as well as the popularity of individuals, play an overriding part in the election of candidates, rather than a detailed knowledge of local government and its structures. However, this raises the question of whether the aforementioned places municipalities at a disadvantage.

In answering the above question, it would be difficult to find justification for potential councillors to be required to have pre-determined qualifications for them to be elected as representatives of their communities, from a popular democracy point of view. This defeats the notion of the best political candidate being the most "popular" candidate as well. Furthermore, from a South African point of view, with the emphasis on political party popularity, this nullifies the idea behind popular democracy. Therefore, the proponents of the current political and electoral system go to great lengths to inform people that election of legislators is about local communities' and/or voters' perceptions of leaders and that there are management and administrative structures in place to supervise management of the factual and technical details of public organisations, municipalities in this case.

Furthermore, from a political point of view, it is important to reflect on the notion that politics, and therefore politicians, are representatives of societal values, and their role is to understand the needs and values of the communities or constituencies they serve.

When considering the role of elected representatives from this angle, the argument for representatives to have detailed knowledge of the organisational functioning of public institutions, municipalities in this case, is indeed questionable.

Proponents of the argument for more councillor knowledge/expertise argue that elected representatives have become more than the guardians of societal values and needs, and that their involvement has been moved over into the daily administration and management of the organisations they are involved in. In this regard, Thornhill (2010a:7) states that "a major inhibiting phenomenon in the public service is the increased interference of politicians in the normal administrative activities of the state". Thornhill (2010a:7-8) adds that the practice of interference in the administrative activities of public organisations is especially "rampant" at the municipal sphere of government, and especially in human resources, where the appointment of senior executives such as the municipal manager, is often done primarily on the basis of party political considerations, a practice commonly known as "deployment" in South Africa. Once more however, this begs the question as to whether appointing senior public service or municipal executives on the grounds of political affiliation is an entirely South African phenomenon, and whether the practice is indeed peculiar to the South African environment.

A further important question with regard to the role of elected representatives, are whether they can, in these times, be entirely excluded from managing municipalities, i.e. whether the role of elected representatives and appointed officials can really be seen as being mutually exclusive. The role of appointed executive managers will be discussed under the next sub-heading however, insofar as the involvement of elected representatives in the administration of municipalities is concerned, it is important to note the following:

- In terms of the Municipal Structures Act, provision is made, under specific circumstances, for permanent councillors, i.e. elected representatives who have a full-time involvement in the municipality, unlike in previous dispensations, where councillors were part-time representatives of local communities. It would therefore be illogical to expect any full-time representative not to be involved in the managerial/administrative affairs of the municipality on a daily basis.
- Even in cases of part-time councillors, the local needs are of such a pressing nature, as can be seen in the increase in protests over local service rendering, that it is impossible to expect elected representatives, who are under constant pressure for their constituencies to perform, not to become involved in managerial/administrative matters on an increased basis.

Considering the above factors, it is logical for municipal councillors to involve themselves in the daily managerial and/or administrative arrangements of municipalities, in some capacity or another. What is of importance however, is that these councillors understand that, in terms of legislation, there are limits to the binding decision making authority that councillors have, as individuals or as a collective, and that the orderly functioning, and ultimate success of the municipality, will depend on their ability and (political) will to abide by the rules.

3.3.2.1.2. Municipal human driver number two: the appointed officials

From a management perspective, it is the duty of appointed municipal managers to ensure the execution of council policy by ensuring the following:

- Municipal operations take place in a sustained manner, in the form of the provision of services and the promotion of local development.
- The resources (financial, human and any other) are utilised in a responsible, accountable and goal-directed manner.
- There is a coherent, working relationship between the elected politicians, appointed officials, and the citizens living in the municipality's area of jurisdiction.

This is not only the duty of the appointed municipal manager, but should be seen as a shared duty of all involved in the municipal processes.

It is important to clarify the need to have senior executives in municipalities who are able to perform their required duties in a manner that benefits the municipality as an organisation, but also the local community as the primary clients/customers of the municipality, although they may have a particular political affiliation,.

According to Hendriks (2011:63) "South Africa is increasingly becoming a complex society, characterised by aspects such as a fragile democracy that needs, inter alia, institutional strengthening, social transformation and restructuring". When considering an aspect such as the increasing dissatisfaction with service delivery, as earlier referred to in this thesis, it becomes clear that communities expect this institutional strengthening, transformation, and restructuring to take place sooner rather than later. This therefore emphasises the need for public organisations, such as municipalities, to be led and managed by individuals equipped with the necessary capabilities if community needs and expectations are to be met. There is a purposeful reference to management and leadership, as both these elements are of significant importance for municipalities to succeed.

With regard to the above Hellriegel *et al.* (2010:295) in Jarbandhan (2011:22) refers to leadership as the ability to influence others to act towards the attainment of a pre-determined goal. Furthermore, the Department of Public Service and Administration (DPSA) (2005), in Jarbandhan (2011:22) lists various elements as being central to effective leadership, namely personal character, emotional intelligence, social intelligence, and cultural intelligence. These assertions imply that effective leaders are individuals with a short, medium and long term vision for the organisations they serve, and who possess the ability to impart the required motivation to others in the organisation, to strive towards organisational goals. This additionally includes the

personal ability of the leader to impart this motivation within the context of different individuals' emotional, social, and cultural contexts. This is especially important in a South African environment, characterised by varying degrees of individual and/or group differences in public organisations.

In addition, Jarbandhan (2011:23) like many other authors refers to management as entailing the traditional functions of planning, organising, leading, and controlling organisations. The DPSA (2005) in Jarbandahn (2011:23) describes management as a role in creating an environment where organisational and individual performance can take place. When considering the leadership and management capabilities essential for public executives (for the purpose of this thesis, municipal executives), it is clear that these individuals are required to operationally manage municipalities by planning, organising, leading and controlling activities, while promoting the long-term vision of municipalities within the context of institutional strengthening, restructuring and transformation. These requirements can also not be isolated from what is required in terms of the constitutional requirements for Public Administration, as described in Section 195 of the Constitution which, inter alia, refers to the following:

- The efficient, effective and economic use of resources.
- The provision of services in an impartial, fair and equitable manner.
- A development-oriented public administration.
- The promotion of responsiveness, transparency and accountability.
- The promotion of good human resource practices.

Finally, the above key leadership and managerial capabilities for senior executives in municipalities can only be of value to municipalities if they can be practiced in a conducive environment, created by the politically elected representatives. Therefore, while politically elected representatives have a specific political role, and appointed executive managers have a specific organisational managerial leadership function, their tasks cannot be separated as one depends on the other.

3.3.2.1.3. Municipal human driver number three: the local community

In Chapter Two of this thesis reference was made to the intended role of citizen participation in local government, as well as the challenges experienced in ensuring a system of citizen involvement that will have the intended outcome. The importance and pitfalls of citizen involvement in local government will therefore not be repeated here. However, it is important to emphasize the legitimacy of local community as a participant in the governance process, in the local sphere of government. Furthermore, municipalities must constantly be aware of the expectation to involve local communities in the plans they decide upon, irrespective of the direction they decide to take. It is also important to ensure that the inputs provided by local communities translate into tangible results in the end. In this regard, Van Parys, Beuselinck and Brans (2009:47) emphasise the need for the notion of inclusion to be analysed, by taking into account the issue of representation (having representation structures in place) and the issue of throughput (having adequate measures in place to ensure authorisation and accountability).

Ensuring that the participation process leads to meaningful decisions and actions requires a concerted effort on the part of the leadership component of the municipality. According to Samson and Ile (2010:143) "the nature and quality of leadership at the community level has a direct relationship with the quality of community participation". Therefore, just as a municipality cannot meaningfully function without a constructive relationship between elected political representatives and appointed senior executives, citizens cannot constructively contribute to municipal decision-making and activity without the existence of a meaningful and constructive relationship with elected representatives and municipal officials.

Samson and Ile (2010:143) add that "leadership, especially in the political arena, should not be patriarchal, prescriptive and authoritarian, but rather engaging local communities in a mutual way towards positive results". This implies that the participatory processes

should not be embarked upon merely to satisfy the legislative requirements referred to in Chapter Two, but should be a genuine attempt to legitimise municipal decisions and actions. In addition to political leaders having to promote this, municipal officials who work and engage with the public on a daily basis should contribute to encourage community involvement.

In addition to the elected politicians, appointed executives/officials, and local communities, a municipality exists within a system of cooperative governance. From a people/organisational perspective, the relationship between municipalities and the provincial and/or national governments should be borne in mind, and its importance should not be underestimated.

3.3.2.1.4. Municipal human driver number four: provincial and national spheres of government

Technically speaking, it is probably incorrect to refer to municipalities' relationship with the other spheres of government as a "human" relationship as is done in the sub-heading. For the purpose of this thesis, however, the relationship between municipalities and the other spheres of government can be regarded as of similar importance to that of the other role players, hence this reference. The issue of local autonomy was discussed in the previous chapter, where it was concluded that local government in South Africa cannot be viewed as wholly autonomous. It was furthermore determined that the provincial and national spheres of government play an important role in the existence of municipalities in the country for various reasons. It was determined that municipalities have to function within a nationally determined legislative and policy framework. Although Steytler (2005:185) argues that legislative direction in municipalities may only occur in a regulated manner, the mere existence of national and/or provincial legislative involvement in local government makes these spheres an important role-player in local government.

In addition, Steytler (2005:185) states, with regard to intergovernmental relations, that provincial authority should not only monitor municipalities in their areas of jurisdiction, but to intervene in instances where it is deemed necessary. This means that in instances where the provincial government deems a particular municipality unfit to carry out its mandate of service delivery and the promotion of development, whether from a political and/or administrative point of view, a provincial government could intervene by ensuring the execution of this mandate. The provincial government could, in extreme cases, take over the administration of such a municipality for a temporary period of time in terms of Section 139 (2) of the Constitution.

When assessing the role-players in local government, from a human resource perspective, the broad function of each role-player is clear. Evidently none of these role-players can fulfil their functions in isolation, and all actions should be executed bearing in mind the impact thereof on the rest of the municipal and/or community environment. It is this coordinated execution of individual roles that will finally lead to municipalities executing their mandates in the best interest of local communities.

3.3.2.2. Municipal financial resource management as a key organisational factor

From a financial resource management perspective, it was made evident in the previous chapter that one of the factors impacting on a municipality's ability to independently work towards achieving its mandate was the extent to which these municipalities possessed financial independence. Furthermore, financial independence was determined by access to funds, received in the form of grants and allocations mainly from the national sphere of government, as well as the local communities. The latter depends on the ability of individual municipalities to collect revenue owed to them. The previous chapter also explored the way in which available resources were managed, and discussed a degree of negligence by municipal role-players.

When examining statistics provided by the national treasury, it is evident that a substantial number of South African municipalities depend on the grants received from the national government for a substantial part of their revenue. This means that in essence, these municipalities are not financially viable, and it can logically be anticipated that they would struggle to provide basic services to their constituencies, and mores so to promote local development. It is logical to conclude that, if the financial resources of municipal organisations are limited, these municipalities must ensure that the limited financial resources are utilised for the most possible interest of the municipality, and the communities the municipality serve by implication.

According to Hussey (1999:188), the financial strategy of an organisation has three main tasks, which are as follows:

- To ensure the organisation remains solvent.
- To ensure that it has no liquidity problems.
- To ensure that the available and allocated financial resources leads to growth in the organisation.

3.3.2.2.1. Ensuring municipal solvency and liquidity

According to Scott (2008:20), the solvency of a municipality is “best expressed by the debt ratio that compares the total assets with the total liabilities and illustrates the ability of the municipality to meet its obligations in the long term”. The total assets of an organisation can be divided into fixed assets (e.g. buildings, vehicles equipment etc.), and current assets (e.g. cash, debtors, stock etc.). Similarly, total liabilities can be divided into long-term liabilities (e.g. long-term borrowing) and current liabilities (e.g. creditors).

In comparison to an organisation's solvency, its liquidity is determined by the ratio that compares current assets (e.g. cash, debtors, stock etc.) to current liabilities (e.g. creditors (www.investorglossary.com accessed 14 November 2011)). Therefore, when comparing the terms solvency and liquidity, the solvency of organisations (in the case of this thesis, municipalities) revolves around the long-term right of existence in financial terms, while liquidity revolves around the immediate or short-term right of existence in financial terms. Solvency also refers to the continuous ability of municipalities to function as a legal person, while liquidity refers to the ability of municipalities to honour their immediate financial commitments on a day to day basis.

In the case of municipalities in the Free State, the issue of liquidity, or the immediate financial health of municipalities, seems to be a challenge. In September 2006, the Free State Provincial department responsible for local government reported to the Parliamentary Select Committee on Local Government and Administration, that municipalities in the province were facing financial problems due to the following inter alia:

- Escalating consumer debt caused by the lack of an effective revenue collection system.
- The failure of municipalities to implement the MFMA due to strained relations between the council and administration (www.pmg.org.za accessed on 14 November 2011).

The above issues refer to an inability to ensure the current financial viability of the Free State municipality, because by definition, revenue from outstanding debt belongs to a municipality's current assets. It would therefore be difficult for municipalities to sustainably "do business" on a day to day basis if the main source of day to day revenue is neglected. The second, and perhaps the most significant, problem these organisations are faced with is the failure by the Free State municipalities to implement

the provisions of the MFMA. This represents an issue of political conflict that involves the power relations between politicians as policy makers, and executive officials as the drivers of policy implementation.

The exact nature of the liquidity problems of Free State municipalities can be further highlighted by examining the general report by the Auditor General regarding this matter for the financial year 2009/2010. Figure 1 below explains the audit findings for the Free State municipalities with regard to the main reasons municipalities receive qualified audit reports. It specifically examines the material issues forming the basis for qualified/adverse/disclaimed opinions on the financial statements of municipalities in the province, including its assets and liabilities.

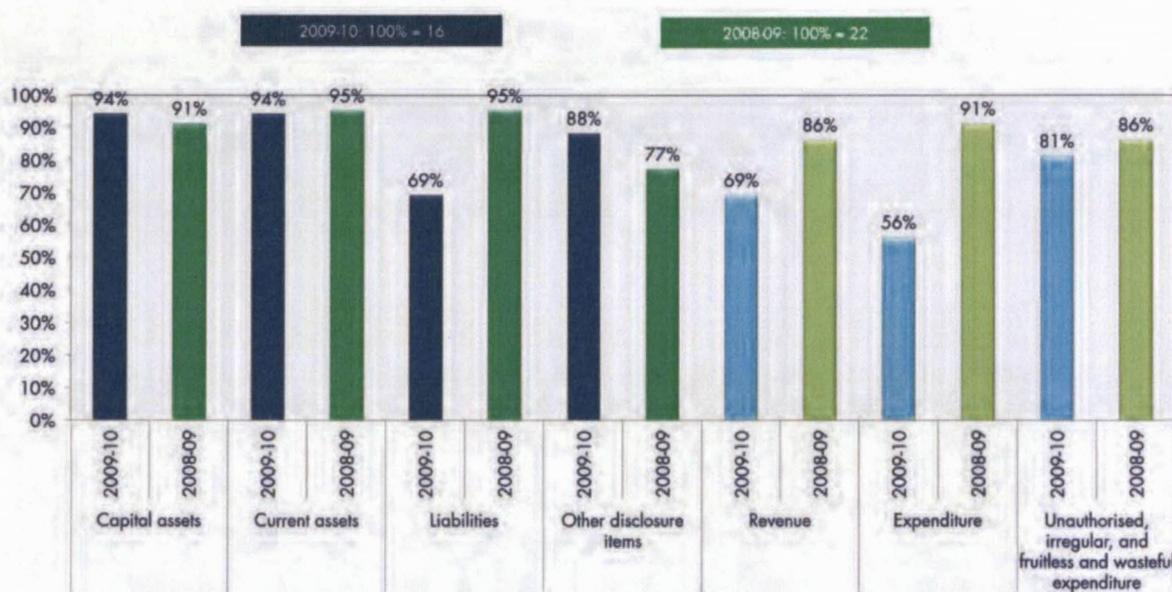


Figure 1: Transversal material issues that form the basis for qualified/adverse/disclaimed opinions on the financial statements of Free State municipalities. **Source: (Auditor General Report 2009/2010:39)**

Fifteen of the sixteen municipalities under consideration by the Auditor General, thus 94%, received qualified outcomes with regard to capital assets, specifically with regard to property, plant and equipment. According to the Auditor General Report for 2009/2010 (2011:41), the qualification regarding these capital assets can be attributed to the following reasons:

- Asset registers and asset management systems that were not adequate enough to provide the required details regarding property, plant, equipment and, infrastructure assets in particular.
- The complexity of measuring property, plant and equipment in terms of the relevant accounting standards, which requires a high degree of expertise not always available to municipalities.

In terms of current assets, fifteen of sixteen municipalities (94%) received qualified audit findings with regard to receivables, seven of sixteen municipalities (44%) received qualified audit findings regarding cash, and six of sixteen municipalities (38%) received qualified findings with regard to inventory management. According to the Auditor General (2011:42), qualified audit opinions relating to current assets mainly appeared for the following reasons:

- Management did not improve the archive and filing system.
- The failure of municipalities to perform daily and monthly reconciliations.
- A lack of knowledge to ensure that accounting is done properly, as per the relevant accounting standards.

Finally, in terms of liabilities, the Auditor General's report indicates that eleven of sixteen municipalities under consideration in the Free State (69%) received qualified audit opinions with regard to accruals and borrowing, payables, provisions and guarantees, as well as taxes, including long-term and current liabilities as per the earlier definitions

provided. The report (2011:42) states that these opinions appear for the following reasons:

- A lack of knowledge/understanding regarding the Generally Required Accounting Practices (GRAP) exists.
- There is lack of supporting documentation.
- There is a failure to clear suspense accounts due to inadequate monitoring by leadership.

Considering the above results from the Auditor General's report, it is clear that a high percentage of municipalities adjudicated in the audit (not all municipalities in the province received an opinion for various reasons) were struggling in terms of ensuring solvency and liquidity. What should be of greater concern are the reasons provided for this "struggle". Several reasons provided by the report represent elementary issues in financial management. Once more, this raises serious doubts regarding the appointments made in municipalities, as well as the value that these human resources are able to add in the day to day operation of municipalities in the Free State province.

It can therefore be argued that, although ensuring the long-term solvency of municipal organisations in South Africa has proven to be a challenge, keeping the liquidity and day to day operations of municipalities intact is proving to be the real problem. Newly and democratically elected municipalities had the unenviable task of rendering services to an expanded client base, following the amalgamation of previously race-based municipal structures into democratic and integrated municipalities. These newly formed municipalities did not necessarily have their revenue generation ability expanded, and considering the historical background of local government, race-based local authorities were previously created for inter alia, white, black, coloured and Indian communities.

The white local authorities, who acted as the parent local authorities together with the central government, determined the funding to be awarded to the other structures, and the distribution of resources were not necessarily needs based (Fölscher and Cole 2006:2). In addition, it is important to recognise that the majority of local residents did not contribute to the financial resources of municipalities. This was due to non-payment for municipal services, caused by unwillingness to recognise the government at the time as legitimate, as well as the inability to pay for these services due to poverty. This “culture” of non-payment, for whatever reason it initialised, has become a major drawback in terms of funding municipalities in a democratic political dispensation. According Clark (2012:1) the figure for total consumer debt outstanding to municipalities amounted to R77, 5 billion.

From the aforementioned it becomes clear that municipalities in the democratic South Africa received dispensation, and undertook their task under difficult financial conditions, as a result of factors stemming from the previous political dispensation. In addition, the new system brought its own peculiar problems, many of which relate to the complexity of the new system. However, many of the problems experienced in local government could be avoided and/or addressed by means of sufficient political and managerial leadership. The question is, how to ensure that the available financial resources lead to the growth of the organisation, with in reference to the view of Hussey (1999:188).

3.3.2.2.2. Ensuring organisational growth through financial resources

Hussey’s reference to organisational growth revolved around the growth in profit. In contrast to this, municipalities are not driven by profit, and therefore growth has to be placed into a particular context in the case of local government. According to Atkinson (2002:9), the new system of local government in South Africa required a new approach to service delivery and development. It required strategies with regard to a number of

issues, including allocation of financial resources towards these strategies. These strategies are discussed in the following paragraphs.

A customer-orientated approach – Much has been said and written about ensuring that municipalities follow a customer-orientated approach in their daily existence. According to Joseph (2002:10-11), a customer orientated approach to service delivery in local government has to do with more than merely making customers feel good through pleasant interaction. Effective customer care could have a direct impact on investment and economic growth, for example the ability/inability to approve the rezoning of land for business purposes, which could see potential investors refraining from conducting business in the municipal area. In addition to creating awareness amongst employees, money should be utilised for training staff to meet customer standards. In addition to changing the mindset of politicians and officials towards the local government customer, it is also important to ensure that the physical environment promotes good customer relations. In a municipal context this could be done by allocating funds towards making buildings more accessible and user-friendly, as well as bringing municipal pay-points closer to service users.

A strong emphasis on performance and the measurement of performance within the organisation as well as against other municipalities and the private sector – Every organisation exists to fulfil a particular function in society. The extent to which those functions are fulfilled in a satisfactory manner depends on the satisfaction expressed by the target group of the organisation. Municipalities' functions in society revolve around service delivery and development, and as previously discussed, there seems to be dissatisfaction with municipal service delivery considering service delivery protests. Indeed, figure 2 below illustrates the occurrence of service delivery protests for 2009, as reflected in the state of local government report of the Department of Cooperative Governance and Traditional Affairs (COGTA).

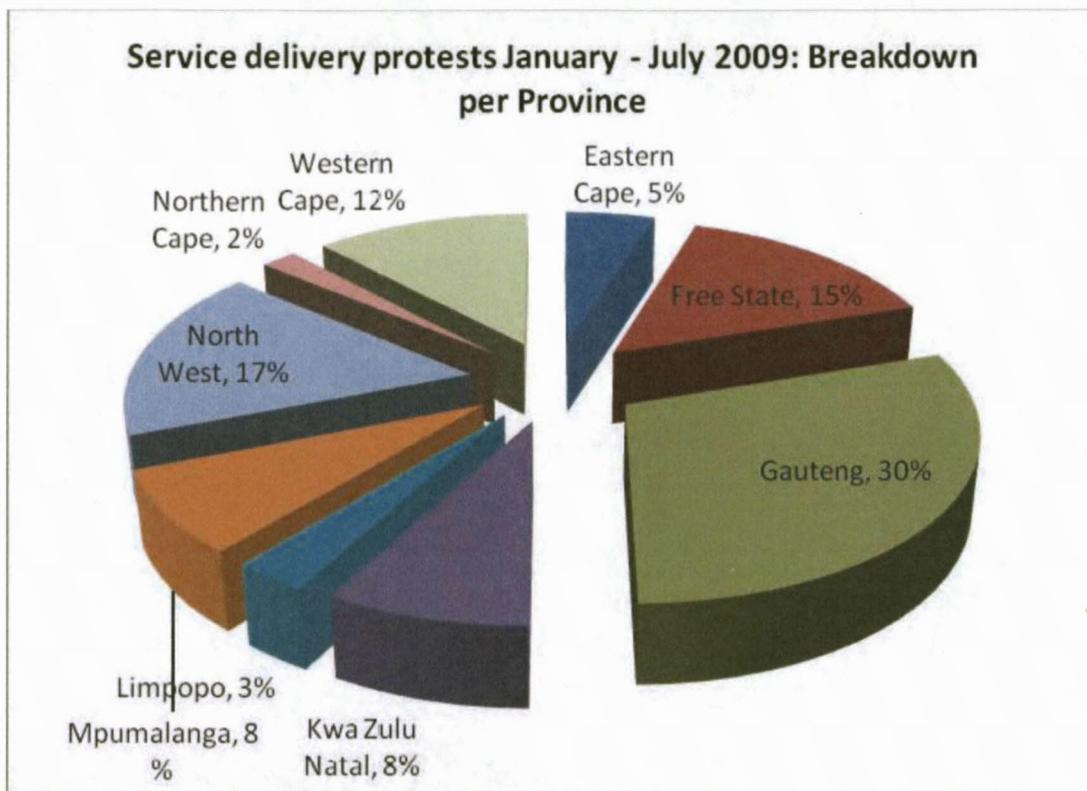


Figure 2: Service delivery protests per province – January to June 2009. **Source: COGTA State of Local Government Report 2009**

The fact that protests over service delivery occur at varying degrees in every South African province, suggests that municipalities have a lot of work to do to fulfil their societal mandate. This requires constant assessment of their performance, and a workable system for measuring and managing performance. It is therefore logical to deduce that, in order to grow the municipality as an organisation and growing service provider, sufficient financial resources should be directed towards assessing municipal performance. In this manner shortcomings could be identified, and money could be directed towards addressing the shortcomings. It is of no use to recognise problem areas without taking action to solve the problem.

Work in partnerships in service delivery with the broad community including the private sector – inclusive governance is a constitutional prescription in the context of local government, involving communities and community organisations, including the

business sector. According to Houston, Humphries and Liebenberg (2001:216-217), involving the community in service delivery decisions has the following benefits:

- It ensures that service to the local community is prioritised.
- It enhances the potential for municipalities to meet the expectations of the community as end-users of municipal services.
- It enhances an understanding of the impact that policies and programmes have, and promotes the development of priorities that are relevant.
- It enhances long-term democratic stability.

According to the United Nations Economic and Social Council (2005:3), local government can benefit from involving the private sector in service delivery attempts for the following reasons:

- It avoids the potential pitfalls of full privatisation. When service is fully privatised, it often reduces the input that municipal councils can have over the quality of the service. This can lead to increased conflict between the municipality and local communities. It is therefore beneficial to promote cooperative initiatives between the municipality and the business sector.
- It facilitates the utilisation of new technology and expertise. Municipalities are often limited regarding access to new technology and expertise because of limited funding. The private sector is often said to make use of more revolutionary methods and technology. Involving the private sector in service delivery could therefore improve operations, as well as the level of service provided to the end-user.
- It paves the way for risks to be shared, and to gain access to increased capital in order to improve operational efficiency. This will be particularly relevant if the private sector can effectively facilitate the transfer of skills to municipal staff as

far as operational efficiency is concerned. The lack of capacity is a hotly debated topic, and both the private sector and municipalities should use this reciprocal business relationship to reduce the skills shortage in municipalities.

- It can ensure in the long term that municipalities are more responsive to community needs. Municipalities should ensure that involving the private sector in service delivery efforts leads to improved service delivery. Should this not be the case it would make little sense to involve such an organisation. It will also ensure that local communities get a sense that business is involved in the process of service delivery, to promote responsiveness to their needs.

Allocation and utilisation of funds on the basis of measurable results and using results as a basis for quality improvement – Money should solely be directed towards satisfying community needs, and ensuring that municipalities function efficiently in order to satisfy needs through satisfactory service delivery. In the absence of these financial objectives, it could be argued that public money is wasted. It is therefore a concern when reports on undesirable spending of municipal funds surface. The figure below (figure 3), for example, shows the findings of the 2009/2010 Auditor General's report (2011:59) on unauthorised, irregular, fruitless and wasteful expenditure by municipalities in the Free State.

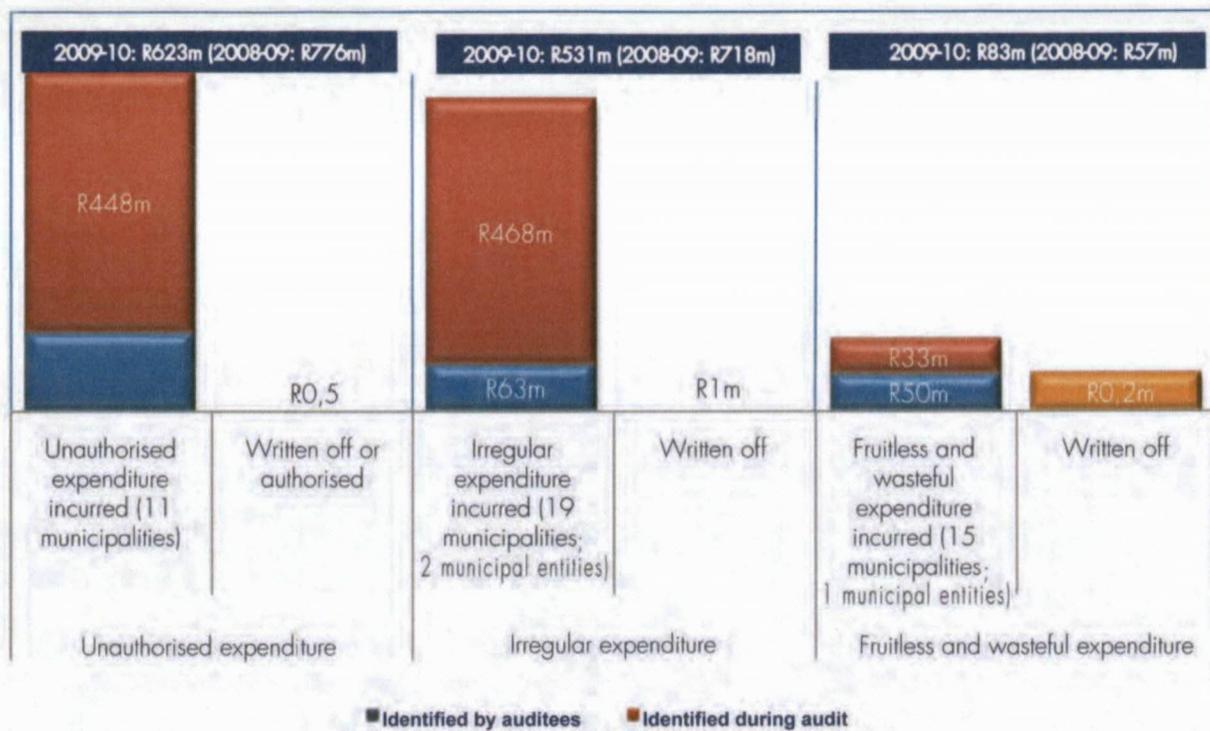


Figure 3: Unauthorised, irregular, fruitless and wasteful expenditure by Free State municipalities for 2009/2010. **Source: Auditor General (2011:59).**

Although figure 3 above shows a marginal improvement in comparison to the previous financial year, it is clear that too much money is wasted, and that this obviously has a negative impact on the ability of municipalities to utilise funds for their intended purposes. It furthermore leads to the logical conclusion that more control, monitoring and evaluation of current practices is necessary. This requires a strong political will, and strong executive leadership.

When considering the aforementioned regarding the new issues in approaching local government management, as highlighted by Atkinson, it becomes clear that in order for municipalities to grow through these issues, money should be directed towards ensuring action. Recognition that these practices are necessary should be combined with

allocation of the necessary funds in order to ensure that these actions materialise in practice.

3.3.3. The core processes of product creation

According to Sanchez and Heene (2004:59), the third reason for organisational existence, within the context of strategic thought, refers to stakeholder development and organisational transformation through which the organisation attempts to create value on a sustainable basis. The first two reasons theorised by Sanchez and Heene, and discussed in the above paragraphs, namely the business concept and the organisation concept, were contextualised for the purpose of discussing the South African local government.

In the case of the South African local government, where a fundamental overhaul of the previously existing system has taken place, the business and organisational concepts of local government should lead to the core processes of product creation, namely stakeholder development and organisational transformation. With new approaches to the local government customer and its key activities (business concept), as well as the securing and proper allocation of resources (organisation concept), it could be argued that these new approaches represent stakeholder development and organisational transformation. The challenge for all involved is to build a South African local government system that works towards the benefit of all local communities.

3.4. THE INTEGRATED NATURE OF LOCAL GOVERNMENT STRATEGIC PLANNING

The word integrated suggests the absence of isolation, where constituent parts of an organisation are concerned. This suggests that these constituent parts cannot be independent from one another, and that the success of one depends on the correct

execution of the other. In the case of local government in South Africa, Chapter one explained that the Systems Act provides for key municipal processes to be integrated. Furthermore, for operational purposes, specific reference was made to the integration of strategic plans, budgets and performance plans.

3.4.1. Aspects contributing to the integrated nature of IDP

According to Craythorne (2006:146-147), every municipality in South Africa must have a comprehensive strategic plan (the IDP), which must reflect various interrelated aspects. It is when contemplating these aspects that the integrated nature of strategic thought at the local sphere of government can be better understood.

3.4.1.1. Long term development for municipalities

In this regard, particular emphasis should be placed on the most critical development and internal transformation needs. South African towns and cities have been subjected to unequal service delivery and development trends. It is therefore important that councils, as the elected representatives of local communities, determine what the future town or city should look like, bearing in mind the views and wishes of local communities. The aforementioned is not merely from a physical perspective, but also refers to the values that the local community and municipality should be striving towards.

Patel (2004:2), in this regard, states that the "IDP process should be used as an opportunity for the municipality to debate and agree on a long-term vision and strategy (20-25 years) that provides the basis for the shorter 5 year objectives and strategies". Patel (2004:2) continues to argue that the municipality should develop this long-term vision through consultative processes with local residents and all other relevant stakeholders in the municipal processes.

3.4.1.2. The existing level of development in the municipality

Although particular importance can, and should, be attached to the long term direction that a municipality wishes to embark upon, it is important that there is a basis from which such a long term vision emanates. In this regard, Section 26(b) of the Municipal Systems Act, 32 of 2000 states that municipalities should make a thorough assessment of the existing level of development in the municipality. It is impossible to plan for the future if there is no accurate assessment of what happened in the past, and what is happening in the present. This is especially significant for South African municipalities when considering backlogs in terms of service delivery and development, as well as newly created challenges. These include the challenge of new municipal structures, resulting from municipal demarcation as well as a new and extensive legislative framework for municipalities, which has transformed the manner in which municipalities are to be managed. One of the most significant challenges involves resource availability required to address all local needs as soon as possible. According to Dlamini (2007:10), an investigation into existing development and service delivery practices should consider the following:

- Coordination – to what extent the service is properly coordinated in terms of resource allocation and stakeholder involvement.
- Adaptive management – to what extent management (from a political and executive management perspective) is able to adapt to changes in the environment when considering a development or service delivery initiative.
- Long-term support – many development initiatives fail because of the withdrawal, or total lack, of support from those in decision-making positions.
- Adequate financing – no long-term goal or short-term activity can be achieved in the absence of adequate financial provisions.

- Participatory strategic management – the overall idea with IDP, that as many relevant stakeholders in local government as possible be involved in the development of plans for service delivery and local development.

3.4.1.3. A council's development priorities for its elected term

Municipal councils are elected for fixed terms of five years. In a democratic dispensation these councils should be held accountable for their actions, as they are conceiving, approving and implementing policies, by utilising local public resources for the well-being of local communities. It is therefore imperative that, from a service delivery and development perspective, elected councils clearly spell out their priorities for the term that they are in office. There is specific reference to local economic development, as the growth and promotion of local economies will ensure the creation of local wealth, and will in turn address other aspects of local development, especially the physical, human and social development of local communities.

The internal transformation of municipalities remains a challenge. In line with Section 195(1)(i) of the Constitution that requires of public administration to be “broadly representative of the South African people”, municipalities are required to transform, from a human resource perspective, the manner in which municipalities are functioning, to comply with the new legislative and policy framework. According to Mamela, Mautjane, Nzo and van Hoof (2008:7-8), a lack of political will to properly influence processes towards the achievement of developmental priorities and internal transformation has complicated matters for the following reasons:

- The information flow from municipal councils to citizens, such as council resolutions, budgets and information on council performance, is very poor.
- Citizens and citizens' organisations often don't make use of mechanisms to hold politicians accountable.

- In most municipalities there are no mechanisms in place for citizens to review council resolutions, and where they are in place, they do not function properly.

3.4.1.4. Alignment of local development strategies with national and provincial sector plans

As previously alluded to, local government does not exist in isolation, and strives to achieve its goals in a cooperative relationship with the national and provincial governments. Indeed, with regard to the status of municipalities, the Constitution, in Section 151 (3) states that “a municipality has the right to govern, on its own initiative, the local government affairs of its own community, subject to national and provincial legislation”. With regards to the developmental duties of municipalities, Section 153 (b) of the Constitution, furthermore states that municipalities must “participate in national and provincial development programmes”. In addition to these constitutional provisions for cooperation between municipalities and the other spheres of government, municipalities relied on the other spheres of government for assistance, as previously outlined from a resource perspective. It could therefore logically be deduced that, in order for a properly coordinated effort on the part of the three spheres of government, it is imperative that their efforts be aligned.

3.4.1.5. Spatial development framework

According to the White Paper on Spatial Planning and Land Use Management (2001), the spatial planning, land use management, and land development function involves (i) forward planning and (ii) development control. Municipalities thus have to ensure that there is sufficient future planning, and proper control of current land use and management practices by means of the following:

- Regulating land-use changes such as the rezoning of a property from residential to commercial use.
- The regulating of “green fields” land development, i.e. the development of previously undeveloped land.
- The regulation of the subdivision and consolidation of land parcels.
- Regulating the upgrading process of informal settlements and neglected city centres.
- Facilitating land development through more active participation of the municipality in the land development process.

Municipalities are thus responsible for ensuring that land use and management practices for commercial and development initiatives and practices are facilitated, but also that there is sufficient planning and development with regard to residential planning.

3.4.1.6. Operational strategies

An organisation’s operational strategy should be aimed at ensuring that it is able to operate, not only towards achieving day to day efficiency, but also towards long term objectives of the organisation. According to a submission by the Institute of Local Government Management of South Africa (ILGM) to the Parliamentary Public Hearings on coordinated Service Delivery (2009:5), efficient operational management in local government is curtailed by incapacity, skills shortages, poor financial structures, unfunded mandates, as well as a disregard for the legislation meant to enable service delivery operations. It is therefore imperative that municipalities have a combination of responsive and responsible political management, to ensure that the political mandate is aimed at local citizens, while simultaneously ensuring that those in executive and operational positions in municipalities possess the necessary skills and capacity to perform their duties. Well trained officials will be wasted in a political environment that is not conducive to the execution of their skills.

3.4.1.7. Financial management and performance plans

A financial management plan, including a budget projection for at least the next three years, as well as the key performance indicators and performance targets, must be prepared by each municipality. In as far as these aspects, namely the financial plan and the key performance indicators, are concerned, Craythorne (2006:153) states that in order for the IDP to become operational, it (the IDP) must inform the municipalities annual budget as well as the performance targets set by the municipality, and must also be used to prepare action plans for the implementation of strategies identified by the municipality.

It can therefore be deduced from the above that strategic planning should be an extensive process from a municipal point of view in a South African context, in which all aspects can be quantified in financial terms as well as performance targets, from the long term vision of the municipal council for the area to the operational execution of strategies to reach that vision. The plan must therefore be implementable, and Hussey (1999:243) states in this regard that "an essential part of any strategic planning must be a means of making the plans actually happen, and preventing them from becoming a sterile exercise by forcing them to be used in the day to day running of the organisation". Subban and Theron (2011:102) are of the view that, from a South African perspective, the gap between the planned ideal of IDP and it's realisation lies in the "wish list" approach to planning, aimed at providing reparation for the past, instead of focusing on development as a key to improve the quality of life for all local citizens.

It is therefore clear that an organisational plan outlining what is required, and encompassing all aspects from the long term vision to the individual projects to achieve that vision is insufficient without ensuring that there is an environment within which the plan can be made operational. For this reason the Service Delivery and Budget Implementation plan was introduced to ensure that the strategic plans of municipalities were indeed executed practically.

3.5. CONCLUSION

The purpose of this chapter was to discuss integrated strategic planning with specific reference to the local government context in South Africa. The discussion opened with a number of broad academic definitions for strategic planning, with emphasis on which elements of these definitions could be regarded as important. Of particular interest was the definition provided by Sanchez and Heene. Their reference to having to identify the business and organisation concepts as well as the stakeholder development and organisational transformation to explain the right of existence of an organisation, for the purpose of strategic thought, was discussed in the context of South African local government.

This led to discussions on the major activities of municipalities as organisations, and on the primary customers/clients for which municipalities were responsible. Furthermore, the importance of securing resources (human and financial) was highlighted, and specific dynamics regarding municipal resources were discussed in detail. All these issues were discussed within the context of IDPs as the strategic plans of municipalities. The human resource issue explored inter alia, the role each municipal role-player should fulfil in the context of strategic planning. Challenges related to financial resources were discussed. This included the scarcity of money as well as financial management problems experienced by municipalities including, solvency, liquidity and the allocation of funds towards the growth of municipalities.

The chapter concluded by examining the integrated nature of strategic planning in a local government context. It was ascertained that the strategic planning process of the municipality should consider the long term goals of the organisation. However, it was highlighted that often these plans do not come to fruition, and remain mere plans. This resulted in the need to link the allocation of funds with the plans (budgeting), and ensure that there is periodic monitoring of the plans throughout performance management.

Without the strategic plans of municipalities being integrated with other key processes, the long term vision of local councils would very likely not be achieved. The chapter finally discussed specific problems encountered by municipalities, and how these problems prevented many municipalities from achieving their intended outcomes. The next chapter will therefore explore why there seems to be a constant struggle to implement these policies, in spite of the clear policy framework for local government strategic planning, as discussed specifically in Chapter Two.

CHAPTER FOUR

POLICY PROCESSES AS FACILITATION MECHANISMS FOR THE IMPLEMENTATION OF MUNICIPAL STRATEGIC PLANS

4.1. INTRODUCTION

Any organisation, depending on the reason for its existence, relies on guidelines for achieving its objectives. These guidelines aim to rationalise certain actions that need to be taken, and provide a functional, operational and methodological blueprint for such actions to be executed. This is necessary to ensure the orderly performance of any organisation, and to ensure that there is consistency in the manner that activities occur. In the public domain, governments and government organisations are dependent on the existence of policies to steer their activities, in an attempt to ensure that goals and objectives are met, and that the needs and expectations of the citizens, whom governments serve, are met.

The policy process can therefore be seen as a key element in governments' efforts to determine citizens' needs and expectations, as well as the course of action required to satisfy such needs and expectations. It can be viewed as a holistic approach to managing public organisations in that, from a customer perspective, it should be aimed at determining what will improve the lives of people while, from an organisational perspective, it should assist public organisations to achieve objectives in the best possible manner with the available resources.

A frequently asked and debated question is whether the determination of a new policy, or the availability of an existing policy, always leads to an intended outcome or purpose, and if not, why this is the case. The municipal environment in South Africa is a case in point in this regard. This is because all municipalities are, in terms of legislation as

discussed earlier in this thesis, obliged to develop certain policies aimed at promoting service delivery and development. While this is the situation, there is increasing dissatisfaction with the level and quality of municipal services among residents of towns and cities. Furthermore, there are numerous opinions being expressed on the perceived poor management of municipalities as organisations, and by implication on the inability to implement the provisions of policy aimed at improving general management in municipalities, as well as the quality of services provided to local residents.

Based on the above, the aim of this chapter is to examine the policy process from a public service point of view, and with special reference to local government, from a theoretical perspective. Attention will be paid to the determination of policy, and an effort will be made to address the significant question of what constitutes an organisational environment, conducive to ensuring that a determined policy becomes an implementable plan for the benefit of both the organisation, as well as the citizen.

4.2. DEFINING PUBLIC POLICY

According to Cloete, Wissink and de Coning (2006:3), public policy can be defined as “a statement of intent that specifies the basic principles to be pursued in attaining specific goals”. This definition emphasises the expression of a public authority’s intended pursuit of a predetermined goal or goals. Easton (1953:129), in Fox, Schwella and Wissink (2004:27) defines public policy as “the authoritative allocation of values through the political process, to groups or individuals in society”. This implies the existence of a legitimate public authority that has been entrusted with power or authority, to represent the interests and values of a specified constituency. For the purpose of this thesis, this specified constituency refers to all inhabitants within the areas of jurisdiction for municipalities who have, by voting for their respective municipal councils, entrusted these councils with the authority to represent their values. Hanekom and Thornhill (1996:63) refer to public policy as the “formal articulation, statement or publication of a

goal that the government intends to pursue with the community". Hanekom and Thornhill's reference to the "formal articulation or publication of a governmental goal" implies raising the expectations of the intended beneficiaries of a policy or policies by the government that the issue for which the policy has been developed will be positively addressed or solved. It could be argued that when expectations are raised, pressure on the government to meet the raised expectations of a community increases. Failure to do so could isolate such a government or institution from its supporters. The Public Policy Website (www.profwork.org/pp/study/define.html 2009:1) defines public policy as "a purposive and consistent course of action produced as a response to a perceived problem of a constituency, formulated by a specific political process, and adopted, implemented, and enforced by a public agency". This definition emphasises the reactive nature that could characterise public policy, when a particular policy is developed, approved, and implemented in reaction to a problem or perceived problem.

The elements of these definitions regarding public policy, and how they apply to local government and specifically policies around strategic planning, could be examined in further detail.

4.2.1. Public policy – expressing local government's intended pursuit of predetermined goals

Consideration of local government's predetermined goals from a South African perspective cannot be attempted without reference to the Constitution. The Constitution, Section 152 attaches the following responsibilities to municipalities with regard to their objectives:

- Providing democratic and accountable government for local communities.
- Ensuring the provision of services to communities in a sustainable manner.
- Promoting social and economic development.

- Promoting a safe and healthy environment.
- Encouraging the involvement of communities and community organisations in the matters of local government.

It can be argued that the dawn of democracy, and the subsequent guarantee of local government's status through the Constitution, has caused most local government policies to pursue the above objectives. Various aspects pertaining to the objectives are discussed in the paragraphs that follow to illustrate this argument.

4.2.1.1. Facilitating democratic and accountable local government through policy determination

It has already been established that fundamental changes took place regarding the local government environment in South Africa. Whatever the nature of these changes may have been, it is clear that these changes have been effected in line with South Africa's transition to a fully-fledged democracy.

According to Van Parys, Beuslinck and Brans (2009:47-48), there have been numerous initiatives to increase the democratic legitimacy of local government in South Africa, due to the limited inclusion of citizens in the past. Van Parys *et al.* (2009:48) hold that these initiatives, primarily including increased efforts to promote citizens' participation in local governance, are aimed at "giving more citizens more influence in local government policy decisions in between elections". This is an indication of a concerted effort to extend local democracy beyond the basic form of participatory democracy, to that of participating in elections towards a more deliberative form of democracy. In addition, Govender, Reddy and Pillay (2011:184-185) argue that "deliberative democracy theory turns away from economic understandings of democracy towards ideas of accountability and discussion and essentially, talk-centric replaces voting-centric democracy theory with discussion being the focal point". Thus, democracy should no longer focus on the

number of votes for a particular political party, and the decisions this party takes towards satisfying the needs of voters, but should focus on ensuring accountability to local communities, and in so doing promote the notion of good governance. In this regard, Ergun (2011:136) is of the view that the new governance paradigm includes co-administration and multiple societal actors, who are involved in this co-administration process. Govender, Reddy and Pillay (2011:190) add that good governance essentially consists of:

- An effective state.
- Representation of civil society and citizens in policy-making processes.
- Contribution to the local economy by allowing the private sector and other civil society actors to play an independent and productive role in the contribution.

In effect, democratic and accountable local government could denote more involvement by the citizens and citizen groups in the affairs of local government. However, Govender *et al.* (2011:190) are of the opinion that, while participation of citizens in local affairs remains high on government's agenda, there is evidence to suggest that marginalised communities have increasingly been "crowded out from participatory processes due either to lack of capacity or to participatory processes which simply do not reach people". Promoting democratic and accountable local government therefore remains a work in progress, which all local governments, particularly in South Africa, should note.

4.2.1.2. Rendering sustainable services to local communities

The importance of the constitutional objective to render sustainable municipal services is further emphasised by Sections 73 to 94 of the Systems Act, which are entirely dedicated to various aspects of local government service rendering. These vary from service tariffs to mechanisms for enhancing municipal services. It is clear what importance the government attaches to service delivery, from a policy perspective.

Furthermore, according to Pretorius and Schurink (2007:19) "one of the most important indicators in assessing the transformation of local government is the experiences and perceptions people have of service delivery in their day-to-day lives, more specifically whether they perceive an improvement in the services delivered to them". Thus, as time progresses, the mere transition to a democratic system of government may not be deemed sufficient by citizens. Rather, their satisfaction increasingly depends on their levels of satisfaction with basic service delivery, and the quality thereof. Against this background, the constitutional reference to "sustainable" municipal services could therefore be interpreted to mean that service delivery should contain the following two elements:

- Consistency in terms of the availability of services.
- Standards in terms of the quality of available services.

According to Carrim (2011:2), efforts by the Department of Cooperative Governance to accelerate service delivery should aim to:

- Support comprehensive infrastructure planning at municipal level.
- Support municipal infrastructure development, maintenance, operations and service provision in low capacity municipalities, by means of procuring the relevant service providers and ensuring performance as contracted.
- Coordinate a focused technical support programme with existing support partners.
- Monitor the quality of infrastructure provided.
- Develop and coordinate the implementation of an appropriate sector-wide capacity development initiative, and assist municipalities to develop a capacity development plan to strengthen their institutions over the long term.

According to Hemson (2004:18), the realisation of sustainability in service delivery depends essentially on the following factors:

- The provision of sufficient funds from the national treasury to support the operations and maintenance of projects in communities, which are some of the poorest in the country.
- Training and support to encourage the best public management of projects.
- Sufficient public participation in the management of projects.

While the importance of rendering sustainable local government services is justifiable, as provided for in the Constitution, the reference to service delivery protests in the previous chapter of this thesis, and dissatisfaction on the part of local communities with the quality of services, suggests that service rendering also remains a work in progress. Therefore, avenues to improve the level and quality of services, thereby increasing citizen satisfaction, should continuously be explored.

4.2.1.3. Promoting social and economic development in local government

The developmental nature of South African local government was previously discussed within the context of establishing an integrated strategic planning framework, to ensure service delivery and medium to long term social and economic local development.

According to De Visser (2001:2-3), the term development is characterised by three elements, namely:

- **A material element** - this involves promoting the material well-being of communities, and reduction of absolute poverty. It could be argued that since the dawn of democracy in South Africa, the majority of the government's efforts have been directed towards improving the material conditions of people, thereby freeing these communities of absolute poverty. Examples include the emphasis on providing access to basic amenities such as water, sanitation and electricity provision, as well as the improvement of infrastructure. The serious nature of,

and need to address, these basic services, is illustrated in figures provided by Hollands and Mageza (2010:5), which reveal the following in 2004:

- In 182 municipalities (out of 283 municipalities at that stage), less than 60% of households had access to refuse removal.
- In 203 municipalities, less than 60% of households had access to sanitation.
- In 122 municipalities, less than 60% of households had access to electricity.
- In 155 municipalities, less than 60% of households had access to clean water.
- In 116 municipalities, more than 60% of households lived in shacks.

In addition, Hollands and Magez (2010:5) indicate that, at that stage, it was estimated that municipalities would collectively require R14, 5 billion in order to install the infrastructure needed for the provision of free basic services to poor households. When considering these figures, it is clear why government had to place such a high priority on basic service delivery to local communities. De Visser (2001:2) however, continues to argue that development cannot only revolve around the provision of material goods and services, by stating that “the missing link between a narrow intervention from the outside which improves certain aspects of people’s lives and true development is empowerment: placing people in a position to make choices and determine outcomes independently.”

Therefore, the **dignity** to make choices about communities’ well-being is regarded as the second element of development by De Visser (2001:3). This implies the availability of choice in services delivered and initiatives embarked upon, in aiming to improve the well-being of local communities. It therefore implies that local communities have to be heard with regard to services provided and development initiatives initiated.

According to a report for the Office of Fair Trading (2010:20), there are various motivations for encouraging choice in public services, including:

- The intrinsic value of choice – people attach internal value to the fact that there are choices available regarding public services, even if it does not necessarily mean a cheaper or better service.
- Choice, if properly managed, serves as a fair mechanism for the allocation of scarce resources
- Finally, choice can be used as a means to drive improved efficiency and better outcomes.

According to the 2020 Public Services Trust (2010: 21), “choice can be viewed as a driver of improvements by giving the user control over resources (e.g. choices can be made on issues of importance to the individual)”. Kakaza and Ntonzima (2012: 6-63) are of the view that community development projects implemented by the government seldom met the expectations of its intended recipients, and that one contributory factor to this was involvement of such communities, or rather the lack thereof.

From the aforementioned, it becomes clear that there are fundamental challenges for municipalities is the provision of basic services to local communities, as well as the promotion of initiatives that will contribute to the social and economic well-being of such communities. Furthermore, it is apparent that in order to successfully render services and promote development, local communities have to become active participants in this process, and the primary role of the municipality is to create an environment in which communities can take combined responsibility. Collective rather than isolated decision-making regarding the types of and levels of services to be provided is also of critical importance, to ensure that the expectations of those receiving services are met.

4.2.1.4. Promoting a safe and healthy environment

The constitutional requirement that local government promote a safe and healthy environment implies the physical protection of local inhabitants, as well as the protection of the environment.

According to the World Health Organisation (WHO), in Balfour (date unknown: 2), environmental health is described as “those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment and the theory and practice of assessing, correcting, controlling and preventing those factors to the benefit of present and future generations”. Balfour (date unknown: 3) adds that general factors under environmental health include:

- Adequate and safe water supply.
- Basic sanitation.
- Disposal of solid, toxic and hazardous waste.
- Control of air and water pollution.
- Chemical safety.
- Food hygiene and safety.
- Radiation.
- Noise control.
- Vector and vermin control.
- Environmental public health disease control.
- Human habitat.
- Port health.
- Occupational health.
- Accident and disaster prevention and control.

Given the above aspects, it becomes apparent that municipalities have a crucial role to play in establishing and maintaining policy and operational infrastructure, to ensure the environmental health and safety of the residents in their areas of jurisdiction. This implies that the necessary policy measures required to deal with each of these aspects have to be carefully considered and decided upon. This also implies that resources should be directed towards ensuring that policies are implemented for the benefit of the community.

In addition to the "traditional" health and safety functions of municipalities, local government is expected to play an increasing role in the area of crime prevention, as a means of promoting the physical safety of local communities. The increased rate of various types of criminal activity has resulted in the creation of cross-sections of South Africa in an attempt to curb crime and the effects thereof, which also affected local government. According to Seti (2006:1), local government in South Africa has three important roles to play in crime prevention, which are as follows:

- Establishing metropolitan and municipal police services.
- Aligning resources and objectives within a crime prevention framework.
- Initiating targeted crime prevention programmes that can either be financially supported by the local government itself or through business, donor or national funding.

According to Rauch, Shaw and Louw (2011: 11), the concept of municipal policing has become attractive for the following reasons:

- Increasing pressure to respond to the safety needs as expressed by local constituencies.
- The inability of municipalities to influence the priorities, resource allocation and the activities of the South African Police Service (SAPS) in their areas of jurisdiction.
- The lack of ideas regarding how local government can respond to crime in their areas, other than by the traditional means as provided by the SAPS.

Rauch *et al.* (2011: 13) add that provision for the creation of municipal police services is contained in the South African Police Service Amendment Act, (Act 83 of 1998). In terms of this Act, municipal police services who act independently from the SAPS are created. These municipal police services are funded by, and are accountable to, local governments, and serve the following purposes:

- Ensuring traffic policing.
- Ensuring the policing of municipal by-laws and regulations.
- Preventing crime, although according to Seti (2006: 2) it should be clearly understood that the task of investigating crime has always fallen to the South African Police Service.

The provision that these police services be created independently, and that they be funded by the municipalities themselves, further implies a financial consideration for local governments, which could explain why the number of municipal police services are currently limited to the metropolitan municipalities. It is simply too expensive an addition to the already financially burdened municipal sector in South Africa.

It can nevertheless be concluded that, in terms of the health and safety requirements as provided for in the Constitution, municipalities have a dual role to play. Municipalities must establish and implement policies that ensure the promotion of environmental health and safety, and simultaneously ensure the physical safety of inhabitants by collective crime prevention efforts, using either municipal policing services or cooperation with the SAPS and local communities.

4.2.1.5. Encouraging the involvement of communities and community organisations in the matters of local government

The issue of citizen participation as an important facet of managing South African municipalities was discussed in Chapter Two of this thesis. It is therefore unnecessary to discuss the rationale for citizen participation. What is of importance however, with regard to citizen participation in policy making, is ensuring that there are sufficient platforms for local communities to participate, and ensuring that the results of their participation are translated into policy proposals/action.

As far as creating platforms for participation is concerned, Carrim (2011:1-2) notes that municipal residents are encouraged to participate in the following activities:

- The preparation, adoption, implementation and review of Integrated Development Plans (IDP).
- The preparation of the municipality's budget.
- The establishment, implementation and review of a municipality's performance management system.
- Monitoring and review of a municipality's performance.
- Decisions about the provision of municipal services.

According to the South African Public Service Commission Report on the assessment of Public Participation Practices (2008:10), the core values and principles for public participation should be centred on the following:

- The belief that those affected by a decision have the right to be involved in the decision-making process.
- The promise that the public's contribution will have an influence on the decision.

- The promotion of sustainable decisions through the recognition and communication of the needs and interests of all participants.
- Seeking inputs from participants regarding how participation will take place, i.e. the mechanisms for participation.
- Providing participants with the information they need to participate in a meaningful way.
- Communicating to participants how their inputs affect decisions.

The said Public Service Commission report (2008:15) refers to the following initiatives that have been implemented in local government to create platforms for community involvement:

- **Imbizos** – in which political leaders, including inter alia municipal mayors and councillors accompanied by senior officials, hold public meetings to engage with communities on issues of government policies and service delivery.
- **Ward committees** – as statutory bodies created in terms of the Municipal Structures Act, 1998, ward committees are advisory bodies with the purpose of supporting democratically elected ward councillors in carrying out their mandate of generating proposals for satisfying community needs within the ward.
- **Community development workers (CDWs)** – who act as community based resource persons with the primary function of facilitating community participation, by assisting communities to access information and services from municipalities and/or government departments.
- **Citizen satisfaction surveys** – which aim to engage with citizens to establish their views and expectations on service delivery. This allows for testing of

perceived opinions regarding quality and adequacy of services against opinions expressed by the users of the services.

The following is vital for community involvement in local government irrespective of the processes in which citizens are encouraged to participate, the principles and values of participation, or the platforms that have been attempted to promote citizen participation thus far:

- The capacity of citizens to make meaningful contributions to the local cause through a thorough understanding of the processes.
- The sustained willingness of councillors and officials to seek the views of local communities without fear or bias, and to do so not only when it suits their own interests.
- The inclusion of participatory proposals in policies and plans to ensure that participation is not rendered meaningless to communities and diminish.

4.2.2. Public policy – authoritative representation of constituency values

It should be logical to argue that any policy is formulated in order to address a need or deficiency in a society at a particular time. According to Cloete (2012:124) human beings are no longer self-sufficient as soon as they live as part of communities and they therefore need institutions to:

- Provide goods and services to make living together in closer settlements possible; and
- Reconcile conflicting interests of individuals and groups.

This is necessary as it is virtually impossible for human-beings to be in constant agreement as to the satisfaction of individual and group needs, because the resources necessary to satisfy unlimited needs remain limited. It is therefore necessary for democratically elected authorities (governments) to make these decisions (policies) on

behalf of the communities they serve. This is done by taking into consideration the values that can be ascribed to societies and/or communities.

Holtzhausen (2010:267) describes the term values as “a human being’s idea of what is acceptable or unacceptable”. Cloete (2012:144) adds that values can be placed into two groups namely, the abstract values such as the principles of democracy, and the concrete values related to the economic use of labour and material in order to provide services to communities optimally. In the South African context, Section 195 of the Constitution, 1996 outlines these two groups by describing the public administration values to be pursued by public institutions in the country. These values can represent a reflection of what is in the best interest of the South African society (constituency) at large, as determined by their public representatives, and include the following:

- Promoting and maintaining high standards of professional ethics.
- Promoting the efficient, economic and effective use of resources.
- Ensuring that public administration is development oriented.
- Providing services impartially, fairly, equitably and without bias.
- Responding to the needs of people, and encouraging the public to participate in policy-making.
- Ensuring public administration that is accountable.
- Fostering transparency by providing the public with timely, accessible and accurate information.
- Cultivating good human-resource management and career development practices to maximise human potential.
- Ensuring that public administration is broadly representative of the South African people with personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past so as to achieve broad representation.

It is therefore imperative that the democratically elected government govern in a manner that will ensure that it, as an authoritative body gives effect to the values underpinned by the Constitution, with the ultimate aim of satisfying the needs and expectations of the society it serves.

It could therefore be argued that, if an IDP is to be seen as the most important policy of a municipality in South Africa, it should be seen to be an authoritative representation of constituency values, thus the values of a particular community in the case of municipalities. In discussing the core components of an IDP, Section 26(a) of the Systems Act states that an IDP must reflect the council's vision for the long term development of the municipal area. It can therefore be deduced that it is important for councils, as the elected representatives of local communities to determine what the future town or city should look like, bearing in mind the views and wishes of local communities. This refers not only to the physical perspective, but also the values that the local community, and therefore the municipality, should strive towards. In this regard Patel (2004:2) states that the "IDP process should be used as an opportunity for the municipality to debate and agree on the long term vision and strategy (20-25 years) that provides the basis for the shorter (5 year) objectives and strategies". Patel (2004:2) adds that the municipality should develop this long term vision, through consultative processes with local residents and all other relevant stakeholders in the municipal processes.

4.2.3. Public policy – raising societal expectations

According to Brown (2008:5) "a fair society is built on a shared understanding of what each of us can expect from the other". When considering this statement in the context of public policy, it could be argued that the process of determining policy should involve not only the policy-makers, i.e. political office-bearers as well as government executive officials, but also the beneficiaries of a particular policy. Therefore, in the case of policy at the municipal/local sphere of government, the local communities should play a central

role in the determination of policy. This has indeed been emphasised in the earlier discussions of this thesis on the importance of citizen participation in South African local government.

Taking the aforementioned into consideration, it follows that a policy should provide beneficiaries with a reasonable expectation of tangible outcomes to be achieved within a particular time-frame. In line with this, the Municipal Systems Act, 32 of 2000 in Section 26(c) states that a municipality's IDP should outline the council's development priorities for its elected term, i.e. five years including social and economic development aims, as well as internal transformational needs.

As democratically elected councils are conceiving, approving and implementing policies that utilise local public resources in pursuit of the well-being of local communities, during their term of office for five years, they should be held accountable for their actions. It is therefore imperative that, from a service delivery and development perspective, elected councils clearly spell out their priorities for the term that they are in office. This will ensure that there is a timeframe connected to priorities set, and should encourage councils and their officials to attempt to provide the promised services within the predetermined timeframes. There is specific reference to local economic development, as the growth and promotion of local economies are supposed to ensure the creation of local wealth, and in turn address other aspects of local development, especially the physical, human and social development of local communities.

The internal transformation of municipalities remains a challenge. In line with Section 195 (1)(i) of the Constitution that requires public administration to be "broadly representative of the South African people", municipalities are required to transform themselves from a human resource perspective, as well as the manner in which they function to comply with the new legislative and policy framework. According to Mamela,

Mautjane, Nzo and van Hoof (2008:7-8), a lack of political will to properly influence processes to achieve development priorities and internal transformation, has complicated matters in the following ways:

- The information flow from municipal councils to citizens, such as council resolutions, budgets and information on council performance, is poor.
- Citizens and citizens' organisations often don't make use of the mechanisms to hold politicians accountable.
- In most municipalities, there are no mechanisms in place for citizens to review council resolutions, and where they are in place, they do not function properly.

In addition to set targets for councils to achieve during their five year term of office, it is imperative that these targets are also aligned with national and provincial plans. In this regard, Section 26(d) of the Municipal Systems Act, 32 of 2000 states that municipal councils' development strategies "must be aligned with any national and provincial sector plans and planning requirements". As previously stated in this thesis, local government does not exist in isolation, and is supposed to strive towards its goals in a cooperative relationship with the national and provincial spheres of government.

Indeed, in referring to the status of municipalities, the Constitution, Section 151(3) states that "a municipality has the right to govern, on its own initiative, the local government affairs of its own community, subject to national and provincial legislation". Furthermore, Section 153(b) of the Constitution, states with regard to the developmental duties of municipalities that they must "participate in national and provincial development programmes". In addition to these constitutional provisions for cooperation between municipalities and the other spheres of government, municipalities relied on the other spheres of government for assistance from a resource point of view, as outlined in chapter two of this thesis. It could therefore logically be deduced that, for

a properly coordinated effort on the part of the three spheres of government it was imperative for their efforts to be aligned.

4.2.4. Public Policy – reacting to societal shortcomings

From service delivery and development perspectives, societal shortcomings provide the primary challenge for municipalities in South Africa. Municipalities are faced with a variety of wide ranging issues, from providing developmental and service delivery needs for the poorest sections of local communities, to rendering the most basic services to their towns and cities as a whole. Therefore, in addition to developing long and medium term visions and plans, they have to be executed operationally in order for local communities to see tangible results. In this regard, the SALGA municipal handbook (2009:20) states that policies must assist municipalities with the following:

- Reflect a response to current situations and challenges that confront local communities and local governments.
- Serve as an agreement to work towards certain aims between councillors, officials and residents.
- Set guidelines that provide direction for development plans and other matters.

In addition to the aforementioned, Section 26(f) of the Systems Act states that the IDP of a municipality should reflect the council's operational strategies. An organisation's operational strategy should aim to ensure that it is able to operate, not only by achieving day to day efficiency, but also by ensuring that such efficiency contributes to the long term objectives of the organisation. According to a submission by the Institute of Local Government Management of South Africa (ILGM) to the Parliamentary Public Hearings on coordinated Service Delivery (2009:5), efficient operational management in local government is curtailed by incapacity, skills shortages, poor financial structures unfunded mandates, as well as a disregard for the legislation meant to enable service delivery operations. It is therefore imperative that municipalities have a responsive and

responsible political management, to ensure that the political mandate is aimed at local citizens, while simultaneously ensuring that those in executive and operational positions in municipalities possess the necessary skills and capacity to perform their duties. Well trained officials will be wasted in a political environment that is not conducive to the execution of their skills.

It should however be borne in mind that any operational plan can only be executed, provided that sufficient financial resources are available. Therefore, Section 26(g) of the Systems Act states that financial management and performance plans should form key components of a municipality's IDP. A financial management plan must be prepared and approved by each municipality, including a budget projection for at least three years, as well as the key performance indicators and performance targets. In as far as the financial plan and key performance indicators are concerned, Craythorne (2006:153) states that in order for the IDP to become operational, it (the IDP) must inform the municipality's annual budget and performance targets, and also be used to prepare action plans for the implementation of strategies identified by the municipality.

It can be deduced from the above that, given a municipal point of view in a South African context, strategic planning should be an extensive process in which all aspects can be quantified in financial terms as well as performance targets, from the long term vision of the municipal council for the area, up to the operational execution of strategies in order to provide tangible benefits for local communities. The plan must therefore be implementable, and in this regard Hussey (1999:243) states that "an essential part of any strategic planning must be a means of making the plans actually happen, and preventing them from becoming a sterile exercise by forcing them to be used in the day to day running of the organisation". Subban and Theron (2011:102) are of the view that, from a South African perspective, the gap between the planned ideal of IDP and reality results from the "wish list" approach to planning towards reparation for the past, instead of focusing on development as a key to improve the quality of life for all local citizens.

It is therefore clear that an organisational plan outlining what is required and encompassing all aspects, from the long term vision to the individual projects to achieve that vision, is insufficient without ensuring that there is an environment within which the plan can be made operational. For this reason, the development of Service Delivery and Budget Implementation plans has been introduced, to ensure that the strategic plans of municipalities are indeed executed practically.

4.3. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

According to MFMA circular 13, (2005:1) the SDBIP “gives effect to the strategic priorities of the municipality and serves as a contract between the council, administration and the community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months”. The importance of the SDBIP therefore lies in the fact that it sets targets for a specific financial cycle, in order to ensure that the long term vision of the municipality is broken into smaller and more manageable chunks. It further provides for the allocation of funds to specific outcomes for the twelve month period, and should improve the process of monitoring implementation, and thus the performance of the municipality.

According to the Departmental SDBIP of the Department of Finance of the Ga-Segonyana Local Municipality (2009:5), the SDBIPs of each Department of a municipality must relate to the IDP of the municipality. Furthermore, the intention of each departmental SDBIP should be to indicate what each manager, reporting directly to the municipal manager (section 57 managers), is going to do to implement the IDP. According to Fourie and Opperman (2007:133) the SDBIP must indicate the following:

- Projections for each month of revenue to be collected, by source, and operational and capital expenses, by vote. This means that the SDBIP must indicate the municipality’s monthly income as well as where it comes from as well as the day

to day (operational) and long-term (capital expenses per item (vote). This implies that it should be easy for a municipality to monitor and exercise control over whether its primary source of revenue is external or internal to the municipality. It had been discussed earlier that many South African municipalities are struggling to collect revenue owed to them and this is one area in terms of which the SDBIP can assist in addressing.

- Service delivery targets and performance indicators for each quarter. There should this be quarterly evaluation of municipalities, with the financial and other resources allocated, are achieving its service delivery targets as indicated in the IDP.

From the above discussion there should be very little uncertainty about the alignment between the municipal strategic plan (IDP), the financial plan (budget), and the performance management system. Without the IDP there is no clear indication of the service and development needs while, without funds (budget) to address these needs they cannot be satisfied, and without a system for monitoring and evaluating implementation (performance management system) there can be no concrete indication of whether municipalities are on the right track. All these efforts, as discussed, require the involvement of all, or at least as many as possible, stakeholders in local government.

4.4. THE LINK BETWEEN PUBLIC POLICY AND STRATEGIC PLANNING

The above discussion focused on the importance of public policy in a municipal context, with the view to promoting an environment in which municipal services can be rendered, development and promoted in order to satisfy the needs and expectations of local communities. In the previous chapter of this thesis, strategic planning was discussed with special reference to a municipal context. Considering these discussions, one should reflect on the link between strategic planning and public policy in order to understand how these important concepts and processes are interlinked, while

emphasizing the importance of each in contributing to the success of local government in South Africa.

According to Sandford (1987), a policy is like a decision in that “we make and implement a policy just as we do with decisions”. Sandford (1987) adds that a policy differs from a decision in that “the term policy usually implies some long-term purpose in a broad subject field, not a series of ad-hoc judgements”, as is the case with decisions. The development of a broad and all encompassing policy framework for local government in South Africa after democratisation, commenced with the various constitutional provisions for local government. This policy framework was further pursued by the adoption of the White Paper on Local Government 1998, and the various other pieces of enabling legislation, as earlier discussed in Chapter two of this thesis. Although the policy and legislative provisions have to be implemented in municipalities across South Africa on a daily basis, they propose to transform the management of municipalities in the country, and to have a long term positive impact on the lives of local communities, thus giving effect to the view of policy held by Sandford as discussed earlier.

While the noble idea of positively transforming local government, and therefore the well-being of local communities based on a solid policy platform, remains of importance, it is imperative that the policy provisions be translated into action on a day to day basis, in order to promote long-term well-being. When considering earlier discussions on IDPs as a strategic planning instrument in Chapter three, as well as SDBIPs as operational planning instruments discussed earlier in this chapter, it is evident that strategic planning has an integral role of ensuring the systematic pursuit of the state’s long term policy vision for local government. To this effect, Dess, Lumpkin and Taylor (2004:2) state that “strategic planning consists of the analysis, decisions, and actions an organisation undertakes in order to create and sustain competitive advantages”.

While the above statement by Dess et al. (2004:2) might reflect strategic planning in a private sector environment, the elements referred to, namely analysis, decisions and actions, closely resemble what is expected from South African municipalities on an ongoing basis to gain a “competitive advantage” in terms of satisfying the needs of, and promoting development within local communities. This should not however be construed as a comparison between strategic planning and operational plans and activities, as the strategic focus of organisations requires long term planning, even though the relationship between policy and strategy could be defined as determination of policy (what to achieve) and strategy (how to achieve it). In this regard, Porter, in Dess et al. (2004:2) emphasises the idea that successful strategic planning and management is about “being different from anyone else or from performing similar activities in different ways.

4.4.1 Strategic leadership – taking South African municipalities into a new management environment

The aforementioned discussion leads to the conclusion that a special brand of executive leadership will be required to facilitate municipalities in becoming innovative, future oriented in thinking, and operationally effective as organisations. In this regard, Naidoo (2011:52) promotes the idea of contemplating “strategic leadership” as an approach to leading public organisations. In this regard Boal and Hooijberg (2000:534) argue that an integrative organisational leadership model, where elements of “new” leadership theories, such as visionary, transformational and charismatic leadership, are utilised would lead to increased strategic leadership effectiveness and ultimately to increased operational effectiveness. Such “new” leadership theories could be used to lead to an increased capacity to change and to deal with change, as well as managerial wisdom. According to Boal and Schultz, in Naidoo (2011:53) “strategic leaders play a more active role in developing ideas and vision, while more traditional management roles work toward implementing the in the structures and processes of the organisation”.

In attempting to apply strategic leadership in South African municipalities, it could be argued that, in pursuit of positioning the municipality strategically, municipal executives (municipal managers and those reporting to them) should be allowed to think innovatively and seek innovative and unique solutions to local problems, rather than merely fulfilling the role of IDP implementers, with regard to the IDP (strategic planning) process. It is the contention of the researcher, based on the literature referred to, that if this is the case, more municipal management teams would take additional responsibility and ownership of the IDP process than is currently the case. The major challenge in achieving this would obviously be in creating an environment in which such executive managerial “freedom” is afforded to municipal managers by their respective elected councils. Given the possibility that this would transpire, it is worth exploring the characteristics of strategic leaders.

4.4.1.1. Characteristics of strategic leaders

According to Beatty (2010:1), strategic leaders have to lead in a way that will position their organisations for the future, while meeting current demands. Beatty (2010:1) furthermore suggests that “strategic leadership requires us to think, act and influence others in ways that promote the enduring success of the organisation”. Municipal managers in South Africa are confronted, on a daily basis, with meeting pressing day to day service delivery needs while simultaneously ensuring that future planning is at the forefront of their agendas.

According to Boal and Hooijberg (2000), the role of a strategic leader includes the following inter alia:

- **Making strategic decisions.** Without decisions there is no basis for action, and it is therefore imperative that municipal executives decide on an appropriate path for addressing the issues related to local communities.

- **Creating and communicating a vision of the future.** The basis for the successful translation of decisions into action is highly dependent on the knowledge, and buy-in, of such decisions by all levels of employees. Therefore, it can be argued that the future vision of any municipality will not be translated into action unless employees are informed, and their ideas are incorporated in such a vision.
- **Developing key competencies and capabilities.** Broad policies can only be translated into meaningful strategies, and ultimately implementable plans, if the human capital of the organisation possesses the necessary competencies and capabilities. This requires that municipalities ensure that the right people are appointed, and that those in the organisation are exposed to adequate training and development opportunities, in order to successfully fulfil their respective roles.
- **Developing organisational structures, processes and controls.** It is imperative that adequate structures, processes and controls exist in municipalities, in order for the organisational mandate to be achieved in a transparent and accountable manner. It is the responsibility of municipal executives to ensure this.
- **Managing multiple constituencies.** Strategic leaders in a municipal context in South Africa deal with various role-players (constituencies). These include elected politicians (councillors), the community, as well as the staff of the municipalities they have to lead. It is therefore of vital importance that these leaders are able to relate to each of these role-players in the appropriate manner.
- **Sustaining an effective organisational culture and infusing ethical values into the organisation.** Ensuring that a cohesive organisational culture exists, in which all organisational members work towards a common purpose, is vital if municipal goals and objectives are to be achieved. In addition, it is of importance, in an environment often characterised by the prevalence and accusations of unethical conduct, to ensure that high ethical standards are introduced and upheld.

Thus, it can be deduced that an undeniable link exists between the policy framework for achieving broad and long term community satisfaction and the required strategies to ensure the achievement of policy directives, in a South African municipal context. This can only be achieved if municipal executives possess the qualities needed to strategically lead municipalities to achieve their goals.

4.5. CONCLUSION

The purpose of this chapter was to discuss the Integrated Development Plan (IDP) as the primary policy framework for local government in South Africa, in addition to its being the primary strategic framework. The discussion commenced with definitions of a policy for the purpose of public sector organisations. Public policy was firstly defined within the context public organisations' pursuits towards achieving predetermined goals. In addition, an attempt was made to identify the predetermined goals of local government by discussing the possible policy requirements, in order to ensure that the objectives of South African local government can be achieved as outlined in Section 152.

Following this, public policy was discussed in the context of local government, as an authoritative representation of constituency values. The municipalities' IDPs thus have to illustrate what is acceptable to specific local communities, by being an accurate reflection of its societal values. However, these values are of no use if they do not raise specific expectations in residents as to what tangible services are to be rendered. These have to be in response to particular societal shortcomings, and have to be reflected in the operational strategies, as well as the financial and performance plans of municipalities, as part of the IDP.

All these provisions have to be made operational by means of the municipalities' annual Service Delivery and Budget Implementation plans, which spell out how the provisions of a municipality's IDP are to be broken down into achievable and measurable activities

that could ultimately be regarded as “performance” on the part of the municipality. Finally, the link between policy and strategy was discussed in order to ascertain how the theory and practice of these processes were required to contribute to the success of municipalities in South Africa.

Since this study is applicable to the Free State province, and specifically to municipalities in the Free State, the next chapter of this thesis will involve an empirical investigation into the implementation of integrated strategic plans in the province. It will commence with a detailed profile of the province, so as to explain the nature of the municipalities, and will conclude with a discussion of responses received from municipalities regarding the specific implementation factors/challenges experienced by individual municipalities.

CHAPTER FIVE

RESEARCH METHODOLOGY AND FINDINGS REGARDING THE IMPLEMENTATION OF INTEGRATED STRATEGIC PLANS IN FREE STATE MUNICIPALITIES

5.1. INTRODUCTION

The purpose of academic research is to generate new knowledge by, inter alia, comparing existing academic literature to current occurrences in a specific field. For the purpose of this thesis the aim was to develop constructive recommendations for the improved implementation of integrated strategic plans in Free State municipalities in order to improve service delivery to local communities. In the preceding chapters, the theoretical framework and rationale for integrated strategic planning in organisations and specifically South African local government was provided.

This chapter will focus on gathering empirical information regarding the state of affairs with regard to the implementation of integrated strategic plans in municipalities in the Free State Province. A detailed discussion of the research methodology employed, is provided. Finally the results from the study will be discussed and interpreted.

5.2. RESEARCH DESIGN

The research design utilised for the study comprised a mixed-method approach. According to Bryman and Bell (2011:628) a mixed method approach emphasises the fact that “in many cases, using both quantitative and qualitative research should involve a mixing of the research methods involved and not just using them in tandem.” This could be interpreted to imply that results derived from either qualitative or quantitative research or vice versa should be used to compliment and/or strengthen the argument/s of one another.

According to Mcmillan and Schumacher (2006:401) the development and use of mixed-method research designs have increased, because it is useful in determining *what* the existing situation is in terms of a particular research question through non-experimental quantitative studies, while on a deeper level determining *why* this existing situation exists. For the purpose of this study it was determined that although significant information could be accessed through quantitative methods in regard to what is currently the status quo in municipalities in the Free State, it was important to, through qualitative methods try and determine the deeper reasons behind the current state of affairs.

Bryman and Bell (2011:631) are further of the view that mixed-methods research approaches often helps to overcome practical constraints in the research and data collection strategy. In this study, the use of interviews and document analysis as data collection strategies had to replace the use of questionnaires for gathering data from municipal managers and political executives in Free State municipalities. Although participation in the study by these role-players would have been preferred, it was practically almost impossible to secure their participation and after numerous attempts, it was decided to attempt to access the required information through other means which will be discussed under the data collection strategy.

5.3. SELECTION OF THE SAMPLE FOR THE STUDY

Maree (2007:79) defines sampling as “the process used to select a portion of the population for study”. This implies the selection, by the researcher, of participants for a particular study he/she deems in the best position to provide the relevant information needed for such study. For the purpose of this study, the idea was to access information about the experience of various categories of municipal managers in regard to the implementation of integrated strategic plans, i.e. the Integrated Development Plan and the link thereof with related municipal strategic documents such as the performance management system and the municipal budget. Instead of focusing on the specifics of

such documents, the study instead focused on the conditions required for the successful implementation of such strategies.

In the light of the above, the initial plan was to include the IDP managers, Municipal Managers and all managers reporting to municipal managers in terms of Section 56 of the Municipal Systems Act, 2000 as participants in the study. It proved very difficult to get the necessary cooperation from municipal managers and those reporting to them and therefore the strategy was revised. In terms of the mixed method approach, the sample for the study therefore consisted of the following participants listed in the paragraphs that follow.

A questionnaire (Appendix 2) was distributed to the IDP managers of all 24 municipalities in the province. A total of 16 questionnaires were returned, a response rate of 66,66%. The questionnaire contained quantitative questions in the form of a 4 point Likert scale where 1 indicated "totally disagree" with a statement, 2 "disagree", 3 "agree partly" and 4 "totally agree" as well as open ended qualitative questions where participants could raise their opinions. The questions were categorised on the basis of the literature study that was undertaken on the topic of integrated strategic planning for the purpose of local government.

According to Maree (2007:216) it is necessary that when a number of items are formulated to measure a certain construct, as was the case with this questionnaire, there should be a high level of similarity between such items in order to ensure internal consistency or reliability. Maree (2007:216) continues to state that the coefficient used for measuring internal reliability is Cronbach's alpha coefficient and that it is based on inter-item correlations. There are varying notions of what is regarded as high internal validity with Maree (2007:216) stating that a reliability figure of 0.8 is can be regarded as acceptable while a figure of below 0,6 can be regarded as unacceptable. Table1 below

provides the Cronbach coefficient for the various question categories for the purpose of this study.

The extent of local autonomy: Constitutional and legislative factors and the functioning of the municipality	0.6
The extent of local autonomy: financial and economic factors influencing the municipal environment	0.6
Community Participation in the municipality	0.5
Defining local communities as municipal customers	0.9
Role-player contribution to IDP as municipal strategic plan	0.7
Translating IDP as part of the overall local government policy framework into action	0.8
Leadership competencies for implementing IDP – Municipal Managers and other Managers responsible for IDP	0.8

Table 1: Reliability Statistics: Cronbach's Alpha (Source: Dlodlo 2012)

On the basis of the above information it can therefore be argued that the question categories used in the questionnaire can largely be regarded as reliable and while the one construct on community participation had a Cronbach measurement of below 0,6, it does not necessarily deem the study not reliable especially since there were open ended questions that complemented the scale questions.

In addition to the questionnaire, structured interviews (Interview schedule – Appendix 3) were conducted with the following persons:

- The Acting Director for Integrated Development Planning in the Free State Department of Cooperative Governance and Traditional Affairs (COGTA).
- The Director for Municipal Intergovernmental Relations in the Free State Department of Cooperative Governance and Traditional Affairs (COGTA).
- An independent consultant who has been involved in the development and compilation of Integrated Development Plans and related strategic documents in various municipalities in the Free State and Northern Cape Provinces.

These participants were selected for the purpose of gaining further insight as to the status quo in terms of the conditions for and implementation of integrated strategic plans in Free State municipalities, especially in the absence of participation by municipal managers. It was deemed that since these participants, as part of their duties, liaise directly with senior political as well as managerial executives for the purpose of managing strategic planning, they would be able to provide invaluable information in addition to the information gathered from the IDP managers.

Finally, document analysis as a means of further enhancing the study was utilised by considering various Integrated Development Plans of municipalities in the Free State, Auditor General Reports as well as reports provided by the Free State Department of Cooperative Governance and Traditional Affairs (COGTA).

In the paragraphs that follow, the various question categories, the responses from the various participants in the study as well as an attempt to provide interpretations of these responses, will follow.

5.4. ANALYSIS OF ENVIRONMENTAL AND/OR ORGANISATIONAL FACTORS AND ITS INFLUENCE ON THE IMPLEMENTATION OF INTEGRATED STRATEGIC PLANNING

In the paragraphs that follow, the responses of the participants in the study, earlier mentioned in the 24 municipalities of the Free State as well as the three external participants is analysed.

5.4.1. Location of Participants

The Free State province consists of one Metropolitan Municipality and four District Municipalities under which a number of local municipalities resort. For the purpose of the study participants (IDP Managers) in the questionnaire survey were merely asked in which district they were employed. Figure 4 below illustrates the location of the participants per district as well as the one Metropolitan municipality in the province namely Mangaung. The figure (figure 4) indicates that all districts of the province were represented in the survey.

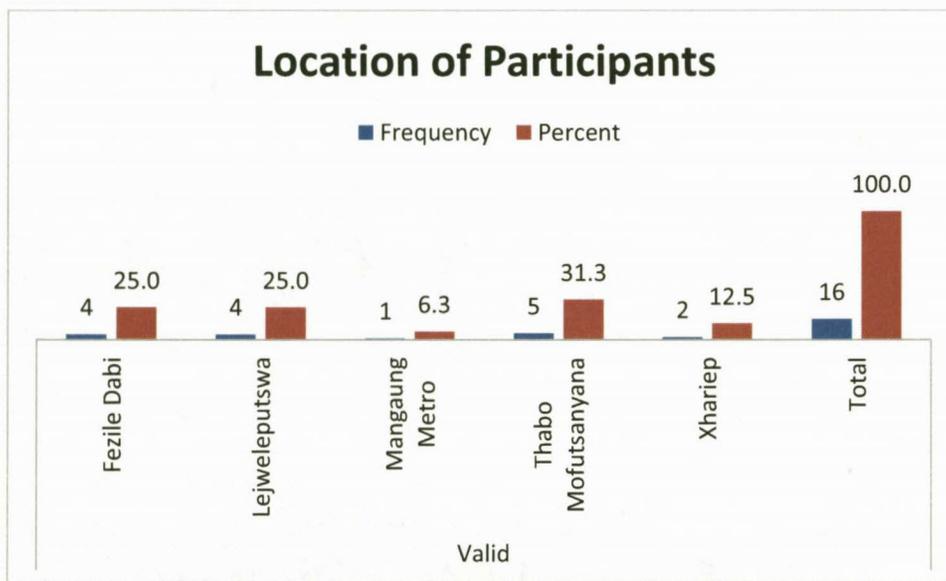


Figure 4: Location of Participants

5.4.2. Responses to the various question categories

In the paragraphs that follow the responses to the various question categories are discussed.

5.4.2.1. The extent of local autonomy: constitutional and legislative factors and the functioning of municipalities

The issue of autonomous municipalities was discussed against the background of the constitutional provision for more powers to the local sphere of government. In the literature study on the topic of local autonomy, it was debated that local autonomy, and in the case of South African local government, more independent local government, was, inter alia, influenced by the degree to which legislative provisions guided local government and their functional units, namely municipalities. The following specific questions in this category were asked.

5.4.2.1.1. The extent to which Free State municipalities exercised its constitutional right of governing without undue interference by the other spheres of government

Figure 5 below indicates that 69% of IDP managers are in agreement that provincial and national government do not interfere in the business of municipalities in an undue manner. Although this represents a fair majority, the 31% who are not in agreement should not be discarded.



Figure 5

In responding to the question local autonomy, the interviewees were unanimous in their view that it was practically impossible to leave municipalities to function on their own. Section 139 of the Constitution, 1996, which describes the supervision of provincial government over local government was cited as, from a constitutional and legislative point of view, making it impossible for total local autonomy. In addition it was argued that there were good reasons for intervention in the affairs of municipalities, because in many cases, municipalities simply did not possess the capacity to facilitate the implementation of constitutional and enabling legislative provisions.

5.4.2.1.2. The availability of financial and administrative capacity to act more independently/autonomously

56% of the IDP managers (figure 6) were of the view that Free State municipalities did not possess the financial and administrative capacity to function independently.

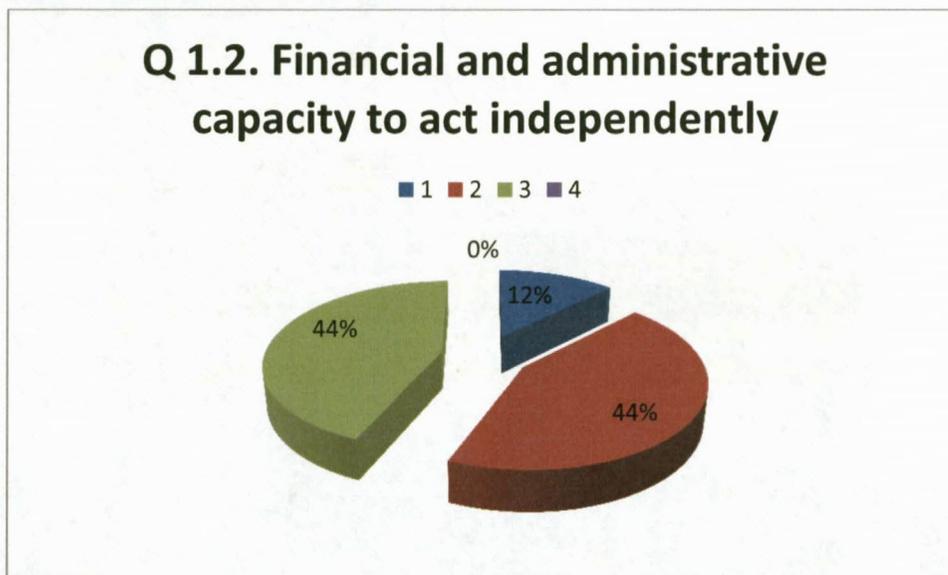


Figure 6

The interviewee participants were in agreement with this sentiment, arguing that most municipalities simply did not possess a sufficient revenue base to raise enough funds for operational efficiency. It is for this reason that some municipalities have to revert to utilising grants for keeping their operations afloat. This issue will be discussed later, but two of the three participants stated that it was not as if municipal executives were “corrupt on purpose” in this regard it was simply that they did not have any other option. Another factor in inhibiting financial and administrative efficiency was the lack of especially financial management skills according to the interviewees. In many instances, you have chief financial officers (CFOs) with low levels of capacity and in instances where they did have the necessary skills and competencies, their subordinates were not sufficiently equipped. Furthermore, the view was expressed that processes were complicated with planning seen as a system instead of a process and that quantity was emphasised and quality neglected. This created a highly difficult environment for responsible officials to operate within.

Finally, the 2011/2012 Integrated Development Planning Report of the Free State Department of Cooperative Governance and Traditional Affairs (COGTA) states that, in terms of financial management, some of the typical problems experienced in Free State municipalities include:

- Budget principles not being followed.
- Low rates of revenue collection and dependency on grants.
- Continued problems in terms of aligning municipal IDP and budgets.

All the above information provides enough evidence that municipal financial and administrative capacity represents a fundamental problem in municipalities in the province. This needs to be addressed in order for the existing situation in municipalities to improve.

5.4.2.1.3. The existence of sufficient national and provincial support in strengthening municipal capacity

Even if the majority suggests partial agreement (69%), there is overall (94%) agreement that there are attempts from national and provincial government to support municipalities in strengthening their capacity to operate as efficiently as possible (figure 7).

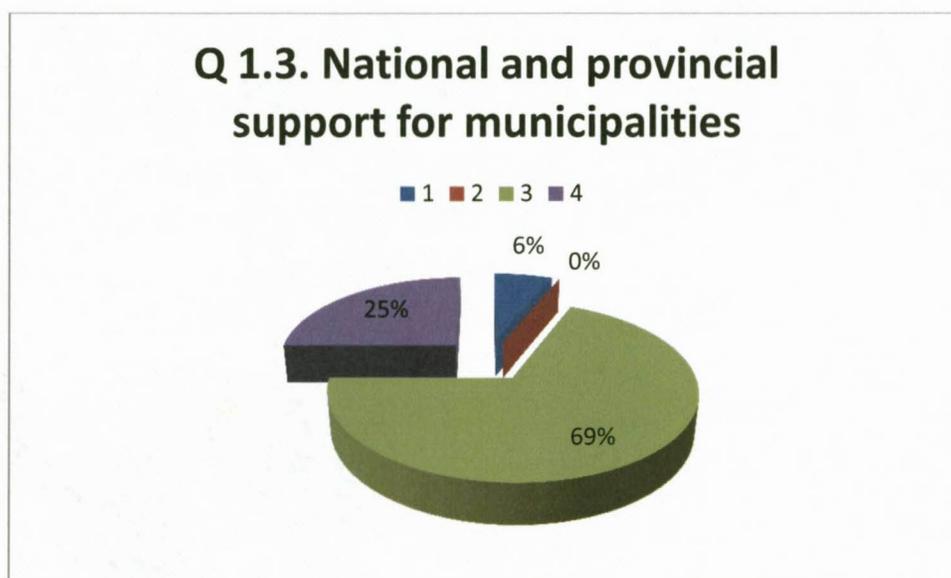


Figure 7

The interviewee participants held varying views on especially provincial as well as national support for municipalities. One participant was of the opinion that the two major contributors in terms of support for municipalities were COGTA and the provincial and national treasuries. This participant expressed the view that other sector departments had failed to support municipalities in the same manner and that this represented a major obstacle for mobilizing sufficient resources to compile realistic plans as well as executing such plans. In addition the view was expressed (similar to the previous participant) that COGTA Free State had made concerted efforts to support municipalities in facilitating the compilation and implementation of IDPs as strategic plans and the implementation thereof in line with other related municipal processes. An

additional area of focus in regard to municipal support relate to inter-municipal support. The IDP of the Xhariep District Municipality 2012 to 2017 (2012:8) expresses the view that interaction in this regard between the District Municipality and the Local Municipalities under its area of jurisdiction remains limited and that such interaction is critical for the alignment of IDPs.

Finally, a significant view was that the promotion of intergovernmental relations was voluntary by nature in terms of the Intergovernmental Relations Framework Act, 2005, and that limited scope existed to enforce such provisions. This meant that if you had varying levels of commitment to the process, you would automatically have varying levels of success in achieving objectives.

5.4.2.1.4. The functioning of municipal structures in promoting operational competence

When considering figure 8 below, it is clear that IDP managers in the Free State are in the majority satisfied that municipal structures are operating to the extent that ensures operational efficiency.

Q 1.4. Municipal structures in promoting operational competence

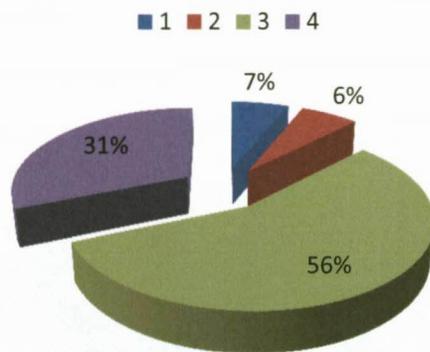


Figure 8

The interviewee participants, although not doubting the commitment of officials and political leaders at municipal level to make the structures, do not entirely agree with the overall positive endorsement for the functioning of municipal structures. There is the view that the understanding and application of organisational arrangements are often insufficient. In addition, many vacancies exist in municipalities meaning that many municipalities do not possess the human capacity to execute their duties. This situation is ascribed to a degree to younger persons and qualified professionals such as engineers and accountants not wanting to settle in rural locations of the province. In addition it is argued that many municipalities do not have suitable and reliable management information systems and they therefore do not have accurate information available on which to base managerial decisions.

5.4.2.1.5. Role clarification between political office bearers and officials

Although it does not represent the majority of IDP managers, 31% in figure 9 are of the view that role clarification between politicians and officials needs more attention.

Q 1.5. Role clarification between political office bearers and officials

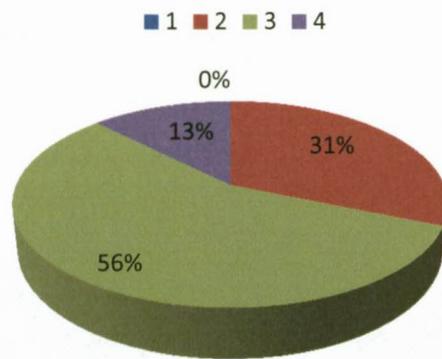


Figure 9

Interviewees in this regard were of the view that the relationship between politicians and officials varied from a functional and even good relationship on the one hand to relationships characterized by conflict on the other hand. Such relations were obviously to the detriment of the municipality in that meaningful decision-making for the benefit of the communities would often be neglected because of this. It was argued that the party political dynamics in which senior officials of municipalities often held more senior party positions than the councilors as their employers in the same municipality often meant that it was difficult to ensure each role player execute his/her role as expected. This leads to challenges in terms of the overall governance of municipalities that, if left unattended, is ultimately to the disadvantage of the community.

The Provincial IDP Planning Report 2011/2012 of the Free State Department of COGTA further revealed that in terms of institutional arrangements and governance the following were problematic:

- Governance structures such as Audit committees were not well established and functioning.
- IDPs in many instances represented copy and paste exercises and therefore did not necessarily include governance mechanisms tailor made for their circumstances.

This issue thus needs attention for integrated strategic planning practices to be improved.

5.4.2.1.6. Obstacles to institutional efficiency

Open ended questions were asked in the questionnaire regarding the obstacles to institutional efficiency as well as how they could possibly be overcome. The majority of participants cited the following as obstacles to institutional efficiency:

- Lack of financial resources/financial viability.
- Lack of skills and/capacity on the part of senior managers to lead and manage municipalities.
- Political interference in municipal administration.

In dealing with these obstacles the following suggestions were made:

- Improved strategies for revenue generation and sustained implementation of proper financial management measures.
- Appointment of competent and suitably qualified managers and staff.
- Information sharing with councilors as well as role clarification in order to neutralize the negative impact of political interference.

5.4.2.2. The extent of local autonomy: financial and economic factors influencing the municipal environment

In the second category of questions there was specific focus on the influence of financial and economic factors on the municipal environment. The importance of this topic can be seen in the fact that even under constitutional and legislative factors the issue of financial resources came under discussion. In this category specific questions on financial dependence and/or independence were posed to the participants.

5.4.2.2.1. The contribution of equitable share (ES) to basic services

The majority of the IDP managers (figure 10) held the view that ES contributed to the provision of basic services to those who could not afford them. This view contradicts earlier views by the interviewed participants that many municipalities had to revert to using these ES allocations for operational purposes. There thus seems to be differing views on this issue.

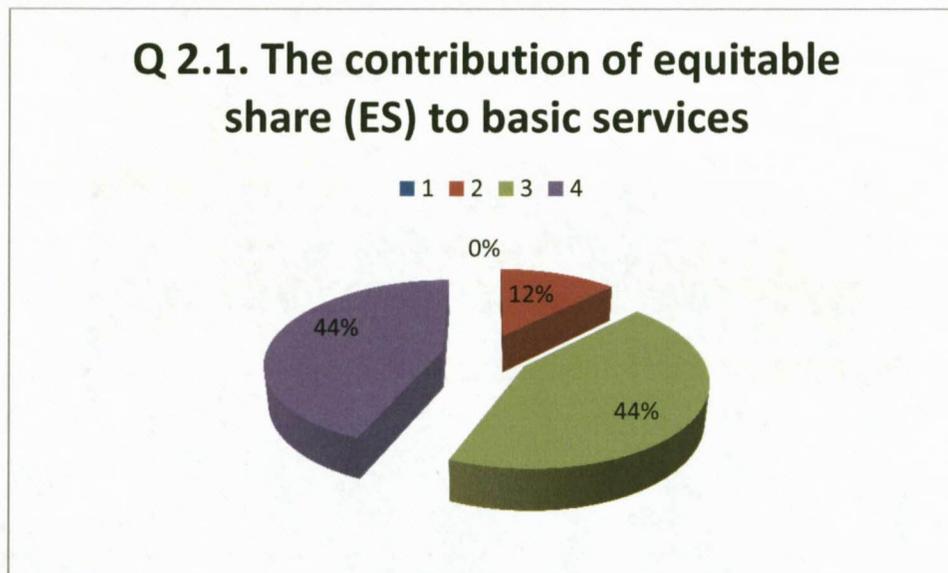


Figure 10

When posing this question specifically to the interviewed participants (i.e. the COGTA representatives and the independent consultant), the view was unanimous that operational cost were often covered with these funds and there was specific reference to the payment of salaries. It must once again be emphasized that it was the view of those interviewed that these practices occurred mostly because municipalities felt they had no other choice.

5.4.2.2.2. Participation in or benefits from conditional grant schemes

In terms of the participation in conditional grant schemes the majority of participants (the IDP managers [figure 11] as well as those interviewed) were in agreement on municipalities' participation in conditional grant schemes.

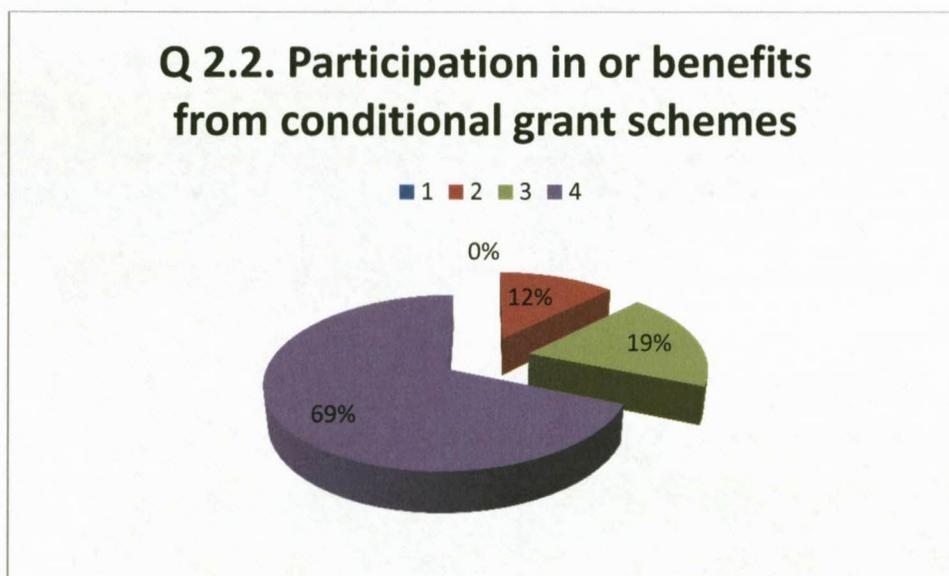


Figure 11

An issue of concern that was raised in this regard was that conditional grants were sometimes too little for the purpose it was needed for and secondly that the funds often reached municipalities late in their financial cycles and therefore delaying the operational implementation of projects. The draft IDP of the Fezile Dabi District

Municipality 2012 – 2017 (2012:162) for example states that the Municipal Infrastructure Grant (MIG) allocation for water in one of its constituent local municipalities, Mafube, did not enable them to provide the service according to the same pre-determined plan as was intended.

5.4.2.2.3. Conditional grants are used for the purpose they were allocated for to the municipality

While the majority of IDP managers (69%) agree that conditional grants are used for their intended purpose there is 38% who totally disagree and a 6% no response (figure 12).

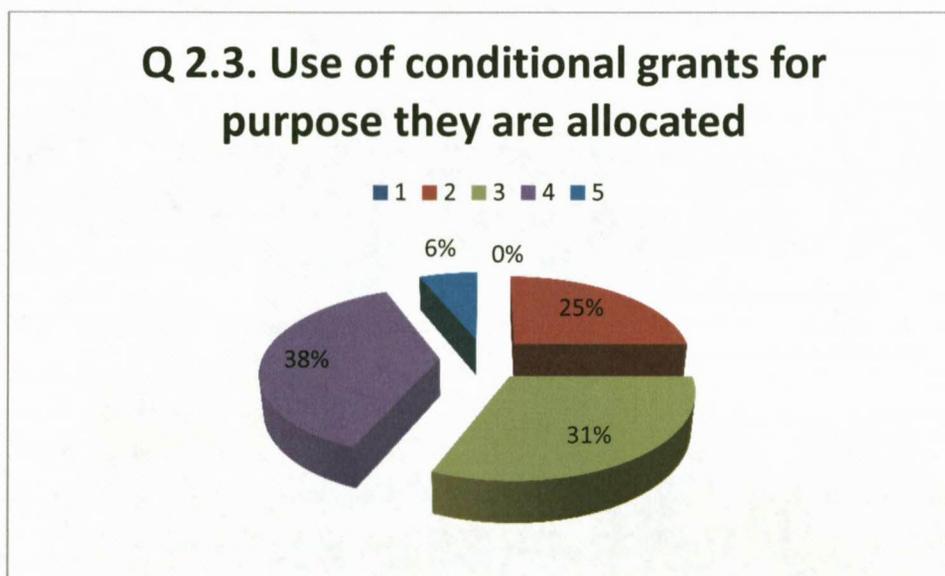


Figure 12

The interviewed participants were in agreement that it was more difficult to redirect the utilisation of conditional grants, although it was not impossible. The extent to which this was possible obviously depended on the application of control and accountability measures by the grant provider.

5.4.2.2.4. Municipalities do not depend on conditional grant allocations to sustain operational requirements

It could be argued that the response to this question had already been addressed. While nobody disputes that, at least partially, the funds from conditional grants are utilized for its intended purpose there is also recognition that operational rightly or wrongly, these funds are utilized to fund operational expenses. Figure 13 therefore states that 63% of IDP managers reckon that, at least to a degree, conditional grants are utilized for operational expenditure, in line with what the interviewed participants had earlier indicated.

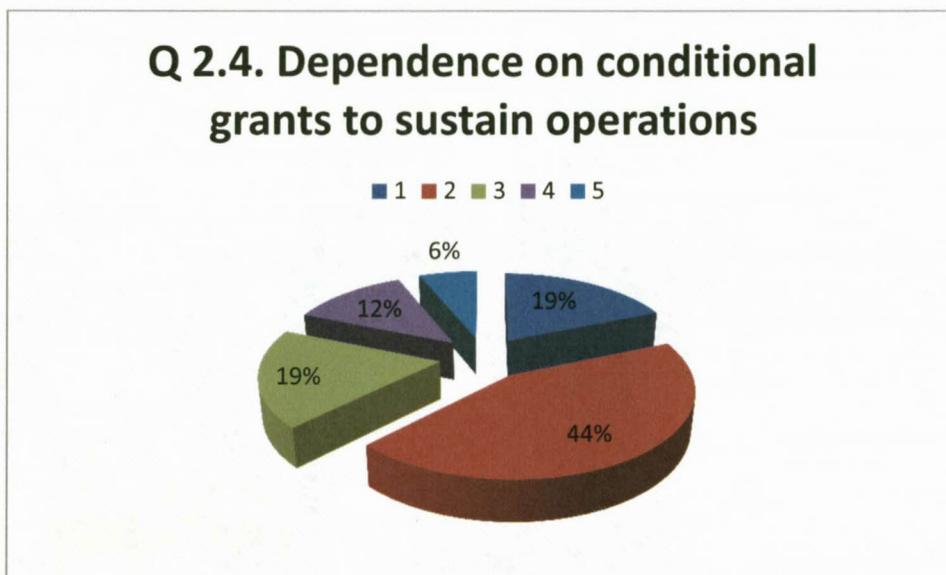


Figure 13

5.4.2.2.5. Quality standards as a means of promoting value for money

Open ended questions were asked about whether municipalities have mechanisms in place to ensure quality standards and whether the views of citizens were tested in regard to service quality.

Both the IDP managers as well as the interviewed participants were of the view that there were limited efforts in terms of service quality. IDP project plans' specifications were to an extent regarded as criteria for executing projects at a certain level but in general no measurable service quality tools were in place. Additionally it was argued that especially in rural municipalities, service quality models were complicated and costly and therefore almost impossible to acquire.

As far as including citizens, it was recognized that it was important and one suggestion that regularly surfaced, was for municipalities to ensure that they conducted regular customer satisfaction surveys.

5.4.2.3. Community participation in municipalities

Consultative governance at all spheres of government had been emphasized as the cornerstone of a new South African democracy. Local government was, in this regard, emphasized as it was viewed as the government agency closest to local communities. In the literature review, it became apparent that there were legislative and regulatory measures in place to ensure that communities were consulted in the processes of compiling and, ultimately implementing municipal strategic plans. This question category therefore aimed at determining the extent to which community participation contributed to the establishment and implementation of integrated municipal strategies.

5.4.2.3.1. Implementing legislative requirements regarding community participation

There was 100% agreement (figure 14) on the part of IDP managers as well as those interviewed that Free State municipalities attempted to comply with legislative requirements for community participation.

Q 3.1. Legislative requirements regarding community participation

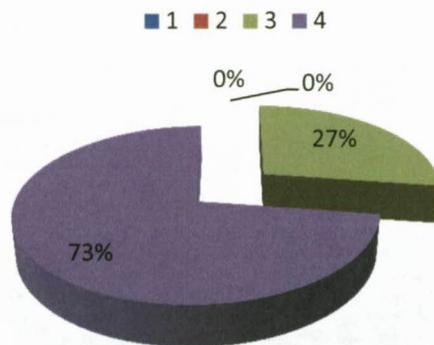


Figure 14

5.4.2.3.2. Involving communities in municipal affairs other than those prescribed by legislation

The purpose of this question was to determine whether there were efforts to involve citizens in municipal affairs outside of the processes that were legislated such as the IDP process, budget and performance management. The idea was to ascertain whether municipalities are committed to establish an overall culture of community involvement. 81% of the IDP managers (figure 15) were satisfied that it was indeed the case, but in contrast with the 100% agreement in regard to upholding legislative prescriptions, 19% of the IDP managers were of the view that community participation does not necessarily extend beyond legislative requirements.

Q.3.2. Involving communities in affairs other than legislated

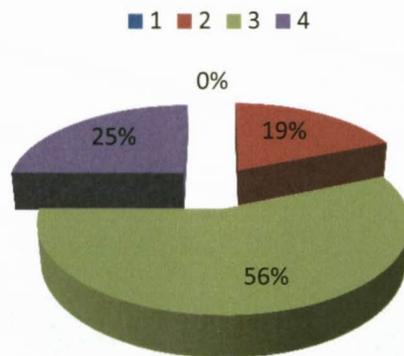


Figure 15

In general those interviewed were also satisfied that communities were being involved in municipal affairs through structures such as ward committees and other forums. There were however question marks over the real impact of community involvement.. The argument was that instead of facilitating constructive contribution to decision-making processes on the part of communities, consultative processes amounted to mere information dissemination sessions. This was because communities did not really understand municipal processes on the one hand, and secondly, because municipal executives conducted these sessions merely for compliance purposes.

5.4.2.3.3. Integrating community inputs into municipal plans

Having people participating is one issue, integrating their views in decision-making a different thing. 81% of the IDP managers (figure 16) were of the view that community inputs were integrated in municipal plans.

Q 3.3. Integrating community inputs into municipal plans

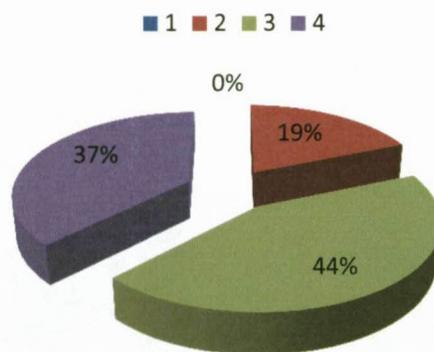


Figure 16

Those interviewed on the other hand argued that although this might be the case, there were serious question marks over how realistic the inclusion of community inputs was really and how implementable they were. The interviewees were of the view that inputs on services and developments required often resulted in “wish lists” to be compiled merely to “satisfy” community members without considering whether such services or developments could realistically be financed or executed. This resulted in items being included in service priority lists, but not executed and leaving communities dissatisfied, frustrated and disillusioned with their municipalities.

5.4.2.3.4. Commitment of councilors and officials to community participation

Few of the IDP managers questioned the commitment of councilors and officials to the philosophy of community engagement and participation as can be seen in figure 17.

Q 3.4. Commitment of councillors and officials to participation

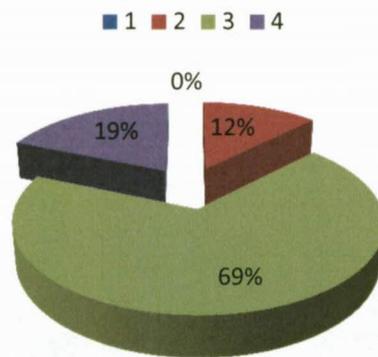


Figure 17

Similar views were held by those interviewed although the issue of the capacity of communities to make meaningful inputs as well as the ability of municipalities to really execute everything suggested by communities was once again questioned. The commitment to community participation can also be seen to be reflected in the fact that all the District Municipalities as well as the Mangaung Metropolitan Municipalities, where IDPs were scrutinized in this regard, had a specific reference to promoting community or public participation.

5.4.2.3.5. Community participation free from political bias

In the theoretical discussions on community participation in Chapter Two of this thesis one of the issues that was raised was the perception of party political bias in the participatory processes. Although not in the majority, 38% of the IDP managers (figure 18) disagreed that community participation was free from political bias.

Q 3.5. Community participation free from political bias

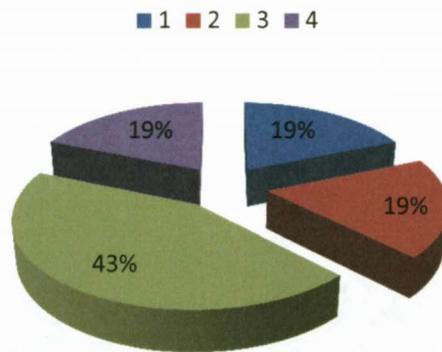


Figure 18

Although those interviewed conceded that participatory could be interpreted to be mainly centred on those belonging to/supporting the majority party in council, they did argue that these processes were in fact open to anyone. Furthermore judgment was seen to be rather subjective and it was pointed out that one could not necessarily steer away totally from councils executing its political mandate.

5.4.2.3.6. Commitment and challenges to and mechanisms to improve community participation

Open ended questions were posed to the IDP managers to illustrate examples of councilor and officials' commitment to community participation, challenges to the process and what can be done to improve participation by communities.

In terms of commitment of councilors and officials commitment could be seen to be reflected in:

- Vibrant ward committees.

- Open budget and IDP processes
- Councillor visibility in wards

As far as the challenges were concerned, the following issues were raised:

- Party political barriers in structures such as ward committees.
- A lack of trust by communities towards municipalities.
- Lack of commitment to constructive participation.
- Dysfunctional ward committees (contradicting the view of vibrant ward committees under examples of commitment).

Finally in terms of what can be done to improve participation, the majority of participants suggested:

- Increased commitment by all stakeholders including communities themselves.
- Use relevant media to inform people timeously of participatory processes.
- More open and transparent communication on the part of councilors and officials.
- Allocation of sufficient funds to execute participatory processes.
- Using modern technology such as social media to reach relevant parts of communities such as the youth.

5.4.2.4. Defining local communities as municipal customers

In discussing the rationale for strategic planning in Chapter 3 of this thesis, it was highlighted that organizations needed to identify their customers and be knowledgeable about the issues that satisfy customers. In the municipal context it was therefore argued that instead of merely viewing local residents as service users needing to pay for the municipal services they utilized, the question was what can be done to foster a more customer oriented relationship between municipalities and local residents.

5.4.2.4.1. Instilling the idea of communities as customers

Although 69% agree that there are conscious efforts to instill the idea of communities as customers, 31% of the IDP managers who disagree represent a fair number of those not in agreement (figure 19). This suggests that there is obviously room for improvement.

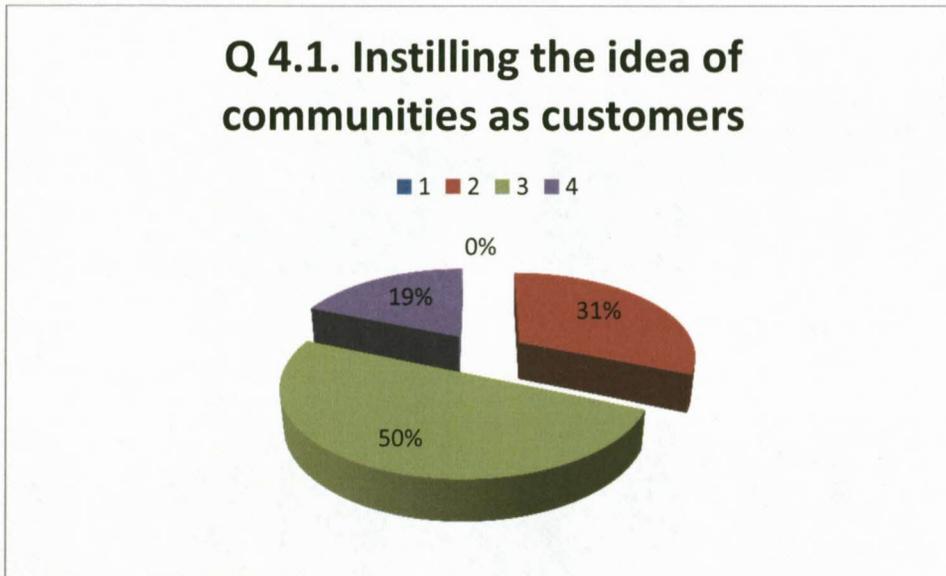


Figure 19

5.4.2.4.2. Promoting a customer focused approach amongst councilors

44% of the IDP managers (figure 20) are of the view that councilors are not sensitized sufficiently regarding the resident as a customer. This represents a relatively high figure and perhaps indicates the need for more collaborative efforts in this regard between councilors and officials.

Q 4.2. Promoting customer focused approach amongst councillors

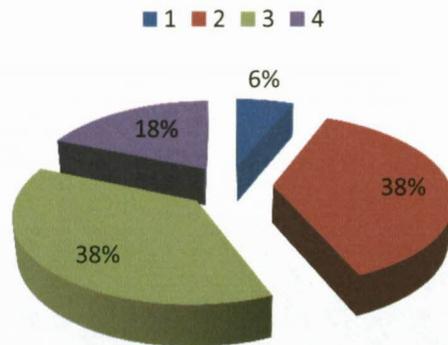


Figure 20

5.4.2.4.3. Reflecting customer care in municipal strategies

81% of the IDP managers (figure 21) participating in the study were satisfied that customer care represented an integral part of municipal strategies.

Q 4.3. Reflecting customer care in municipal strategies

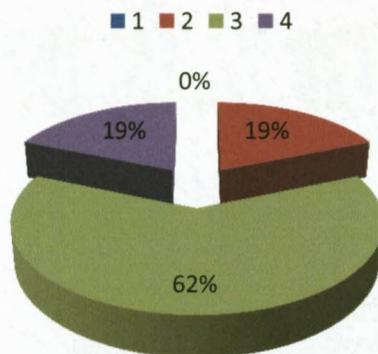


Figure 21

5.4.2.4.4. Citizens' feedback on the nature and quality of services

75% of the IDP managers (figure 22) agree that citizens as customers are afforded the opportunity to air their views on the nature and quality of municipal services.

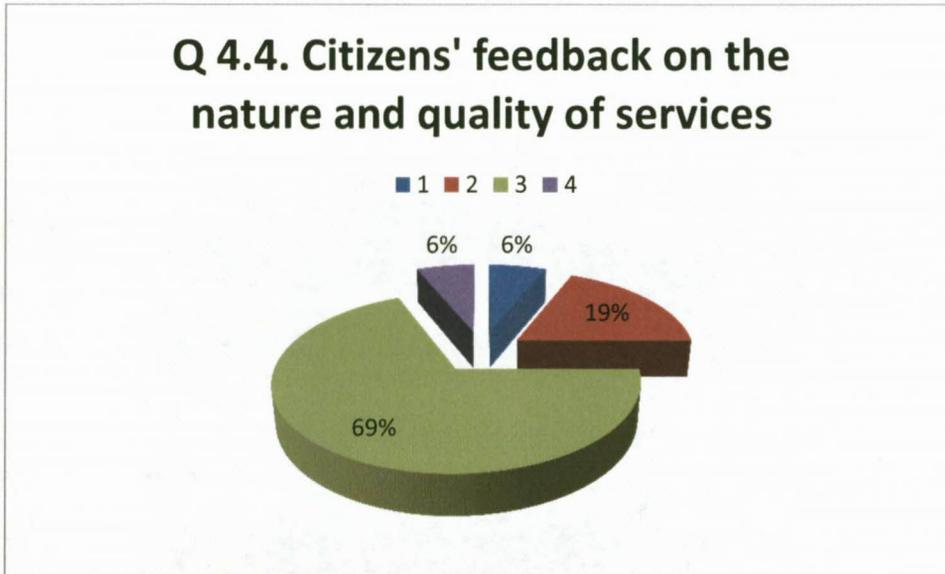


Figure 22

5.4.2.4.5. Incorporating citizens' feedback in quality improvement efforts

75% of the IDP managers (figure 23) were of the view that citizens' feedback was indeed incorporated into efforts to improve the quality of municipal services.

Q 4.5. Incorporating citizens' feedback in quality improvement

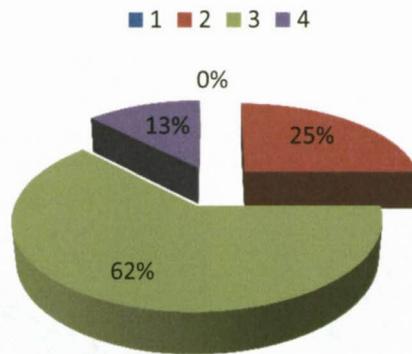


Figure 23

5.4.2.4.6. Improving the relationship between municipalities and their customers

An open-ended question on what can be done to improve the relationship between municipalities and residents as their customers was asked to the IDP managers and the majority of responses included:

- Commitment of councilors.
- Regular progress report mechanisms such as meetings.
- Information sharing between municipalities and their customers.
- More emphasis on community based planning.
- Establishing customer care units.
- Effective implementation of the Batho Pele principles.

In regard to customer relations the three interviewed participants held the view that it was an important issue of most municipalities in the Free State were aware, but that they struggled to successfully implement. This was because customer care

mechanisms were often complicated beyond the capacity levels especially in rural municipalities as well as being too costly when considering financial constraints. Therefore efforts to improve customer relations were often commendable but limited in that the most suitable capacity and mechanisms were just not available.

5.4.2.5. Role-player contribution to IDP as municipal strategic plan

For any organizational plan to be compiled in a manner that will lead to the achievement of organizational goals and objectives, it is essential that all the relevant role-players are involved and play their relevant roles in the process. The purpose of this section of the questionnaire was therefore to ascertain the extent to which each role-player contributed to the process of compiling and implementing integrated strategic plans.

5.4.2.5.1. Role clarification between politicians, officials and communities

All the IDP managers (Figure 24) participating in the study agreed that there was sufficient role clarification regarding their respective roles in the IDP process.

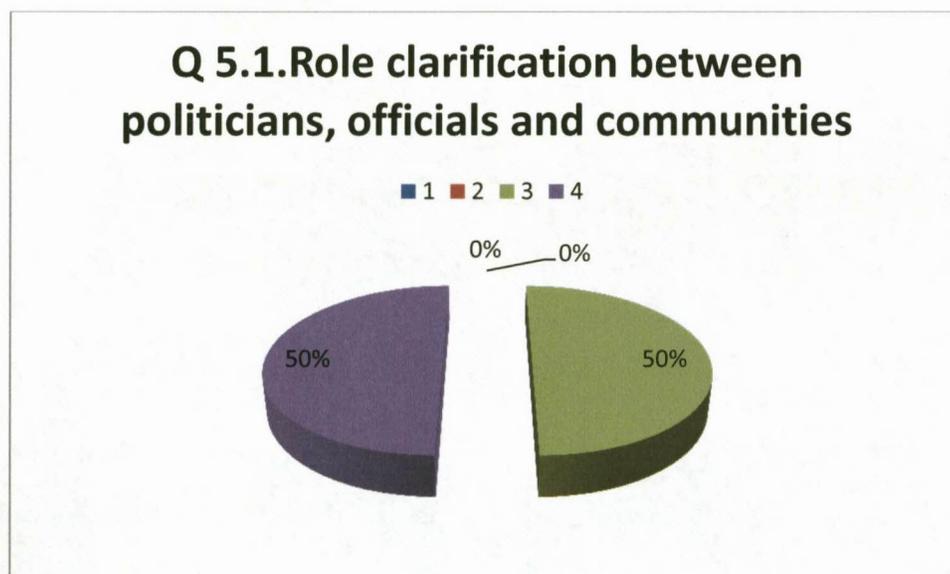


Figure 24

This represents a significant difference from the COGTA representatives and the independent consultant interviewed who were of the view that even in cases where role-players understood their roles, it was questionable whether they at all times acted within those role limits. Political motives in this regard played a major role and as was mentioned earlier, communities tended to become mere bystanders in these processes.

5.4.2.5.2. Role-players understanding their contribution to the IDP process

It is significant that IDP managers are of the opinion that all role-players understand their roles, but when asked about the clarity on their contribution to the process, 31% of the participants (figure 25) were of the view that it was not clear to everyone.

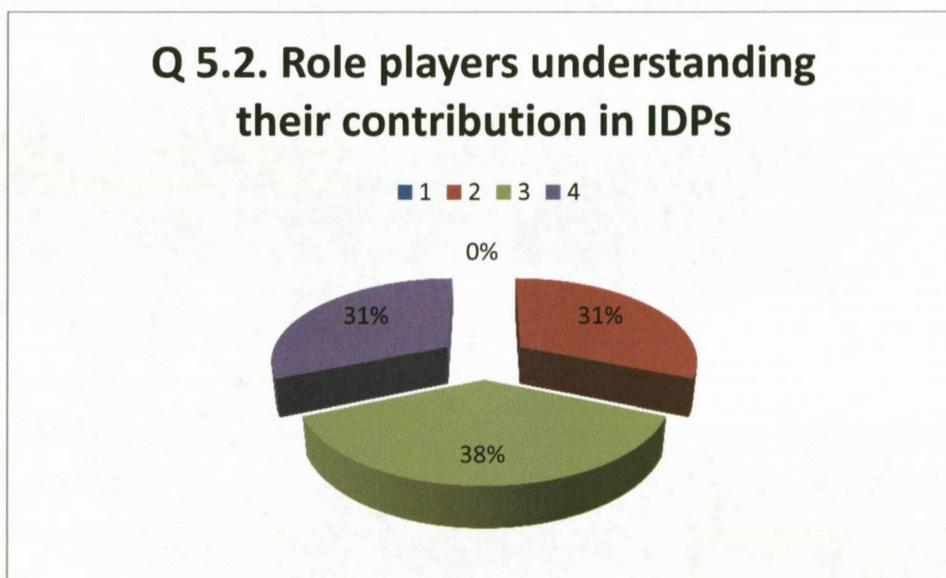


Figure 25

The interviewed COGTA representatives and independent consultant were of the unanimous view that the process was in a significant number of instances merely too complicated for a significant number of role-players. In addition they also referred to the need for sector departments to play a more significant role in addressing specific functional needs for which they are responsible.

5.4.2.5.3. Councillors representing the needs of local residents equally

31% of IDP managers (figure 26) were of the view that the councilors die not represent the needs of all the residents equally.

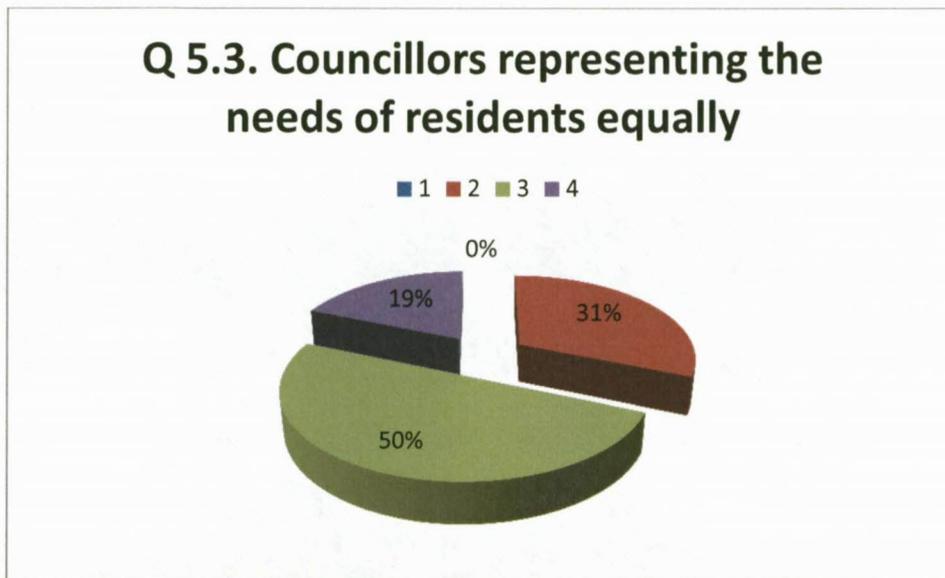


Figure 26

The interviewed participants agreed with the 69% of IDP managers and argued that in their experience all councilors to the best of their ability attempted to address community needs as equally as possible within the framework of the available resources.

5.4.2.5.4. Functional relationship between councillors and officials

87% of the IDP managers (figure 27) reckoned that the relationship between councilors and officials were functional to the extent that it contributed to the collective pursuit of community satisfaction in terms of strategic planning.

Q 5.4. Functional relationship between councillors and officials

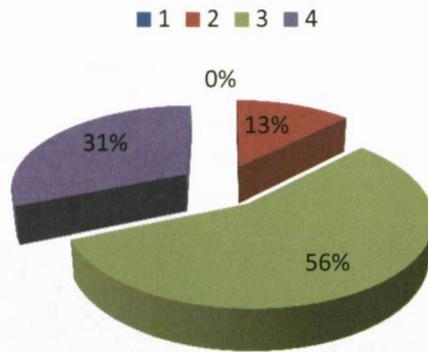


Figure27

The topic of councilor/official relations was discussed earlier and the interviewed participants once again argued that a dysfunctional relationship between these two role-players, for whatever reason, could be very disadvantageous for local communities. It was once again stated that this relationship varied from one municipality to the other and that it, to a degree also depended on the personalities involved and their attitudes.

5.4.2.5.5. Local residents' involvement in the IDP process

Despite a 13% non-response rate (figure 28), the remaining 87% of IDP managers were of the view that local residents were informed about and involved in the IDP process.

Q 5.5. Local residents' involvement in IDP process

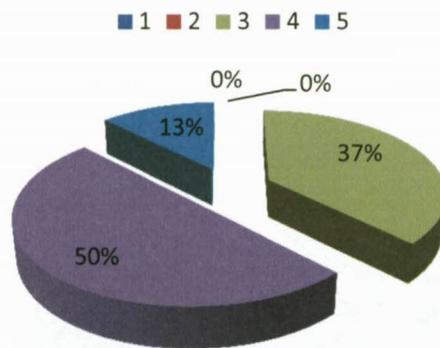


Figure 28

In line with the earlier discussion on community participation the COGTA representatives as well as the independent consultant agreed about the efforts to involve communities, but were less positive about the actual impact of such involvement. Emphasis was placed on educating communities as to the workings of the process so as to ensure that realistic goals and targets could be set. In this discussion it was also emphasized that municipalities should guard against external consultants merely performing “cut and paste” exercises in compiling IDPs as it was also a primary contributor to unrealistic IDPs.

5.4.2.5.6. Cooperation in terms of IDP between municipalities and other spheres of government

88% of the IDP managers (figure 29) are satisfied that the level of cooperation between the municipalities and other spheres of government in regard to the IDP process is sufficient.

Q 5.6. Cooperation between municipalities and other government spheres

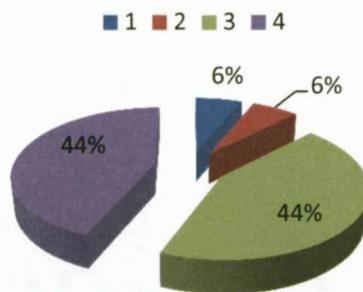


Figure 29

The interviewed participants were more concerned about the level of cooperation. The independent consultant held the view that the two departments mostly contributing to municipalities in terms of IDP cooperation were COGTA and treasury. His view was that the sector departments could and should play a more significant role if functional service issues were to be addressed. The COGTA representatives also felt that more could be done in terms of engaging the sector departments, but once again emphasized that constructive cooperation could only take place in a climate that is conducive politically and from an organizational point of view.

5.4.2.5.7. General obstacles to and the involvement of communities in the IDP process

Open ended questions on the obstacles to and involvement of communities in the IDP processes were posed to the IDP managers.

In terms of the obstacles the following were cited by the majority of participants:

- Limited financial resources.
- Lack of commitment.
- Political interference.
- Lack of understanding of the process.

In terms of how the obstacles could be overcome and communities be involved the participants highlighted more emphasis on community based planning, allocation of funding to the IDP processes and more open and transparent communication.

5.4.2.6. Translating IDP as part of the overall local government policy framework into action

The IDP as part of the integrated strategic planning framework forms part of government overall policy framework to, through local government, transform government services to such an extent that community needs and expectations are met. In Chapter 4 of this thesis it was highlighted that in order for any government policy to be of value there were certain requirements in terms of formulating, implementing and evaluating the policy. This part of the questionnaire therefore dealt with the issue of translating the IDP as part of the overall policy framework of government into action that would ultimately be to the benefit of local communities.

5.4.2.6.1. Understanding the IDP as part of the overall local government policy framework

76% of the IDP managers (figure 30) in the Free State who participated in the study were of the view that there was a clear understanding amongst all role players about the contribution of the IDP process to the overall policy framework of local government.

While the outstanding 24% who disagree does not represent a large figure comparatively, it indicates that there is some doubt among the IDP managers if the overwhelming agreement with certain aspects in this questionnaire is considered.

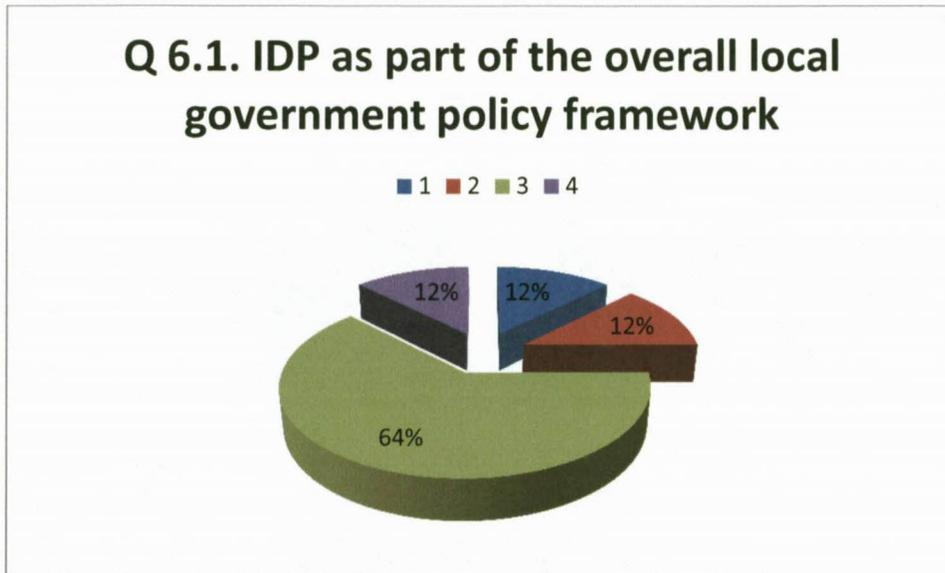


Figure 30

The interviewed participants, as has been the trend, do not show the same overwhelming optimism although they emphasise the fact that their view is not necessarily a criticism of the commitment of municipal role-players. Once again the capacity of an understanding how the various municipal process work was cited, but significantly in this regard was reference to the fact that municipal departments often work in silos. An example of this was the reference to the fact that IDPs were often compiled with limited inputs from the financial department or directorate of the municipality and that this was unthinkable when the supposed link to IDP and the budget was considered. This therefore needed specific attention to improve implementing the integrated nature of strategic planning.

5.4.2.6.2. IDP targets as a direct response to expressed community needs

In discussing the theoretical rationalization for public policy, it was emphasized that one of the main reasons for developing policy was to respond to the needs of communities as expressed by those communities, therefore this question. 81% of the IDP managers (figure 31) were satisfied that the targets expressed in IDPs reflected the needs as expressed by communities.

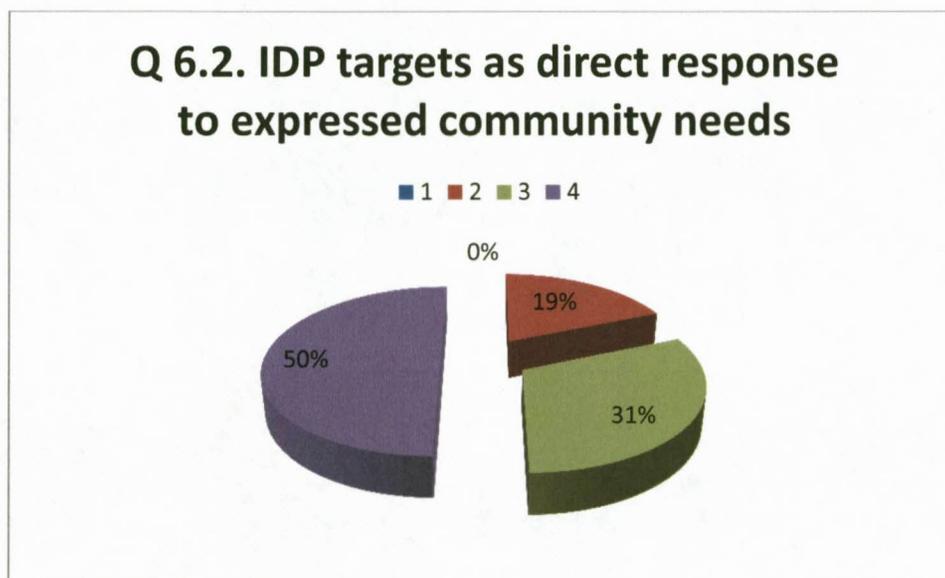


Figure 31

The interviewees were not necessarily in disagreement, but argued that many targets included in IDPs were often unrealistic and therefore not achievable. A further issue of concern was that many municipal councils easily amended their targets within current IDP cycles making the management of pursuing targets extremely challenging for municipal executive managers.

5.4.2.6.3. IDPs reflecting a fair representation of the expectations of all residents

87% of the IDP managers (figure 32) were of the view that IDPs were a fair reflection of the needs of all residents and the interviewed participants in the study mostly agreed. They did emphasise the need to ensure that the IDP is practically implemented and also the need for constant communication with communities to stay abreast of community views.

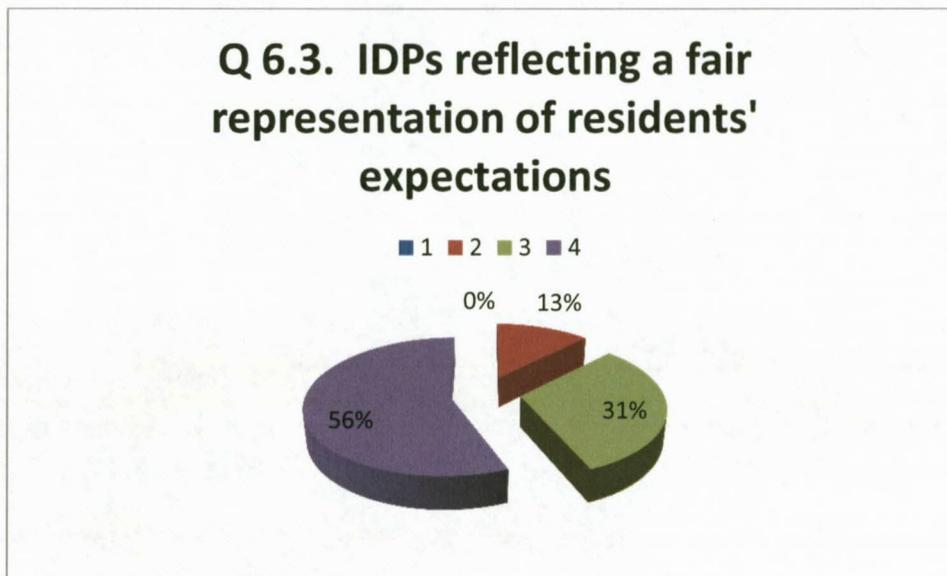


Figure 32

5.4.2.6.4. Resource allocation in line with achieving strategic objectives

No policy and its subsequent strategies will translate into any action without resources. 75% of the IDP managers (figure 33) were of the view that the resource allocation was in line with achieving the strategic objectives.

Q 6.4. Resource allocation in line with achieving strategic objectives

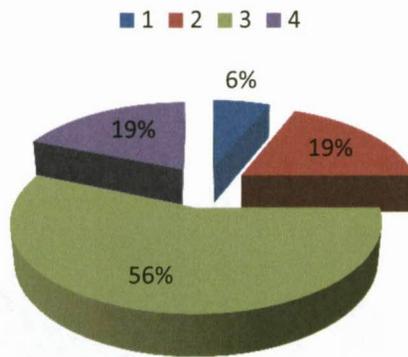


Figure 33

The interviewees once again referred to poor financial management practices as one of the major threats to implementing strategic plans. While the money for projects was generally available, it was imperative in their view to have the proper financial management practices and good corporate governance in place. An additional resource issue revolved around the human resource capacity where participants emphasized the need to appoint the right people at the right times as well as addressing the issue of vacant posts in many municipalities that are not filled.

5.4.2.6.5. SDBIPs as sufficient operational plans

Service Delivery and Budget Implementation Plans (SDBIPs) were discussed in Chapter four as the operational plans for ensuring the practical implementation of IDPs. 88% of the IDP managers (figure 34) were satisfied that the SDBIPs were sufficient to make IDPs operational.

Q 6.5. SDBIPs as sufficient operational plans

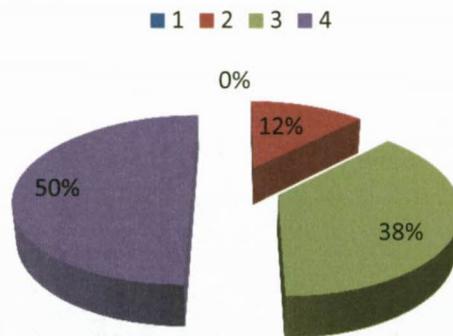


Figure 34

The interviewees were satisfied with the concept of the SDBIP to operationalise IDPs. They however pointed to a number of factors necessary for it to succeed including the capacity, commitment and political will on the part of municipal and political executives. In the absence thereof, SDBIPs would not be effective. They further emphasized in this regard the link between the IDPs, budgets and performance systems of the municipalities and stressed that these processes cannot be treated in isolation in order for tangible results to become visible for local communities.

5.4.2.6.6. SDBIPs as monitoring and evaluation mechanisms

The majority of IDP managers (81%, figure 35) regarded SDBIPs as sufficient monitoring and evaluation mechanisms.

Q 6.6. SDBIPs as monitoring and evaluation mechanisms

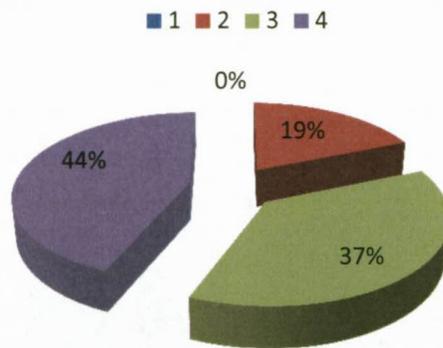


Figure 35

The interviewed participants' view on SDBIPs as monitoring and evaluation was once again based on the extent to which it was successfully implemented and whether it integrated other strategic processes.

5.4.2.6.7. The impact of IDP on community well-being

An open-ended question on whether IDP will have the necessary tangible impact on local communities in terms of services and development. The majority of the IDP managers thought that IDP could lead to improved development and service delivery only if all the role-players were committed and the process was therefore implemented as intended.

5.4.2.7. Leadership competencies for implementing IDP- municipal managers and other managers responsible for IDP

From an organisational perspective it is imperative for the leadership team to have the skills, capacity, but moreover the standing in the organization to lead municipalities to the successful implementation of integrated strategic plans.

5.4.2.7.1. The authority and influence of municipal managers to facilitate the formulation and implementation of the process

81% of the IDP managers (figure 36) were of the view that municipal managers possess the authority and influence to lead the formulation and implementation of IDPs.

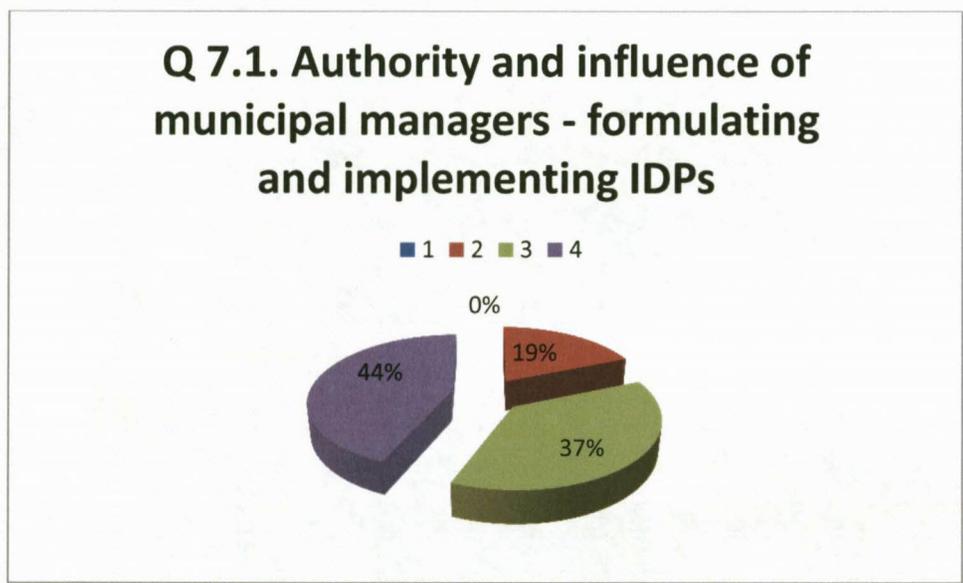


Figure 36

The interviewed participants recognized the legislative authority that municipal managers enjoyed in terms of executing their duties regarding IDPs. They cautioned that this did not automatically translate to the effective and efficient exercising of such authority and that the political environment, leadership personality traits as well as skills

and capacity once again were prerequisites for municipal managers playing their rightful roles.

5.4.2.7.2. Municipal managers and decision making discretion

The context within which this question was asked related to the organizational environment and not necessarily discretion in terms of legislation. 94% of the IDP managers (Figure 37) were of the view that municipal managers possessed sufficient decision making discretion towards achieving strategic objectives.

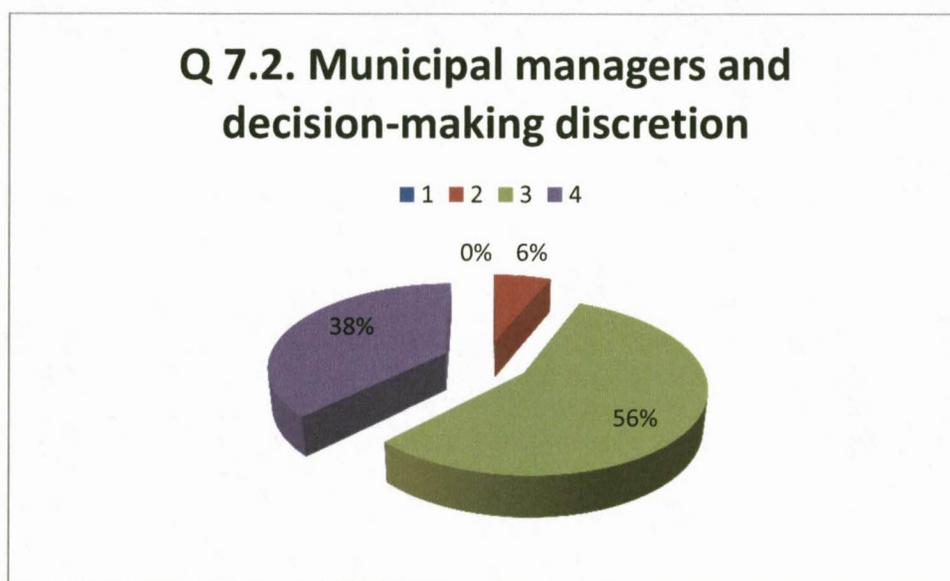


Figure 37

The interviewed participants once again emphasized the importance of personality, knowledge and the political environment in this regard. If there was a dysfunctional relationship between managers and their political counterparts, decision-making discretion was likely to be negatively influenced.

5.4.2.7.3. Municipal managers establishing an organisational culture around IDP

69% of the IDP managers (figure 38) were of the view that municipal managers succeeded in establishing an organizational culture in which the IDP is known to all employees as the primary municipal strategy and philosophy. This represents a relatively low positive response in comparison to the rest of the questionnaire.

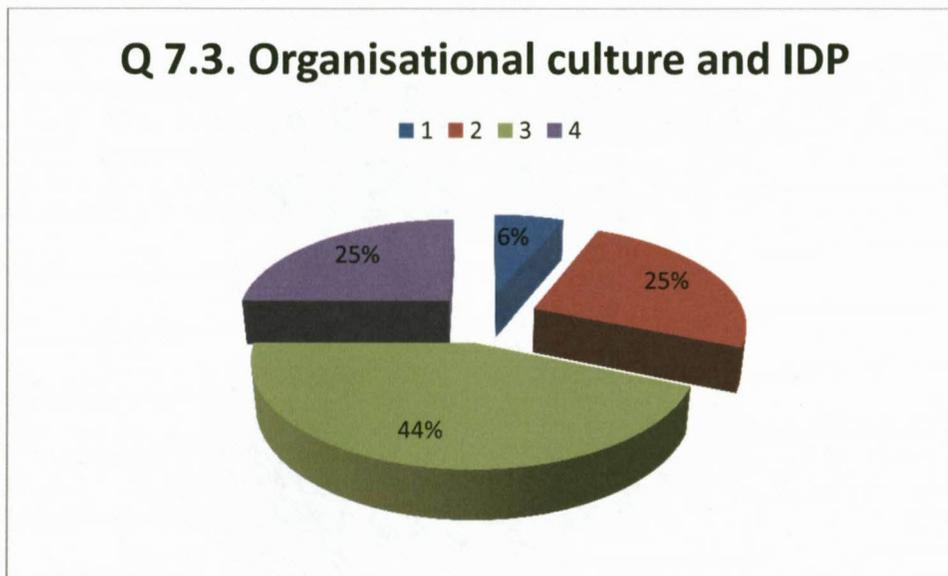


Figure 38

The interviewees, perhaps in line with the thoughts of the IDP managers, argued that very seldom was IDP cascaded down to the lowest levels in the organization. This prevented the very people who had to implement the IDP from taking ownership of the process. Work therefore needed to be done to ensure that all employees recognized and subsequently executed their duties with a view of achieving the overall municipal strategy.

5.4.2.7.4. Municipal managers infusing ethical values into municipalities in order to strive towards continuous overall organisational improvement

38% of the IDP managers (figure 39) were concerned with the presence of ethical values as a means of ensuring continuous organizational performance.

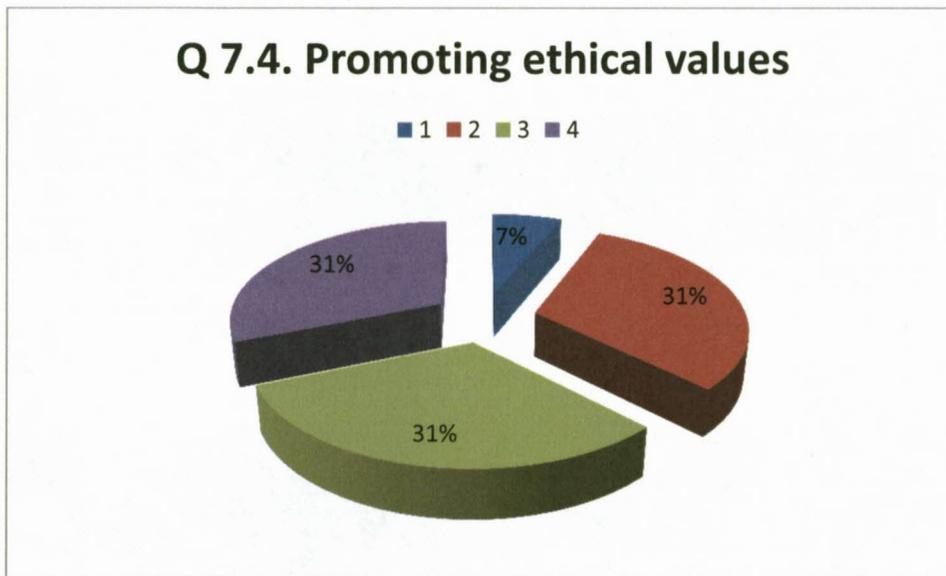


Figure 39

Interviewees in regard to ethics referred to the importance of implementing existing organizational mechanisms such as the codes of conduct for municipal councilors and officials. They furthermore stressed the importance of a culture of ethics through information sharing and open and transparent processes.

5.4.2.7.5. Most important leadership challenges for municipalities

An open-ended question in which participants had to cite the most important leadership challenges for municipalities was asked.

The majority of IDP managers referred to:

- Shortages of financial and human resources.
- Appointment of the wrong human resources.
- Undue delegation of the IDP function and low interest in and commitment to IDP at political and managerial executive level.
- Political interference in municipal administration.

A final question to the interviewees on the question of credible IDPs was posed. They were of the view that the credibility framework as provided by the national department of Cooperative Governance and Traditional affairs had a noble intention, but that there needed to be consistency because the framework had been altered on too many occasions. It was also suggested that for many of the small rural municipalities in the province the framework was too complicated.

5.5. CONCLUSION

In this chapter, the methodology for conducting the research for this thesis was explained. A mixed method approach was followed in which quantitative and qualitative data collection techniques were utilized to access information from various sources for the purpose of the study.

IDP managers in the Free State, representatives from the Free State Department of Cooperative Governance and Traditional Affairs and an independent consultant on local government affairs participated in the research. A questionnaire and interviews as data collection tools were employed to gain insight into a variety of aspects regarding IDP and related process in order to establish the conditions that were necessary for implementing integrated strategic planning.

An interesting observation in regard to the responses received was that there seemed to be a consistent support for and positive reaction to IDP managers' experience when they answered the Likert scale questions, but in various instances their responses to the open ended questions to a degree contradicted their responses to the scale questions. Many of the open-ended question responses were in line with the responses of the COGTA representatives and the independent consultants.

A general conclusion to the responses received could be summarized to include the following:

- The IDP as part of the integrated strategic planning process is generally regarded as a positive mechanism.
- Participants believe that the process of integrated strategic planning can lead to improved service delivery and development.
- Participants are concerned about the collective understanding of and commitment towards IDP.
- Participants view political meddling and interference as a serious threat to the successful implementation of IDP as strategic plan.
- Participants were concerned about the lack of financial and human resources for the purpose of driving integrated strategic planning.

In the final chapter these issues will be discussed when potential recommendations are suggested for improving on the current status quo in regard to IDP and the integrated strategic planning process in order to ensure that municipalities fulfill their constitutional mandate in society.

CHAPTER SIX

GENERAL CONCLUSIONS AND RECOMMENDATIONS

6.1. INTRODUCTION

The final chapter of this thesis is devoted to attaining the initial aim of the study as well as providing an overview of the most important findings. These findings include those that emanate from the literature review as well as the empirical component of the study. In addition, this chapter will provide some recommendations, based on the findings of the study that will potentially assist in improving the status quo in regard to the topic under discussion.

6.2. GENERAL CONCLUSIONS

The aim of the study, discussed in Chapter One, was to investigate the implementation of and provide recommendations on improving integrated strategic plans in Free State municipalities. This was because municipalities are, firstly, primarily responsible for the provision of basic services to communities as well as facilitating development in such communities. Secondly, the concept of integrated strategic planning was, from a legislative and regulatory framework, identified as the tool primarily to be utilized by municipalities to achieve their service delivery and development objectives.

The hypothesis of the study was that improving the implementation of integrated strategic plans would enhance the quality of municipal services and development in Free State municipalities, because, in terms of the problem statement there was initial

evidence that local communities in South Africa, including the Free State province, were not entirely satisfied with the level and quality of services rendered to them by their municipalities. It was envisaged that the results of the study would provide a basis for suggesting interventions to improve the existing situation in local government in the Free State and which would ultimately also be applicable to municipalities in South Africa as a whole.

In Chapter Two, important dimensions of local government in a South African context were discussed. The rationale for this was to establish the place of local government in the overall function of the South African system of government towards promoting the general welfare of its citizens. Service delivery and development was emphasized as an important aspect of governance in a South African context when considering the discrepancies in the level and quality of services to citizens.

The importance of local autonomy was discussed as an important prerequisite for local communities to, together with their municipalities, take ownership of governing their local areas. From a theoretical point of view it was ascertained that local government in South Africa could not be defined to be wholly autonomous. This was because the South African constitution effectively renders South Africa to possess characteristics of a federal state on the one hand as well as characteristics of a unitary state on the other. In terms of federal characteristics the Constitution emphasizes increased responsibility on the traditionally "lower tiers" of government, namely provincial and especially local government to play an active role in satisfying the needs and expectations of South African citizens. Local government is particularly highlighted because of its location, i.e. it is the first point of contact of citizens with government and in terms of powers and functions, local government is responsible for basic amenities that communities need. The Constitution, for the first time in South Africa's constitutional history, guarantees certain functions and powers to local government which increases the notion of autonomous local government. However, it was established that, in spite of reference

to local government functions and powers, local government remained bound to the other spheres of government for various reasons. The Constitution, in Section 40 (3) refers to the three spheres of government, namely national, provincial and local, being distinctive, but importantly, interrelated and interdependent, thus negating the notion of total autonomy. In addition it was found that, from a theoretical point of view, there were two main characteristics upon which local autonomy rested. Firstly there was the extent to which legislative regulation determined the agenda of local government. From a South African point of view, it soon became clear that from a legislative point of view, there was overwhelming central regulation. Secondly it was established that local autonomy would be determined by the extent to which municipalities are financially viable and self-sustainable. Once again, it became apparent that there was significant dependence on national government especially, for the financial sustainability of South African local government.

The literature review on the interdependent and interrelated nature of governance in South Africa has proven that from a regulatory perspective, one could not possibly think of local government in South Africa being autonomous in the true meaning of the term. In addition, in the empirical investigation, the majority of the participants who completed questionnaires as well as those interviewed, referred to the scarcity of, as well as problems regarding the management of financial resources. The literature as well as the empirical findings therefore clearly dispels the notion of autonomous local government in South Africa.

Economic development was identified as an additional functional dimension to the traditional basic service delivery roles of a municipality. It was argued that in order for municipalities being able to fulfill its constitutional mandate of promoting economic development, it needed expert human resources to do so and secondly, create realistic conditions to optimally utilize potential economic development opportunities in the area of municipalities. The empirical research conducted for this thesis suggests that as far

as economic development is concerned, municipalities tend to set unrealistic targets. In addition, it remains a fact that the financial resources especially as well as human expertise, remains scarce in efforts to realise potential opportunities.

The importance of community participation in municipal processes to ensure inclusive decision-making and ultimately service provision to the satisfaction of municipal customers was furthermore discussed in this chapter. Although there were constitutional and legislative obligations on municipalities to involve citizens more regularly in municipal processes, it was imperative that this philosophy became a natural part of the organizational existence of municipalities and not one necessitated by law only. A number of challenges to effective community participation were finally identifies and it was argued that these challenges needed to be neutralized for the process of community participation to become an effective tool in the municipal management process.

Finally in this chapter it was argued that for all these dimensions of local government to be effectively addressed, it was necessary for municipalities as organizations to undergo the necessary institutional development and transformation in order for each and every municipal political representative as well as employee to understand the direction the municipality wants to embark upon and their respective roles in that journey.

Chapter Three examined the concept of integrated strategic planning with specific reference to local government in South Africa. This was because from a legislative perspective, an integrated strategic planning approach in terms of which municipal Integrated Development Plans (IDPs) as strategic plans, budgets and performance management systems were portrayed as the cornerstone for managing municipalities in the country. Therefore managing a municipality from this angle was of great importance

to ensure that the dimensions of local government as discussed in Chapter Two would be adequately addressed.

Particular emphasis was placed on the right of existence of organizations and within this context the need for strategic thought to identify the business and organization concepts as well as the stakeholder development and organizational transformation to explain the right of existence of local government (therefore municipalities) in South Africa. This led to an extensive discussion on the major activities of municipalities as organizations as well as the primary customers or clients for which municipalities were responsible.

In order to develop and implement any strategy and translate it into meaningful activities requires the availability of essential resources. With this in mind the importance of securing sufficient resources (human, financial and other applicable resources) was highlighted. The issue of human resources inter alia explored the role of each municipal role-player with specific reference to the strategic planning framework. Challenges pertaining to financial resources were discussed and included the scarcity of money as well as financial management problems experienced by municipalities including solvency, liquidity and the allocation of funds towards the growth of municipalities.

Finally, in terms of the integrated nature of strategic planning in a local government context, it was ascertained that although the strategic planning process should consider the long term goals of the organization, the link between the IDP as strategic plan and the budget and performance management system as operational management tools was essential in ensuring that plans were translated into meaningful action.

The purpose of Chapter Four was to discuss Integrated Development Planning as an essential part of the overall policy framework for South African local government in

addition to it being the primary strategic framework for municipalities in the country. The discussion commenced with a discussion of policy for the purpose of public organizations and more specifically municipalities.

Public policy from a local government perspective was discussed within the following contextual frameworks:

- Public policy as a means to achieve predetermined objectives.
- Public policy as an authoritative representation of constituency values.
- Public policy as a response to societal shortcomings.

The empirical information collected indicates that the integrated strategic planning approach to local governance is regarded as suitable in terms of determining objectives to address societal values and shortcomings. It was made clear by the participants however, that the extent to which integrated strategic planning would succeed, would depend on the setting of realistic objectives as well as the sensible utilisation and management of resources, especially money. The chapter concluded with a discussion on the link between public policy and strategy in order to ascertain how the theory and practice of these processes were required to contribute to the success of municipalities in South Africa.

In Chapter Five an outline of the research methodology for administering the empirical component of the thesis was firstly provided. A mixed method approach, in which qualitative and quantitative techniques were used in the research design, was followed. Data collection techniques included a questionnaire that was sent out to all IDP managers in the twenty four Free State municipalities as well as interviews conducted with senior managers from the provincial department of Cooperative Governance and

Traditional Affairs as well as an independent consultant involved in the compilation of municipal IDPs.

From the feedback of the participants in the empirical research it was evident that the majority regarded IDP as a necessary and suitable intervention to facilitate service delivery and the development of local communities. They did however express reservations about the compilation and implementation phases in the IDP process which they believed largely contributed to the problems experienced in the successful utilization of the IDP as part of the integrated strategic planning process. Reasons for these reservations included:

- Concern about the collective understanding of the process by all role-players, i.e. a perceived lack of a common understanding of the process by elected councilors, appointed officials and local citizens in municipal areas.
- In the light of the above, participants were of the view that many targets set in the strategic plans of municipalities were unrealistic as they were unattainable due to a variety of factors.
- The party political nature that characterizes the process and thus prevents decisions that are objective and neutral and are in the best interests of the community.
- A lack of ownership of the process due to the fact that consultants were in many cases responsible for drafting strategic plans thus excluding the municipal role-players from owning the process. This especially applied to local communities where the process of community participation was often regarded to be superficial.
- Financial and human resources were regarded as scarce commodities due to inter alia a general lack of funds, poor financial management and corruption as well as an inability to appoint the most suitable human resources do drive the process.

- Generally, the process of integrated strategic planning was regarded as complicated and that although many municipalities complied with having their plans in place, it did not necessarily translate into tangible benefits to the local communities.

6.3. RECOMMENDATIONS

On the basis of the findings in Chapter Five and this summary of the study in the previous section, the following recommendations are suggested for improving the status quo and ensuring that integrated strategic plans have the desired effect in local communities.

- It is imperative for each role-player in a municipality to understand the potential advantages of integrated strategic planning for the municipality. The empirical research provides sufficient evidence that some municipalities in the Free State miss obvious opportunities of optimally utilising the strategic planning process to the benefit of their organisations as well as communities merely because role-player synergy is insufficient. Therefore elected councillors and appointed officials should view the process as more than merely a compliance exercise and rather as a sincere effort to improve the living conditions of local communities and creating an environment in which such communities can become partners in such efforts.

Efforts to educate and train the various role-players should be continuous, but is important to regularly monitor the impact of such education and training interventions. This can be done through after-care programmes as part of the education and training process in which the nature of participation in the integrated strategic planning process as well as decisions taken can be measured against the knowledge gained in education and training initiatives. It

should furthermore be integrated, meaning that it is imperative that there is correlation between the content of education and training efforts for elected councillors, appointed officials and local communities. The important issue is ensuring that the various role-players fulfil their designated roles as sufficiently as possible by participating in the integrated strategic planning process as informed and competent participants.

- Local communities are frustrated when a municipal plan promises something and it is ultimately not delivered. Non-delivery can occur for a variety of reasons one of which includes the setting of targets that are over-ambitious. Municipalities, in their decision-making processes should therefore guard against this pitfall and carefully consider what is achievable or not. In this manner municipalities may satisfy fewer needs or a particular need to a limited extent, but will ensure that they are able to honour their initial commitment.

It is furthermore vital that, for a particular IDP/financial/performance cycle, municipalities implement items prioritised for that particular cycle. It would be understandable to amend priorities and therefore activities mid-cycle due to unforeseen emergency situations, but that should be the only reason for such changes. Mid-cycle changes for any other reason is often a major contributing factor in alienating communities from their municipalities and should therefore be avoided.

- Expecting a party-political free environment in local government would not only be unrealistic, but also virtually impossible. The electoral system used in local government ensures that party political activity is and will for time to come remain an integral part of the system. It is however possible for municipal councils and their officials to make communities more tolerant toward party political activity by

ensuring objective decision making and where the integrity of decisions is above reproach.

Councils do have a political mandate, but acts and decisions in which subjective party political considerations cloud sound and objective decision-making not only frustrates the would-be receivers of services, but also seriously jeopardise the integrity of the municipality as an organisation. It leads to the lack of trust to which the participants in the empirical part of this study referred to.

With regard to ensuring that party politics do not become a stumbling block in municipalities, it is imperative that political parties themselves take responsibility for their representatives. It is not uncommon, but extremely unfair to expect of appointed officials to try and explain to elected political representatives, the limits of their powers and decision-making authority. It often leads to a serious breakdown in the working relationship between these two role-players. On the other hand it should always be remembered that a functional relationship between politicians on the one hand and officials and communities on the other hand can only enhance the trust relationship and decision-making process in local government. It is therefore of vital importance that political parties sufficiently train their representatives, but more importantly, that they continuously monitor their activities in municipal councils.

- Municipal ownership of the integrated strategic planning process is non-negotiable for the process to be acceptable to all concerned and in the context of this discussion this ownership relies heavily on the following factors. Firstly, it is not necessarily wrong to involve external consultants in the process of drafting IDPs, municipal budgets, performance management plans or any other plan. However, the involvement of consultants becomes problematic where there is no

skills transfer in the process. Question is therefore whether in the process assisting municipalities (at a tariff) there is a transfer of skills to municipal employees in order for them to perform the same function in the future at a much lower cost to the municipality. The involvement of consultants is furthermore problematic where such a consultant uses a standardised methodology for drafting municipal plans without taking into consideration the peculiar situational characteristics of that particular area. Municipal areas in South Africa differ from one another in various aspects such as geographically, politically, financially and socially and it is important for these factors to be considered in the drafting of municipal plans.

Secondly, an important part of owning the integrated strategic planning process revolves around or should revolve around the extent to which the local community has influenced discussion, consideration and finally deciding on the process and/or parts thereof. The importance of community participation had been discussed at length in various parts of this thesis. A danger in consultant involvement in local government is that, in many instances, the consultants' interaction with municipal councillors and officials is equalled to being interaction with the entire community. The consultants together with councillors and officials therefore assume what the needs and views of the local populace are. Assumptions in this context are dangerous and should be avoided at all cost by ensuring that participatory processes for communities take place, but more importantly that the views as expressed by local communities are genuinely considered and not only invited for the sake of complying with legislative requirements. Only paying lip-service to the notion of consultative governance is another factor that will alienate the municipality from its inhabitants. In the theoretical discussion on community participation in Chapter Two, Nyalunga emphasised the fact that, in spite of community participation being compulsory in terms of legislation, the process often fails due to the party-political nature of the

process as well as residents not seeing the impact of their "contributions in council decisions. These pitfalls should be avoided at all cost.

- No organisation can achieve its objectives without resources. For the purpose of this thesis financial and human resources were emphasised. Money in a South African municipal context is important at two levels, namely the availability thereof and furthermore the management thereof.

The availability of money is of great importance when considering the responsibility of municipalities in regard to rendering basic services and, in addition, facilitating development at various societal levels. It is of even greater importance when considering the discrepancies in terms of availability and quality in a South African context. In terms of the sources of revenue, municipalities rely on the intergovernmental fiscal relationship with the provincial and national spheres of government for money on the one hand and on generating income themselves through collecting service fees on the other.

In terms of the intergovernmental fiscal relationships it is necessary to build a sound relationship between a municipality and provincial and national departments. This means that municipalities must, in their planning, ensure that they accurately determine their financial needs and also consider the arrangements of the sector departments from which they wish to access funds. A lack of coordination between funding sector departments and municipalities can lead to delays in the transfer of funds and therefore lead to delays in services being provided. The relationship between municipalities and the other spheres of government in terms of funding can therefore not be overemphasised and needs to be constantly nurtured.

In addition to the intergovernmental fiscal relationship, municipalities need to take greater responsibility to recover outstanding funds from local communities. Non-payment for services continues to impede municipalities in their efforts to manage themselves effectively. No organisation can be kept operational without recovering basic operational expenses. Municipalities should therefore establish a culture of payment for services by continuously making communities aware of the benefits for themselves of paying for services and, in addition, implement relevant credit control and debt collection procedures consistently if they want to effectively recover all outstanding debt.

Apart from accessing money, the effective management of financial resources has been indicated in this empirical study as well as in literature to be one of the primary challenges for municipalities. Municipal financial divisions firstly need to be staffed with the most suitable people. This means at management level as well as operational level. In addition to having suitable staff, any deviation from sound financial management practices should be avoided and in the case of its occurrence, be addressed as a matter of urgency.

The issue of human resources is critical to the success of managing municipalities effectively. The issue of cadre deployment has been raised as a pitfall in appointing suitable candidates in key positions in municipalities. While the appointment of politically loyal personnel in key managerial positions is hard to avoid, it is imperative for decision-makers to start objectively considering whether these appointees can actually perform the key responsibilities attached to a particular positions. It is hard to see the status quo in terms of limited ability to implement integrated strategic plans, the occurrence of corruption and dissatisfied local communities changed unless people with suitable qualifications and skills are appointed in municipalities.

- The complicated nature of the overall process of integrated strategic planning at this stage in the development of South African local government should be analysed at two levels. It is firstly important to lessen the impact of the complication by ensuring that suitably qualified people manage municipalities, politically and strategically as was mentioned in the previous paragraphs.

Finally it is important for municipalities to engage lawmakers at provincial and national level and ensure that there is a continuous evaluation of the current system. This can be done through structures such as the South African Local Government Association (SALGA) that exists for facilitating sound relationships between municipalities and relevant role-players in the governance process. If, in the final analysis, the existing policy framework, does not have the desired effect in terms of satisfying community needs and expectations then changes to it or components thereof have to be considered.

6.4. CONCLUSION

This study has attempted to facilitate improvement in the management of municipalities in the Free State and, ultimately, the rest of South Africa by considering key questions in relation to integrated strategic planning. It is hoped that the with the literature consulted and exhausted as well as the findings of the empirical component of the study, a basis has been laid that can facilitated in the improvement of managing South African municipalities. Only through consistent improvement can the constitutional mandate of local government as a key government sphere be achieved.

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STATUTES OF THE REPUBLIC OF SOUTH AFRICA-CONSTITUTION

*Constitution of the Republic of South Africa Act,***Schs. 4 - 5 No. 108 of 1996 Schs. 4 - 5****SCHEDULE 4**

FUNCTIONAL AREAS OF CONCURRENT NATIONAL AND PROVINCIAL LEGISLATIVE COMPETENCE

PART A

Administration of indigenous forests
 Agriculture
 Airports other than international and national airports
 Animal control and diseases
 Casinos, racing, gambling and wagering, excluding lotteries and sports pools
 Consumer protection
 Cultural matters
 Disaster management
 Education at all levels, excluding tertiary education
 Environment
 Health services
 Housing
 Indigenous law and customary law, subject to Chapter 12 of the Constitution
 Industrial promotion
 Language policy and the regulation of official languages to the extent that the provisions of section 6 of the Constitution expressly confer upon the provincial legislatures legislative competence
 Media services directly controlled or provided by the provincial government, subject to section 192
 Nature conservation, excluding national parks, national botanical gardens and marine resources
 (Issue No 38) 1331 (36)
 Police to the extent that the provisions of Chapter 11 of the Constitution confer upon the provincial legislatures legislative competence
 Pollution control
 Population development
 Property transfer fees
 Provincial public enterprises in respect of the functional areas in this Schedule and Schedule 5
 Public transport
 Public works only in respect of the needs of provincial government departments in the discharge of their responsibilities to administer functions specifically assigned to them in terms of the Constitution or any other law
 Regional planning and development
 Road traffic regulation
 Soil conservation
 Tourism
 Trade
 Vehicle licensing
 Welfare services

PART B

The following local government matters to the extent set out in section 15.5 (6) (a) and (7):

Air pollution
 Building regulations
 Child care facilities
 Electricity and gas reticulation
 Firefighting services
 Local tourism
 Municipal airports
 Municipal planning
 Municipal health services
 Municipal public transport
 Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
 Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and Stormwater management systems in built areas
 Trading regulations
 Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems related thereto

Schedule 5

FUNCTIONAL AREAS OF EXCLUSIVE PROVINCIAL LEGISLATIVE COMPETENCE

Abattoirs

Alcohol services

Archives other than national archives

Libraries other than national libraries

Liquor licences

Museums other than national museums

(Issue No 33)

PART 4

133 1 (37)

STATUTES OF THE REPUBLIC OF SOUTH AFRICA - CONSTITUTIONAL LAW

Constitution of the Republic of South Africa,

SECTION 5 - 6 No. 108 of 1996 SchS. 5 - 6

Provincial planning

Provincial cultural matters

Provincial recreation and amenities

Provincial sport

Provincial roads and traffic

Veterinary services, excluding regulation of the profession

PART B

The following local government matters to the extent set out for provinces in section 155 (6) (a) and (7):

Beaches and amusement facilities

Billboards and the display of advertisements in public places

Cemeteries, funeral parlours and crematoria

Cleansing

Control of public nuisances

Control of undertakings that sell liquor to the public

Facilities for the accommodation, care and burial of animals

Fencing and fences

Licensing of dogs

Licensing and control of undertakings that sell food to the public

Local amenities

Local sport facilities

Markets

Municipal abattoirs

Municipal parks and recreation

Municipal roads

Noise pollution

Pounds

Public places

Refuse removal, refuse dumps and solid waste disposal

Street trading

Street lighting

Traffic and parking

APPENDIX B

QUESTIONNAIRE FOR Ph.D. THESIS: IMPLEMENTING INTEGRATED STRATEGIC PLANS IN FREE STATE MUNICIPALITIES

The purpose of the questionnaire is to test your opinion concerning various aspects relating to the implementation of integrated strategic plans in your municipality. Specific attention will be paid to those aspects that you perceive as positive/negative as well as suggestions for improving the current state of affairs. Please note that all information provided will be treated with strict confidentiality.

It should not take more than 45 minutes for you to complete the questionnaire. If you wish to complete the questionnaire electronically, you may return it to Lyndon du Plessis: dplesslm@ufs.ac.za. If you have any enquiries, you may contact me at (051) 401 2284. It would be highly appreciated if the completed questionnaire could be returned by **15 NOVEMBER 2012**.

Title, name and surname (optional)?		
Current designation (e.g. Municipal Manager/Mayor)?		
Experience in current position?		
Please indicate the District in which your municipality is situated		

Except for where stated otherwise, please answer the questions on a scale from 1 to 4. The following meanings are attached to various values:

1=Totally Disagree

2=Disagree

3=Agree Partly

4=Totally Agree

(a column for recording no answers [for the researcher] was also provided)

Please indicate your answer with an X in the appropriate column.

1. The extent of local autonomy: Constitutional and legislative factors and the functioning of the municipality

1.1. The municipality exercises its constitutional right of governing the local area without undue interference by other spheres of government.	1	2	3	4	
1.2. The municipality has sufficient financial and administrative capacity at its disposal to achieve its objectives with relative independence as prescribed in the Constitution.	1	2	3	4	
1.3. There is sufficient national and provincial support to strengthen the capacity of the municipality to execute its functions.	1	2	3	4	

1.4. Municipal structures e.g. municipal committees, as provided for in the Municipal Structures Act, 117 of 1998, function effectively and efficiently in contributing to operational competence of the municipality.	1	2	3	4	
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1.5. Sufficient role clarification exists and these roles are adhered to by political office bearers as well as officials.	1	2	3	4	
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1.6. What, in your opinion, is the biggest practical obstacle institutional efficiency in the municipality? Please motivate your answer.

1.7. What suggestions can you make to overcome the obstacle referred to in 1.6?

2. The extent of local autonomy: financial and economic factors influencing the municipal environment

2.1. The Equitable Share allocation to the municipality contributes to the provision of basic services to those inhabitants who cannot afford such services.	1	2	3	4	
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2.2. The municipality participates in and/or benefits from one or more national government conditional grant schemes (e.g. Municipal Infrastructure Grant) in order to facilitate the rendering of specific services to local communities.	1	2	3	4	
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2.3. The conditional grants are utilized for the purpose they were allocated for to the municipality.	1	2	3	4	
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2.4. The municipality does not depend on conditional grant allocations to sustain the operational requirements of managing the municipality.	1	2	3	4	
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2.5. How does your municipality ensure that services rendered comply with quality requirements? Please explain.

2.6. Are there efforts to test the views of citizens regarding the quality of service rendering? If so, please explain shortly.

3. Community Participation in the municipality

3.1. There are purposeful efforts to implement legislative requirements regarding community participation.	1	2	3	4	
3.2. There are efforts to involve the community in municipal affairs other than those prescribed by legislation such as the Budget or IDP.	1	2	3	4	
3.3. The inputs provided by the community are seriously considered and integrated into final municipal plans.	1	2	3	4	
3.4. There is a genuine commitment on the part of councilors and officials to constructive community participation.	1	2	3	4	
3.5. Community participation is free from political bias and each citizen's input is treated equally.	1	2	3	4	

3.6. Please provide examples of the commitment displayed by councilors and officials to promote community participation.

3.7. What are, in your view, the greatest challenges to constructive community participation?

3.8. What can be done to improve the process of community participation in your municipality?

4. Defining local communities as municipal customers

4.1. There are conscious efforts to instill the idea of local communities as customers of the municipality.	1	2	3	4	
4.2. In addition to municipal staff, the idea of a customer focused approach is also promoted amongst councilors.	1	2	3	4	
4.3. The municipality's commitment to citizens as their customers is reflected in the relevant plans or operational strategies of the municipalities.	1	2	3	4	
4.4. Citizens are afforded the opportunity to provide feedback to the municipality regarding the nature and quality of services provided by the municipality.	1	2	3	4	

4.5. The municipality attempts to incorporate citizen feedback into efforts to improve the quality of services.	1	2	3	4	
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4.6. What, in your view, can be done to improve the relationship between the municipality as service provider and the community as customers?

5.Role-player contribution to IDP as municipal strategic plan

5.1. There is sufficient role clarification between elected councilors, appointed officials and local residents in your municipality regarding the role of each in the IDP process.	1	2	3	4	
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5.2. Each role-player understands his/her contribution to and role in the compilation, implementation and evaluation of the IDP.	1	2	3	4	
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5.3. Elected councilors represent the needs of all local residents in an equal and unbiased manner.	1	2	3	4	
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5.4. There is a functional relationship between councilors and appointed officials in order to collectively pursue local community needs.	1	2	3	4	
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5.5. The local residents are informed about and involved in the IDP process.					
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5.6. There is a sound cooperative relationship between the municipality and the other government spheres in terms of the IDP process.	1	2	3	4	
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5.7. What are, according to you, primary obstacles to the IDP process?

5.8. How can these obstacles be overcome?

5.9. Explain briefly how communities are involved in the formulation and implementation of your IDP.

6. Translating IDP as part of the overall local government policy framework into action

6.1. There is a common understanding among all role-players as to how IDP as municipal strategy is aimed at contributing to the overall policy framework for local government.	1	2	3	4	
6.2. The issues targeted in the IDP reflect a direct response to the needs experienced by and expressed by the local community.	1	2	3	4	
6.3. The IDP reflects a fair representation of the expectations of all the residents in the municipality.	1	2	3	4	

18. Do you think that, in most cases, the issues included in IDPs reflect a direct response to community needs and expectations?
19. Do you think that municipal resources are allocated in line with achieving the strategic objectives of the municipality?
20. Do you think that SDBIPS are succeeding in operationalising IDPs and provides a good mechanism for monitoring and evaluating municipal performance?
21. What do you regard as the most important leadership challenges in terms of the IDP process?
22. Do you think that municipal managers possess sufficient decision making discretion to steer municipalities towards achieving strategic objectives?
23. Do you think municipal managers are able to communicate and establish an organisational culture that promotes the IDP as primary municipal strategy?
24. Do you think that there is sufficient integration in implementing IDPs and performance management in line with budgetary provisions and constraints?
25. What do you think are necessary requirements for ensuring credible integrated strategic plans?



6.4. Resources, (financial and other) are allocated in line with achieving the strategic objectives of the municipality.	1	2	3	4	
6.5. The SDBIP of the municipality serves as a sufficient operational plan to give effect to the IDP.	1	2	3	4	
6.6. The SDBIP serves as a monitoring and evaluation mechanism in terms of the IDP.	1	2	3	4	
6.7. Do you think that the IDP will make the required impact on the well-being of the community?					

7. Leadership competencies for implementing IDP – Municipal Managers and other Managers responsible for IDP

7.1 Municipal managers responsible for IDP have enough authority and influence to ensure the successful formulation and implementation of the process.	1	2	3	4	
7.2. Municipal managers possess sufficient decision-making discretion to steer the municipality towards achieving strategic objectives.	1	2	3	4	
7.3. Municipal managers are able to communicate and establish an organizational culture that promotes the IDP as primary municipal strategy.	1	2	3	4	
7.4. Municipal managers are able to infuse ethical values to the extent that all role-players adhere to it.	1	2	3	4	

7.5. What do you regard as the most important leadership challenge for municipal managers responsible for the strategic plans of municipalities?

THANK YOU FOR YOUR PARTICIPATION

APPENDIX C

PhD List of Interview Questions

1. In terms of the constitutional reference to the three spheres of government, more autonomous local government is highlighted. Do you think provincial and national government allows municipalities to exercise this autonomy without undue interference?
2. Do you think municipalities have sufficient financial and administrative capacity to achieve objectives with relative independence?
3. Do you think that municipal structures function effectively and there is sufficient role clarification?
4. What is the biggest obstacle to institutional efficiency and what can be done to overcome it?
5. In your experience, do you think grants to municipalities are utilised for their intended purpose?
6. Do you think municipalities purposefully attempts to ensure predetermined quality standards in terms of service provision and that communities are consulted regarding such quality standards?
7. Are municipalities successful in achieving legislative objectives regarding community participation and are the views of communities seriously considered and integrated in decision-making?

8. Do you think there is a genuine commitment on the part of municipal councillors and officials towards community participation and that the process is free from party political bias?
9. What are the greatest challenges to community participation and what do you think can be done to overcome these challenges?
10. Do you think there is a sufficient realisation on the part of municipalities of the customer focused approach that could be followed towards local communities?
11. What, in your view can be done to improve the relationship between municipalities as service providers and communities as customers?
12. Do you think each role player in the IDP process understands their roles sufficiently?
13. Do you think there is an effort on the part of councillors to represent the needs of all citizens equally and that local residents are informed about, and involved in the IDP process?
14. Do you think that the relationship between councillors and officials is functional to the extent that it contributes to addressing community needs?
15. Is there a cooperative relationship between municipalities and the other spheres of government in terms of facilitating the compilation of and implementation of the IDP process?
16. What are the primary obstacles in the IDP process and how can they be overcome?
17. Is there a common understanding on the part of all role-players as to how the IDP as municipal strategy is aimed at contributing to the overall policy framework for local government?