

**THE INFLUENCE OF THE TRANSFORMATION OF LOCAL
GOVERNMENT ON SERVICE DELIVERY IN CATEGORY B
MUNICIPALITIES IN THE EASTERN CAPE**

by

EDWARD MARTIN RANKWANA

**Submitted in fulfilment of the requirements for the degree of PHILOSOPHIAE
DOCTOR (Ph.D.)**

in the

**FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES
(Department of Public Management)**

at the

UNIVERSITY OF THE FREE STATE

Promoter:

Prof. H.J. Kroukamp

Bloemfontein

4 June 2004

ACKNOWLEDGEMENTS

I wish to express my gratitude to the following:

- My Heavenly Father for His grace, love, guidance and blessing.
- My wife Helen and children for their patience, encouragement, prayers and support.
- The Rankwana family for standing back and allowing me to accomplish so much.
- Lucia Jacobs for assisting me in taking the initial steps into the academic world.
- The Ukhahlamba District Municipality for affording me the opportunity to continue with my studies.
- The Maletswai Local Municipality for kindly allowing me to use their documents and granting interviews for purposes of the study.
- My promoter Prof. H.J. Kroukamp for his astute leadership and advice.

DECLARATION

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

Philosophiae Doctor (Ph.D.) 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 the thesis in favour of the
University of the Free State.

E M RANKWANA
Bloemfontein, 4 June 2004

TABLE OF CONTENTS



List of tables	viii
Appendices	ix
Abbreviations	x
Summary and keywords	xi
Opsomming en sleutelwoorde	xiii

CHAPTER ONE

INTRODUCTION

1.1	Background to the study	1
1.2	Problem statement	5
1.3	Objectives of the study	6
1.4	Reason for the study	7
1.5	Hypothesis	8
1.6	Research design and methodology	8
1.7	Time dimension	12
1.8	Terminology	13
1.9	Study plan	18

CHAPTER TWO

THEORETICAL PERSPECTIVES ON THE TRANSFORMATION OF LOCAL GOVERNMENT IN SOUTH AFRICA

2.1	Introduction	20
2.2	Theoretical perspectives on transformation and change	21
	<i>2.2.1 Categories of change</i>	<i>22</i>
	<i>2.2.1.1 Developmental change</i>	<i>23</i>
	<i>2.2.1.2 Transitional change</i>	<i>23</i>
	<i>2.2.1.3 Transformation</i>	<i>24</i>
2.3	Factors influencing the theoretical perspectives on transformation	33
	<i>2.3.1 The vision of local government</i>	<i>33</i>
	<i>2.3.2 Principles of restructuring</i>	<i>35</i>
	<i>2.3.2.1 General principles</i>	<i>36</i>
	<i>2.3.2.2 Management principles</i>	<i>40</i>
	<i>2.3.3 Process of transforming the municipality</i>	<i>42</i>
	<i>2.3.4 Local government democracy</i>	<i>45</i>
	<i>2.3.5 Representation</i>	<i>58</i>
	<i>2.3.6 Self-determination</i>	<i>59</i>
	<i>2.3.7 Constant dialogue</i>	<i>60</i>
	<i>2.3.8 Transparency of policy making</i>	<i>60</i>
	<i>2.3.9 Accountability</i>	<i>60</i>
	<i>2.3.10 Financial management process</i>	<i>61</i>
2.4	Conclusion	62

CHAPTER THREE

PRE-TRANSFORMATION REALITIES – IMPERATIVES FOR AMALGAMATION

3.1	Introduction	64
3.2	Pre-transformation realities	65
	<i>3.2.1 Political scenario from 1948-1983</i>	<i>66</i>
	<i>3.2.2 Political reforms of 1983-1985</i>	<i>68</i>
	<i>3.2.3 Political reforms of 1993-1994</i>	<i>74</i>
3.3	Imperatives for local government transformation	76
	<i>3.3.1 Local government and the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)</i>	<i>80</i>
	<i>3.3.1.1 Local government as a sphere of government</i>	<i>81</i>
	<i>3.3.1.2 The status of local government</i>	<i>82</i>
	<i>3.3.1.3 Objectives of local government</i>	<i>83</i>
	<i>3.3.1.4 Municipalities in cooperative government</i>	<i>86</i>
	<i>3.3.1.5 Developmental local government</i>	<i>87</i>
	<i>3.3.2 The White Paper on Local Government</i>	<i>88</i>
	<i>3.3.3 Legislation providing for the restructuring of local government</i>	<i>97</i>
	<i>3.3.3.1 Local Government: Demarcation Act, 1998 (Act 27 of 1998)</i>	<i>97</i>
	<i>3.3.3.2 Local Government: The Municipal Structures Act, 1998 (Act 117 of 1998)</i>	<i>99</i>

3.3.3.3	<i>Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)</i>	106
3.4	<i>Conclusion</i>	112

CHAPTER FOUR

THE ESTABLISHMENT OF THE MALETSWAI LOCAL MUNICIPALITY AND RELATED ISSUES

4.1	Introduction	115
4.2	Governance in the municipal environment	116
4.2.1	<i>Formation of a Local Consultative Forum for the Aliwal North Transitional Local Council and the Jamestown TLC</i>	118
4.2.2	<i>Disestablishment of the Aliwal North TLC and the Jamestown TLC</i>	122
4.2.3	<i>Difficulties experienced during the transformation process</i>	123
4.2.4	<i>Maletswai Local Municipality: Incorporation of municipalities</i>	124
4.2.5	<i>Politics-administration interface: The situation in the Maletswai Local Municipality</i>	125
4.3	Institutional transformation	129
4.3.1	<i>Administrative rationalisation of the Maletswai Local Municipality</i>	129
4.3.2	<i>Rationalisation of staff</i>	132
4.3.3	<i>Conditions of service and benefits</i>	145
4.3.4	<i>Appointment of Section 57 Employees</i>	147
4.3.5	<i>Filing system</i>	148

4.3.6	<i>By-laws</i>	149
4.3.7	<i>Town planning schemes</i>	150
4.4	Financial arrangements	150
4.4.1	<i>Valuation roll</i>	151
4.4.2	<i>Assets and liabilities</i>	152
4.4.3	<i>Tariff of charges</i>	153
4.5	Strategic management	154
4.6	Service delivery in perspective	156
4.6.1	<i>Definition of the concept service delivery</i>	157
4.6.2	<i>Service delivery standards</i>	161
4.6.3	<i>Principles for service delivery</i>	167
4.6.4	<i>Modernisation of service delivery</i>	177
4.6.5	<i>Alternative service delivery methods</i>	185
4.7	Conclusion	203

CHAPTER FIVE

SERVICE DELIVERY IN CATEGORY B MUNICIPALITIES IN THE EASTERN CAPE – THE MALETSWAI SITUATION

5.1	Introduction	210
5.2	Service delivery as a responsibility of local government in South Africa	211
5.3	Service delivery in the Maletswai Local Municipality	212
5.3.1	<i>Regulatory services</i>	213
5.3.1.1	<i>Building control service</i>	213
5.3.1.2	<i>Disaster management</i>	215
5.3.1.3	<i>Fire protection service</i>	216

5.3.1.4	<i>Land – use control service</i>	218
5.3.1.5	<i>Pollution control service</i>	219
5.3.1.6	<i>Traffic and policing service</i>	220
5.3.2	<i>Social services</i>	221
5.3.2.1	<i>Ambulance service</i>	221
5.3.2.2	<i>Burial and cremation services</i>	221
5.3.2.3	<i>Environmental health service</i>	222
5.3.2.4	<i>Personal health care service</i>	223
5.3.2.5	<i>Cultural service</i>	228
5.3.2.6	<i>Housing development service</i>	229
5.3.2.7	<i>Parks, sports and recreation service</i>	230
5.3.3	<i>Commercial services</i>	231
5.3.3.1	<i>Abattoir service</i>	232
5.3.3.2	<i>Electricity supply service</i>	232
5.3.3.3	<i>Public transport service</i>	234
5.3.3.4	<i>Roads, streets and rainwater drainage services</i>	235
5.3.3.5	<i>Sewage disposal service</i>	236
5.3.3.6	<i>Solid waste removal service</i>	237
5.3.3.7	<i>Water supply service</i>	238
5.3.3.8	<i>Local economic development</i>	241
5.4	Challenges facing service delivery	246
5.4.1	<i>Expectations of the community</i>	246
5.4.2	<i>Financial matters</i>	251
5.4.3	<i>Performance management system</i>	261
5.5	Conclusion	265

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction 275

6.2 Recommendations 286

Bibliography

LIST OF TABLES

1. DEVELOPMENT PRIORITIES OF THE MALETSWAI LOCAL MUNICIPALITY 2002 – 2006	182
2. INHABITANTS SERVICE DELIVERY FEEDBACK	259

APPENDICES

APPENDIX A:	QUESTIONNAIRE	354
APPENDIX B:	ORGANOGRAM OF ALIWAL NORTH TLC	368
APPENDIX C:	ORGANOGRAM OF JAMESTOWN TLC	369
APPENDIX D:	ORGANOGRAM OF MALETSWAI LOCAL MUNICIPALITY	370

ABBREVIATIONS

ANC:	African National Congress
BLA:	Black Local Authorities
BOT:	Build/Operate/Transfer
CBO:	Community Based Organisation
GEAR:	Growth, Employment and Redistribution strategy
GGP:	Geographical Growth Product
KPA:	Key Performance Area
KPI:	Key Performance Indicator
IDP:	Integrated Development Plan
LGNF:	Local Government Negotiation Forum
LGTA:	<i>Local Government Transition Act, 1993 (Act 209 of 1993)</i>
MEC:	Member of the Executive Council
NGO:	Non-Governmental Organisation
PAC:	Pan Africanist Congress
PMS:	Performance Management System
SANCO:	South African National Civic Organisation
SDU:	Service Delivery Unit
TLC:	Transitional Local Council
WLA:	White Local Authority
WPLG:	White Paper on Local Government
WTPSD:	White Paper on Transforming Public Service Delivery

SUMMARY

Following the demise of apartheid the restructuring of local government in South Africa commenced. Cities were notorious for the exclusion of a significant proportion of the population from economic opportunities and the delivery of basic services. The national debate on local government transformation and restructuring commenced in 1990 in the Local Government Negotiating Forum (LGNF) alongside the national negotiating process. The LGNF negotiated the *Local Government Transitional Act, 1993* (Act 209 of 1993) that envisaged a three phase transition process and provided for the abolishment of racially based local authorities.

The final phase of the transformation of local government commenced with the implementation of the *Constitution of the Republic of South Africa, 1996* (Act 108 of 1996). In terms of the Constitution (Chapter 10), all three spheres of government were responsible for ensuring the delivery of quality services to all South Africans. To enable these spheres of government to carry out their responsibilities, the public sector delivery process needed to transform through a process of restructuring.

In terms of the Reconstruction and Development Programme municipalities were key institutions for delivering basic services. Therefore the restoration and upgrading of services where they have collapsed and extending services to new areas were regarded as vital preconditions for the legitimising of the new local government system. A Demarcation Board was established to determine boundaries for local authorities that were to be established in

terms of the *Local Government: Municipal Structures Act, 1998*. The Act sets out the categories and types of municipalities for South Africa.

The purpose of the study is to investigate the influence of transformation on the level of service delivery. Consequently the establishment of the Maletswai Local Municipality and related issues were investigated. Furthermore, the services that should be delivered by local government in terms of its constitutional mandate were explained whereafter the level of satisfaction of residents with regards to service delivery were investigated by means of an empirical study. Findings and recommendations to improve service delivery were submitted in the final chapter of the thesis.

KEY TERMS

Local government

Governance

Politics-administration interface

Institutional transformation

Restructuring

Decentralisation

Delegation framework

Political will

OPSOMMING

Na die afskaffing van apartheid het die herstrukturering van plaaslike bestuur in Suid-Afrika 'n aanvang geneem. Kenmerkend van stede in Suid-Afrika was die uitsluiting van 'n merkbare gedeelte van die bevolking vanaf ekonomiese geleentheid en die lewering van basiese dienste. Die nasionale debat oor die transformasie en herstrukturering van plaaslike bestuur het in 1990 in die plaaslike bestuurs-onderhandelingsforum 'n aanvang geneem en is oor die inhoud van die *Plaaslike Regerings Oorgangswet, 1993* onderhandel. Laasgenoemde Wet het voorsiening gemaak vir 'n drie-fase oorgangsproses asook die afskaffing van rasgebaseerde plaaslike owerhede.

Die finale fase van die transformasie van plaaslike bestuur het 'n aanvang geneem met die implementering van die *Grondwet van die Republiek van Suid-Afrika, 1996* (Wet 108 van 1996). In terme van die Grondwet (Hoofstuk 10) is al drie regeringsfere verantwoordelik om dienste aan alle Suid-Afrikaners te lewer. Ten einde hierdie sferes in staat te stel om hul verantwoordelikhede na te kom, moes die diensleweringproses van die openbare sektor verander word deur middel van herstrukturering.

In terme van die heropbou en ontwikkelingsprogram is munisipaliteite as kritiese basiese diensleweringinstellings geïdentifiseer. Derhalwe is die herstel en opgradering van dienste waar dit verval het asook die uitbreiding van dienste na nuwe gebiede as voorvereistes vir die legitimering van die nuwe plaaslike bestuurstelsel gesien. 'n Afbakeningsraad is tot stand gebring om grense te bepaal vir munisipaliteite wat in terme van die *Wet op Plaaslike Regering: Munisipale Strukture, 1998* tot stand gebring is.

Laasgenoemde wetgewing het die kategorieë en tipes munisipaliteite vir Suid-Afrika bepaal.

Die doel van die studie is om die invloed van transformasie op dienslewering te ondersoek en is die totstandkoming van die Maletswai Plaaslike Munisipaliteit en verwante aangeleenthede aangespreek. Hierbenewens is die dienste wat deur plaaslike besture in terme van hul grondwetlike mandaat gelewer moes word, verduidelik waarna die vlak van bevrediging van inwoners ten opsigte van dienslewering deur middel van empiriese studie ondersoek is. Bevindinge en aanbevelings word in die laaste hoofstuk van die tesis aangebied.

TREFWOORDE

Plaaslike bestuur

Regeerkunde

Politiek-administrasie raakvlak

Institusionele transformasie

Herstrukturering

Desentralisasie

Delegasie raamwerk

Politieke wil

CHAPTER ONE



INTRODUCTION

1.1 Background to the study

Apartheid left its imprint on local government in South Africa. From 1910 to 1994, reference to local government in South Africa implied White local government. The election of the National Party on an apartheid manifesto in 1948 led to the introduction of legislation that affected the spatial patterns of local government in South Africa. The *Population Registration Act, 1950* (Act 30 of 1950) divided South Africa into four racial groups, namely White, Indian, Coloured and Black. The *Group Areas Act, 1950* (Act 41 of 1950), hereafter referred to as the Group Areas Act, provided for the demarcation of suburbs into different racial groups. Thousands of people were forcibly removed in terms of the aforementioned Act to designated residential areas. The Group Areas Act was a key piece of apartheid legislation as it instituted strict residential segregation and compulsory removal of “Black” people to own group areas. Furthermore, apartheid, by means of spatial separation, influx control and a policy of own management for own areas, aimed to limit the extent to which affluent White municipalities would bear the financial burden of servicing disadvantaged Black areas.

Consequently, cities in South Africa were notorious for the exclusion of a significant portion of the population from economic

opportunities and the delivery of basic services. This exclusion was partly due to the apartheid form of South African cities: Low-density, high income, well serviced, formerly White suburbs situated close to work opportunities juxtaposed with large, impoverished, sprawling, poorly serviced and mostly Black townships and informal settlements on the urban periphery.

The national debate on local government transformation and restructuring commenced in 1990 in the Local Government Negotiating Forum (LGNF), alongside the national negotiating process (Roome 1998:2). This debate was preceded by deadlocks, which developed in the various Black communities between activist civic associations and ethnically rooted local authorities. The challenge that faced the LGNF was to reconcile the populist political culture of the townships with the technicist culture of White local authorities (Atkinson 1995:8). A way had to be devised in which local government could be transformed from racially segregated structures that were highly unequal in terms of administrative capacity, revenue and physical infrastructure to non-racial local governments that were to be elected in terms of universally accepted norms and standards.

The LGNF negotiated the *Local Government Transition Act, 1993* (Act 209 of 1993) (LGTA) that envisaged a three-phase transition process. The pre-interim phase commenced with the promulgation of the LGTA in February 1994. Part IV of the LGTA provided for the abolishment of racially based local authorities in urban areas and replacing them with non-racial Transitional Local Councils (TLCs). In metropolitan areas a two-tier system was introduced, namely a Transitional Metropolitan Council (TMC) and a Transitional Metropolitan Substructure (TMS).

The LGTA was process oriented and concerned with the political unification of municipalities that had racially been divided under apartheid but did not provide a new local government system. Instead it laid down a process for change, and that process was a locally negotiated transition. Negotiating forums were formed locally and representatives were appointed on a 50/50 basis from statutory and non-statutory components. The statutory component comprised members of existing local government bodies, or persons representing bodies or organisations approved by the forum as part of such a component, such as ratepayers' associations. The non-statutory side comprised those who were not part of the statutory component and had a vested interest in the political restructuring of local government. These included political organisations such as the African National Congress (ANC), the Pan Africanist Congress (PAC) and civic organisations such as the South African National Civic Organisation (SANCO). The forums were applying the principles of inclusivity and representativity and therefore other bodies such as the Local Chamber of Business and the Electricity Supply Commission (Eskom) were granted observer status (Cameron 1999:87).

According to Cameron (1999:87) the functions of these forums included negotiating the following:

- Which transitional model of local government was to be applied as well as its functions;
- the number of seats on the new transitional council, taking the existing number of seats as the point of departure; and
- which councillors were to be nominated to serve on the new transitional council.

The LGTA deracialised local authorities by the restructuring of the racially based structures, but it did not transform local authorities (Roome 1998:3). It democratised local authorities by the first democratic local government elections held in 1995 and 1996 that signaled the commencement of the Interim Phase. However, the aim of the government to construct compact and integrated cities intended to remedy the disadvantages and neglected characteristics of the apartheid city and to ensure that the basic needs of all South Africans were provided for, were partially addressed. The final phase of the transformation of local government commenced with the implementation of the *Constitution of the Republic of South Africa, 1996* (Act 108 of 1996), hereafter referred to as the Constitution.

In terms of the Constitution (Chapter 10), all three spheres of government are responsible for ensuring the delivery of quality services to all South Africans. To carry out this responsibility the different spheres of government face the enormous task of addressing the huge backlogs in access to basic services. To enable these spheres of government to carry out their responsibilities, the public sector delivery process had to be transformed through a process of restructuring (Kroukamp 1999:297). Local government is the sphere of government closest to its constituents and involved in the rendering of a wide range of services that materially affect the lives of the inhabitants residing within its area of jurisdiction (Zybrands 1995:1). For this reason the broad mission of local government is to achieve the highest general welfare of a community by satisfying the identified needs through the effective rendering of services (Zybrands 1995:1).

According to the Reconstruction and Development Programme (1994: 22) municipalities are key institutions for delivering basic services. Consequently, restoration and upgrading of services where they have collapsed and extending services to new areas are regarded as vital preconditions for the continued legitimising of the new local government system. A Demarcation Board was established to determine boundaries for local authorities that were to be established in terms of the *Local Government: Municipal Structures Act*, 1998 (Act 117 of 1998) hereafter referred to as The Structures Act. The aforementioned Act sets out the categories and types of municipalities for South Africa. Principally, municipalities in South Africa are divided into the following categories:

- Category A: Metropolitan councils.
- Category B: Local municipalities.
- Category C: District municipalities.

Resulting from the demarcation process, two Transitional Local Councils in the Eastern Cape Province were restructured and amalgamated to form the Maletswai Local Municipality. The following former independent local councils were included in the area of jurisdiction of the local municipality:

- Aliwal North Transitional Local Council; and
- Jamestown Transitional Local Council.

1.2 Problem statement

Despite the above-mentioned arrangements, particular problems flowing from the amalgamation process are *inter alia* that local municipalities are grappling with efforts to eliminate service backlogs; uniting communities that were divided by the policies of

the previous political dispensation; transforming archaic bureaucratic institutions and creating a viable financial system. The demand for quality service delivery from local government has increased over the last few years, putting increased demands on councillors and officials to utilise scarce resources in such a way that a better life for all inhabitants of a local government area is promoted. The aim of the amalgamation of these municipalities was to create a municipality that would be economically functional; had the potential to be viable financially, and delivered services to all the inhabitants of the area.

A further problem was that the community had the perception that the standard of service delivery had deteriorated since the transformation of the municipalities. To address these problems the study focuses on service delivery by Category B municipalities since its inception in 2000 using the Maletswai Local Municipality as a case study. Furthermore, a framework will be proposed that should assist Category B municipalities in the Eastern Cape Province to improve the level of service delivery.

1.3 Objectives of the study

In view of the historical background of local government in South Africa and the resultant transformation of this sphere of government, the objectives of this study are defined as follows:

- To provide a theoretical perspective of transformation;
- provide a background to the system of municipal government that prevailed during the apartheid era in South Africa and in particular in the Maletswai Local Municipality;

- analyse the imperatives that led to the transformation of local government;
- investigate and analyse the reasons for the satisfaction or dissatisfaction with the quality of service delivery;
- propose a framework to assist local government to improve the level of service delivery; and
- draw conclusions and make recommendations on the improvement of the standard of service delivery.

1.4 Reason for the study

The study is being undertaken at a time when all stakeholders have accepted the White Paper on Local Government (WPLG) as the blueprint for the transformation and restructuring of local government. Throughout this document there is continuous reference to the role that local government can play in the implementation of the Reconstruction and Development Programme (RDP). Paragraph 2.7 of the WPLG acknowledges that local governments are key institutions for delivering basic services, extending local control, managing local economic development and redistributing public resources. This study will be confined to the service delivery aspect of local government. Legislation, including the *Local Government: Demarcation Act*, 1998 (Act 27 of 1998), hereafter referred to as the Demarcation Act, the Structures Act and the *Local Government: Systems Act*, 2000 (Act 32 of 2000), hereafter referred to as the Systems Act, have been promulgated to provide the statutory framework for the transformation of local government and the improvement of service delivery. The study will furthermore investigate the perception that the transformation of local government in the Eastern Cape Province to form the Maletswai Local Municipality

had a detrimental effect on service delivery to areas previously served by independent town councils such as the Aliwal North Transitional Local Council.

1.5 Hypothesis

Taking the problem statement into consideration, the study departs from the following hypothesis: The restructuring of local government in the Eastern Cape Province to form the Maletswai Local Municipality improved the quality of service delivery. The study will be aimed at the investigation of service delivery in Aliwal North and Jamestown since the inception of the Maletswai Local Municipality in an effort to validate the hypothesis.

1.6 Research design and methodology

The study is primarily of a qualitative and quantitative nature, and of necessity will require careful description and evaluation of data. Qualitative research concerns itself with an assessment of a situation expressed in words (Monobe 2001:104). It has to do with qualities rather than quantities or figures. It describes types, styles and similar factors in an effort to understand the phenomenon as a totality.

A qualitative study is permeated by some of the following characteristics:

- It is conducted in a natural setting and the researcher is the key instrument for collecting data. According to De Vos (2001:240) the study is undertaken within the habitat of the respondents. The researcher spent time at the local municipality learning about the concerns with regard to service delivery. Data were collected on the actual premises and were supplemented by the fact that

it was gained on the actual experiences of the respondents. It is therefore not a contrived situation being investigated.

- Qualitative research is concerned with process rather than with outcomes or products. The researcher gains entry into the respondents' setting and establishes a role that they will make enquiries in an acceptable manner. In this study the researcher was interested in what happened at Maletswai Local Municipality in terms of service delivery.
- Qualitative researchers tend to analyse data inductively. These researchers do not study data to prove or disapprove hypotheses they had before entering the study. Instead the researchers build the abstractions as the particulars are grouped (De Vos 2001:240).

The above-mentioned characteristics make qualitative research unique and different from quantitative research. These characteristics are prevalent in the study and therefore make it a qualitative study. However, the study also follows a quantitative research approach as data from questionnaires, interviews and workshops are utilised. These approaches require certain research methods and for purposes of this study, the case study research method was utilised.

The case study method differs with other research methods because it focuses on a single case. Crabtree and Miller (1992: 5) see case studies as investigating most of the potential aspects of a particular case. It becomes useful when one wants to understand a specific problem thoroughly. In this study an understanding of service delivery subsequent to the establishment of Category B

municipalities was sought and was the situation in the Maletswai Local Municipality investigated.

Further reasons why the case study research method is used in this study are as follows:

- It uses a number of data collection techniques (Denscombe 1998:31). This study made use of interviews, which were targeted at the Municipal Manager, the Mayor, councillors and officials. It also used questionnaires and workshops as instruments for collecting data.
- The study is a thorough investigation of a single phenomenon (Leedy 1993:186) as the level of service delivery by Category B municipalities is investigated. The results of this investigation will influence the approach to be followed in the process of service delivery.
- The case study is investigated in a natural setting (compare Dooley 1984:281) and interviews with the role-players were conducted in their offices, supporting the qualitative nature of the study.

Regarding the methods of data collection, literature study, questionnaires, workshops and interviews were used to conduct the research. The literature study was utilised to establish a theoretical framework for the study and referred to the study and analysis of all the relevant available literature in the form of books, periodical articles and newspapers. Due to the dearth in research on service delivery in local government in South Africa, the books and articles referred to were primarily from American and British origin. Newspaper articles published between 1995 and 2003 were helpful in identifying issues relevant to this thesis.

A questionnaire is a device that enables the respondent to answer questions. A questionnaire was formulated from the questions derived from the constitutional mandate in terms of service delivery. These questions are open-ended and therefore the respondents could reply in their own words (compare Stone & Harris 1984:9). The questionnaire was disseminated amongst a representative sample of the councillors, officials and residents residing in the area of jurisdiction of the Maletswai Local Municipality. Residents in rural areas were excluded from the process as the Local Municipality does not render services to rural areas. Questionnaires were distributed to 10 councillors and five of them submitted the questionnaire in their capacity as councillors, whereas the others completed the questionnaires as members of the community. Questionnaires were distributed to the only four senior officials employed by the Municipality of which three were completed. The response from the community was not satisfactory. The feedback, an indication of the representivity of the sample, should, according to Babbie (1998:165) be at least 50%. However, as only a 35% feedback from the community was received, additional workshops were conducted where the questionnaire was adjusted as a suitable alternative data collection document. These workshops were attended by members of the initially envisaged target groups. The selection of the target groups was based on residents from fully serviced residential areas, partially serviced residential areas (still using the bucket system for sanitation), and the indigent as identified by the Maletswai Local Municipality as well as from residents in the informal settlements.

Interviews, structured and unstructured, were conducted with decision-makers. Interviewees included the Mayor, the Municipal

Manager of the Maletswai Local Municipality, and councillors, officials and residents of the area.

Sources such as reports, letters, and State documents were also used in an effort to gain an understanding of actual service delivery in the area of jurisdiction of the Maletswai Local Municipality.

1.7 Time Dimension

The study is confined to the period 1998 to 2004. This period is specifically selected for the following reasons:

- The year 1998 witnessed the conclusion of the WPLG process. The latter document is based on the framework created by the Constitution and formed the launching pad for the new local government system in South Africa. Furthermore, the Demarcation Act and the Structures Act were promulgated. These Acts provided the framework for the demarcation of new boundaries as well as for the restructuring and amalgamation of previously “stand alone” municipalities.
- The Systems Act was promulgated in 2000. This Act provides *inter alia* for the administrative arrangements in terms of service delivery by municipalities.
- The local government elections took place on 5 December 2000. It is the considered view that the initial process would be to align service delivery that was akin to the “stand alone” municipalities in an

effort to develop uniform levels of service delivery to all the inhabitants of the Maletswai Local Municipality.

1.8 Terminology

In order to master a specific field of study, the meanings, applications, definitions and interrelationship of concepts must be provided to prevent misunderstanding regarding these concepts. In this thesis the terms singular also refer to the plural (for example worker/workers) and male to female (for example his/hers).

1.8.1 Municipality, local authority and local government

In terms of Section 151(1) of the Constitution the local sphere of government consists of municipalities that must be established for the whole of the country. Literature and legislation emanating from the apartheid era used the terminology 'local authority' or 'local government' whereas current legislation such as the Structures Act, uses the term 'municipality'. For purposes of this thesis, however, the terminology local government and municipality will be used interchangeably.

A municipality is a political subdivision that has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. In terms of Section 156(1) of the Constitution it has a right to govern and administer on its own initiative, subject to constitutional provisions as well as to national and provincial legislation.

1.8.2 Restructuring and amalgamation

The restructuring of municipalities occurs throughout the modern world to a greater or lesser extent. Restructuring refers to the process of giving a new structure, rebuilding or to rearrange (USAID 2003:76). Numerous opportunities and challenges exist for municipalities to improve the quality of service delivery. In South Africa, local government was tainted by apartheid driven policies that manifested in legislation such as the Group Areas Act. In an effort to undo the damage caused by apartheid and to improve the quality of service delivery, municipalities had to be restructured.

The term amalgamation refers to the consolidation of municipalities. As a result of the demarcation process the Demarcation Board decided that particular municipalities had to be amalgamated to improve the quality of service delivery (Demarcation Act, 1998, Section 21).

1.8.3 Municipal Council

In terms of Section 157 of the Constitution a municipal council consists of members elected in accordance with national legislation that prescribes:

- (a) A system of proportional representation based on the segment of the national common voters' roll that is relevant to that particular municipality and which provides for the election of members from a lists of political party candidates compiled in accordance with the order of preference of a particular party;

(b) a system of proportional representation combined with a system of ward representation based on a segment of the national common voters roll relevant to a particular municipality;

(c) members appointed by other municipal councils to represent those councils; or

(d) both members elected in accordance with paragraph (a) and (b) and members appointed in terms of paragraph (c).

1.8.4 Executive Mayor

In terms of Section 48 of the Structures Act a Municipal Council must elect a member of its executive committee as the Mayor. If a Municipal Council decides to have an Executive Mayor, it elects an him from among its members at a meeting that must be held within 14 days after the election of the Council. The functions and powers of the Executive Mayor are determined in Section 56 of the Structures Act.

1.8.5 Councillor

This terminology refers to a member of a Municipal Council (Systems Act).

1.8.6 Municipal Manager

According to Section 82 of the Structures Act a Municipal Manager is the head of administration and also the accounting officer for a municipality.

1.8.7 Perception

A perception is the mental process of recognising the stimuli received (Fox & Meyer 1995:94). Organisational incompetence has two faces: It is both a reality and a perception (Halachmi and Bouckaert 1995:27). For most municipalities the perception of incompetence is prevalent and it is based on assumptions, which presents a particular problem since it cannot be managed directly. The inhabitants who are affected by the service create a perception about the standard of a particular service. The danger to an institution such as a municipality is that these perceptions tend to spread once it has taken root.

1.8.8 Key performance area (KPA)

A key performance area refers to the core functions of a position where performance is measured (Craythorne 2003:126-127).

1.8.9 Key Performance Indicator (KPI)

A key performance indicator is the instrument which indicates whether performance is in line with the standards agreed to between employer and employee (Craythorne 2003:126-127).

1.8.10 Customer care

In terms of Chapter 9 of the *Local Government: Municipal Systems Act*, 2000 (Act 32 of 2000) a municipality must, within its financial and administrative capacity

- (a) establish a sound customer management system with the aim of creating a positive and reciprocal relationship between persons liable for these payments and the municipality, and where applicable, a service provider;
- (b) establish mechanisms for users of services and ratepayers to give feedback to the council or other service providers with regards to the quality of the services and the performance of the service provider;
- (c) institute reasonable steps to ensure that consumers of municipal services are informed about the costs involved in service provision, the reasons why payment is required and the manner in which funds generated from service delivery are utilised;
- (d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured by accurate and verifiable metering systems;
- (e) ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;
- (f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- (g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- (h) provide mechanisms to monitor the response time and efficiency in complying with paragraph (g); and

- (i) provide accessible pay points and other mechanisms for settling accounts for making pre-payments for services.

Customer care, therefore, should be applied in a generic fashion in terms of service delivery by local municipalities.

1.8.11 Political will

Political will refers to the preparedness and willingness of politicians to make difficult and unpopular choices and then to see these choices through in the face of opposition (De Villiers 2001:199).

1.9. Study plan

This thesis will be divided into six chapters as indicated below.

Chapter one provides an introduction and background to the study that will be undertaken in the thesis. The research objectives and methodology are outlined and various concepts pertaining to the sphere of local government and municipal service delivery are explained. **Chapter two** describes the theoretical perspectives on the transformation of local government. **Chapter three** provides an overview of pre-transformation realities that provided the imperatives for the amalgamation of municipalities. The chapter commences with an analysis of the system of local government in South Africa during the apartheid era. The analysis includes legislation that existed prior to transformation and legislation adopted to facilitate the implementation of transformation. Also included in the historical review are the types of structures that existed which shaped

municipalities during the apartheid era. **Chapter four** describes the transition itself. Furthermore, the chapter deals with governance in the municipal environment, the institutional transformation of the Maletswai Local Municipality, the financial arrangements of the municipality, strategic management of the municipality and service delivery by municipalities. **Chapter five** describes service delivery in Category B municipalities, particularly in the Maletswai Local Municipality. The chapter focuses on the specific services rendered by the municipality and the challenges facing service delivery in the municipality. Conclusions and recommendations emanating from the literature and empirical study are made in **chapter six** of the thesis. This is followed by the bibliography and appendices.

CHAPTER TWO



THEORETICAL PERSPECTIVES ON THE TRANSFORMATION OF LOCAL GOVERNMENT

2.1 Introduction

The apartheid driven policies of the previous regime have fundamentally damaged the spatial, social and economic environments of municipalities in South Africa. The most distinctive feature of municipalities prior to 1995 was the existence of a racial division of power. Only Whites could stand for election to a municipal council. Coloureds and Indians had separate structures such as Management Committees that advised local councils on issues related to their residential areas. Urban Blacks were given Black Local Authorities that had fairly extensive powers. The track record of the aforementioned ethnic based municipalities in South Africa is one of political controversy, administrative constraints and financial deficits. The majority of these municipalities did not have adequate revenue bases, the administrative capacity or the political legitimacy to govern their areas.

A major challenge that faced municipalities during the transition period was to unscramble the legacy of apartheid-driven local government structures. The four major racial groups in South Africa were not only divided by law, but also geographically and

ultimately in terms of the nature and standard of typical municipal services. As such municipalities have a critical role to play in rebuilding local communities and environments as the basis for a democratic, integrated, prosperous and truly non-racial society. Therefore, the transformation of municipalities implies the reorganising of former separate race based entities to amalgamate in order to deliver effective and sustainable services to the relevant communities.

A plethora of theoretical perspectives on transformation and change permeated the development of local government on a worldwide scale. The following discussion on the different perspectives on transformation and change will be based on theories relevant to the South African local government transformation process.

2.2 Theoretical perspectives on transformation and change

Initial theories on transformation centred on the difference between the concepts of transformation and change. Venter in Kroon (1997:507) defines change as a planned, but more often unplanned reaction to stimuli from the environment. It is a process that can take months, years or even decades. Different influences such as political, technological, legal, economic and labour developments can be the sources of change that cause an institution, such as a municipality, to act in a particular way. Mohamed in Burger, Theron and Van Rooyen (1996:244) avers that change is not an aberration disturbing a normally stable

world. Quite the reverse is true, there is no stability as change is always taking place.

Van der Walldt and Du Toit (1997:253) define the concept of change as the move away from a present situation. When change takes place, the *status quo* no longer applies. Certain actions are required to bring about change. In order to create a change friendly climate, one has to understand the concept of change. Change is a generic concept, but various perspectives make it possible to divide change into categories. These categories of change are discussed below.

2.2.1 Categories of change

Martel (1986:45) distinguished between two types of change, namely cyclical change and structural change. Cyclical change is of an operational nature. It influences issues such as changing the marketing strategy, the meeting procedures, the type of business focused upon and the management style displayed in an institution, such as a local municipality. It is regarded as cyclical because these changes affect the operations of an institution and are mainly of a circumstantial nature. A return to the original position is even possible. In other words, the basic structure of the institution, such as a municipality, is not affected. Structural change in turn refers to the complete transformation of an institution, such as a municipality, affecting its structure, culture and core values. These changes are decisive in nature for they do not allow for any return to the original.

Categories of change as defined by Martel (1986:46) include developmental change, transitional change and transformation. These categories of change will subsequently be explained.

2.2.1.1 Developmental change

Developmental change assumes that the purpose of change is to help the institution, such as a municipality to develop in such a way that it can do more effectively what it does well at present (Kroon 1997:508). The basic functions of South African urban municipalities include licensing of vehicles and businesses, traffic control, public transport, market facilities, abattoir services, roads and streets, electricity and water supply, refuse removal, sewerage, storm water drainage, building control, town planning, parks and recreational facilities, libraries, museums, cultural amenities, housing administration, emergency services, various environmental health services, clinics and the valuation of fixed properties (Section 84 of the Structures Act, 1998). The tasks of municipalities seem well defined and clear in terms of the WPLG (1998:37), contributing towards a certainty in the expectations from a municipality. These institutions are structured for the stability and uniformity of the delivery of the aforementioned services. In the routines of delivering these services, however, the role of local government, which provides the rationale for the existence of municipalities, has been lost.

2.2.1.2 Transitional change

In contrast to developmental change, the perspective on transitional change is that change in institutions, such as

municipalities, happens slowly and that systems cannot be improved further (Kroon 1997:508). A need, however, exist to replace obsolete systems in municipalities with more recent systems, modern technology or processes. The institution finds itself in a continuous phase of transition and will never be the same again, and will have to manage change on a permanent basis.

2.2.1.3 Transformation

Transformation is the most dramatic kind of change because it does not take as its point of departure the measure of control assumed in the previous two categories of change. This type of change is the management of radical change and it implies significant disruption and disequilibrium (Duvenhage 1998:6). It assumes that management will change its vision in respect of aspects such as values, mission, culture, leadership, and organisational structure. This is the kind of change that forms the crux of this study. Therefore, different perspectives on transformation will be elaborated upon.

A distinction is made between literature with a strong Marxist–Neo–Marxist orientation and literature which was written from western experiences and perspectives, where the latter accepts as normative orientation the goals and ideals typical of western society, particularly of a liberal democracy (Duvenhage 1998:5). During the 19th century thinking in the field of the transformation of political institutions was dominated by the contributions of Marx and Darwin. Karl Marx argued from the point of view of historical materialism as basis for a fundamental philosophical

analysis of social change with revolution as strategy and a socialist utopia as goal. Darwin argued for a social evolution as basis. However, the perspectives that are explained in the study are related to the goals and ideals typical of the western society.

The myriad of perspectives available on transformation illustrates perceptual similarities. The Reader's Digest Oxford Complete Wordfinder (1994:1659) defines transformation *inter alia* as the act or an instance of transforming, the state of being transformed. Stedman (1994:2) refers to transformation as changes in the substructure of domination that underpins the formal institutions of polity in terms of cultural norms, social and political values, economic relationships and resources of key actors. Fox and Meyer (1995:130) define transformation as the process of a system that changes inputs into outputs, the movement of one position to another. Borraine (1998:52) defines transformation in local government as the mechanism to bring about change in the way they perform, to set up new structures and to devise new ways of doing things. It consists of radical changes to strategies, formal structures, management style and the attitude of officials. Esterhuyse in Burger, Theron and Van Rooyen (1996:3) argues that it is a type of change, which, on a conceptual level, implies a paradigm shift, or mindset change. These changes are so significant that they result in a new identity and the forging of new relationships between a local municipality and its environment. It is a process invention that requires new visions, new ways of thinking, a new language and it is a process that is so fundamental that by definition it exceeds the predictable (Maseko 1998:3).

According to Meyer and Botha (2000:12) transformation is an integrative disciplinary approach that facilitates continuous learning and change at all levels within an organisation and is guided by the vision and challenges of the macro environment, with the main objectives being that of achieving employee well-being, equity and total organisational effectiveness. Swanepoel *et al.* (2000:752) argue that transformation entails the moves which an organisation make to start virtually from scratch. Huntington (1968:344) avers that the transformation of political institutions such as municipalities implies a change in the direction of greater social, economic or political equality, a broadening of participation in society and polity. This view is supported by Kumar *et al.* who opine that transformation implies change for the better, be it in political, economic, social or religious sectors (Reddy *et al.* 2003:3). According to Huntington six factors determine the success of a transformation initiative, namely political leadership, strategic planning, the timing of the initiative, the consolidation of political power, the way in which sensitive political questions are handled and judged, and coalition formation in an attempt to ensure an enlarged political power base. These factors will be explained in the following paragraphs.

- **Political leadership**

According to Duvenhage (1998:22) comprehensive transformation initiatives are associated with prominent political leaders such as a De Gaulle, Bismarck or Kemal - leaders who possessed exceptional qualities and talents. In the South African context, Mandela may

be included in this group of leaders. In his report to the 50th conference of the African National Congress (ANC) in 1997, Mandela made reference to the need for a democratic state, for the transformation of the state, society and the economy in the Republic of South Africa (Houston and Methien 2000:40). Furthermore, the term of office of Mandela as President of the RSA from 1994-1999 was marked by a conciliatory approach towards the previous oppressors. In this manner Mandela obtained their support for the transformation of local government.

Successful political leadership may be measured in terms of the political strategy and tactics that are employed during the transformation process. The strategic planning process will be explained in the following section.

- **Strategic planning**

Different approaches to strategic planning exist. The approach to strategic planning to achieve strategic change depends on what sort of change is needed to transform an institution such as a municipality from what it is now to what it should be, according to a strategic framework (Human 1998:161 and Craythorne 2003:251). A choice has to be made between two broad approaches to change, namely the punctuated or incremental approach.

Huntington (1993:126) favours a Fabian strategy, which is incremental change deployed at grassroots level using Blitzkrieg tactics. The way in which Kemal (in Turkey) and Giesel (in Brazil) deployed the formula is highlighted as examples of success. Huntington (1988:7 and USAID 2003:74) point out that the genius of the Brazilian transition is that it is virtually impossible to pinpoint the time during twelve years of transformation when Brazil ceased being a dictatorship and became a democracy. The Brazilian transformation to democracy was in many respects a masterpiece of abdicated incrementalism. In contrast, the governments led by former Presidents PW Botha and FW de Klerk elected to employ a Blitzkrieg strategy with Fabian tactics - the reverse of the Huntington recipe for success (Duvenhage 1998:23).

- **Timing of the initiative**

The success of transformation initiatives is often determined by the timing of implementation (Duvenhage 1998:23). Human (1998:12) avers that societies develop by a process of slow incremental adaptations punctuated by rare and massive transformations. Punctuated change provides an opportunity for a once off implementation of change - a process in which numerous changes occur simultaneously. In South Africa the release of

Mandela from prison, the unbanning of opposition political parties and the three democratic elections in 1994, 1999 and 2004 heralded a time of 'punctuation'. It presented South Africans with an opportunity to make vital choices in terms of the transformation of political institutions such as municipalities.

However, it is of critical importance that transformation measures are initiated from a position of strength. According to Caiden (1991:42 and USAID 2003:17) rulers always back transformation that strengthen their positions and their control of government, but treat other forms of transformation with suspicion.

- **The consolidation of political power**

Transformation initiatives are generally associated with the centralisation and consolidation of political power in existing political institutions (Sadie in Venter 2001:277). The transformation process in South Africa confirmed the presence of this tendency. In this regard reference may be made to the consolidation of power in the Office of the President. Duvenhage (1998:23) opines that this situation may be ascribed to the fact that sensitive issues such as land reform and new educational dispensations can only be dealt with in exceptional circumstances on a decentralised basis. Furthermore, the centralisation of power is necessary

with a view to controlling violence - a tendency that occurs often in times of change. In the view of Toffler (1991:6-7) transformation may in some instances reduce tensions and encourage peaceful rather than violent change. In other instances, however, it may exacerbate tensions, precipitate violence and act as a catalyst rather than a substitute for revolution. According to Human (1998:23 and Reddy, *et al.* 2003:3) transformation is a process that requires extraordinary effort and insight. This is due to the fact that it is 'unnatural' and goes against the grain of the psychological and social constitution of human beings as creatures of habit. Therefore the odds are stacked against those who wish to transform society.

Consequently, the state has to play a dominant role in the transformation process. This may be achieved if the state creates strong institutions with new structures, such as municipalities, that will deliver new services.

- **The handling of sensitive political issues**

According to Huntington (1993:259) it is the ideal that important and sensitive political issues should be separated from one another in such a way that the transformation process retains its momentum, that the opposition be divided and that further reform is regarded as an obvious outcome. To succeed in this, thorough political planning has to be done, the real

results of transformation initiatives have to be foreseen as far as possible, and all means should be used in securing an advantage and catching the opposition on the wrong foot (Duvenhage 1998:24).

- **The formation of coalitions**

In order to achieve success with transformation, support is essential and the government should aim to broaden its power base. This can be achieved by establishing alliances or coalitions. Coalition governments are generally established where no single political party has a sufficient majority in a legislature to form a government (Besdziek in Venter 2001:186). In the South African context it implies that a coalition or alliance be formed that spans the colour barrier and this notion manifested itself in the Western Cape Province where an alliance has been formed at the provincial sphere between the African National Congress and the New National Party after the 1999 elections (Friedman 2001:3).

Although the above-mentioned factors may be distinguished analytically as discrete factors, viewing these factors as discrete is practically impossible, as the application of these factors will differ from one situation to the next depending on the specific nature of the needs and problems in a specific context of the state. The thinking of Huntington (1993:259) with regard to

transformation of institutions in times of transition suggests that this is a complex matter, which cannot be judged simplistically.

Despite numerous contributions in this field of study, the views of Huntington have been criticised on several grounds and the extent of this criticism has led to his views remaining controversial (Duvenhage 1998:37). The criticism is related to a *status quo* orientation, an inability to harmonise authority and freedom within the view of institutionalisation and the sanctioning of Western political values. The conservative *status quo* orientation of Huntington is the result of his view of political development, which is based on the underlying values of order and stability.

Emanating from the afore-mentioned perspectives it can be concluded that transformation is a process of disintegration and re-integration. During this process all existing structures, such as hierarchies of authority, lines of accountability and reward systems have to be interrogated and contested (Maseko 1998:3). For purposes of this study the transformation of local government is regarded as a programme to shift away from inward-looking bureaucratic systems, processes and attitudes, to imaginative thinking and innovative action which put the needs of the people first, is better, faster and more responsive to meeting real needs and expectations. The legal parameters as provided for in the Constitution, Structures Act and Systems Act, will form the basis of the study. Attention will subsequently be paid to the factors that influence the theoretical perspectives on transformation.

2.3 Factors influencing the theoretical perspectives on transformation

For the process of transformation to be legitimate, factors such as the vision of local government, principles of restructuring local government, process of transformation, local government democracy, representation, self-determination, constant dialogue, openness of policy-making, accountability and the financial management process should be considered. The above-mentioned factors will consequently be explained and their implications for the decision to transform municipalities in South Africa, investigated.

2.3.1 Vision of local government

Prior to the 1993 negotiations more than 1200 different institutions were governing or administering at local level (Willemsse 1998:2). This fragmentation of municipal structures, together with issues such as political pressure, non-payment for services and the collapse of municipalities, necessitated a new vision, namely to transform local government in such a manner as to create legitimate, democratic, viable and sustainable institutions.

According to Section 40 of the Constitution the Republic of South Africa is constituted as national, provincial and local spheres of government that are distinctive, interdependent and interrelated. Reference to the public service would include the services rendered by municipalities. For this reason the view of the

government in terms of service delivery for the public service apply *mutatis mutandis* to municipalities.

The vision of government for the public service as explained in the White Paper on Transformation of the Public Service, 1998 (WPTPS) include the need for the service to be:

- Orientated and committed to the provision of high quality service to all South Africans in an unbiased and impartial manner;
- responsive to the needs of the public, as well as humane and caring in its dealings with the public;
- based upon the maintenance of fair labour practices for all public representative of all sections and levels of the South African service workers irrespective of race, gender or class;
- geared towards socio-economic development and the reduction of poverty;
- goal and performance orientated;
- efficient, effective and productive;
- committed to the effective training and career development of all staff;
- holistic, integrated and coordinated;
- consultative and decentralised;
- democratic in its internal procedures and in its relation with the public;
- respectful of the rule of law and human rights;
- open to popular participation and scrutiny;

- accessible and informative;
- honest, transparent and accountable;
- oriented towards the development of an ethos of service rather than domination; and
- faithful to the Constitution, non-partisan and loyal to the government-of-the-day.

It can be deduced that no uncertainty exists as to what the transformation process envisaged for the process of service delivery.

Prior to embarking on the process of transforming municipalities, government had to determine the principles that were to be applicable in the transformation process. These principles will subsequently be explained.

2.3.2 Principles of restructuring

Before commencing with the drafting of a macro-organisational model for a municipality it is important to have an understanding of the most important principles of organisational designs. Gildenhuis (1997:3 and USAID 2003:74-76) classifies these principles as general principles and management principles. For purposes of this study these principles will be explained as follows:

2.3.2.1 *General principles*

Chapter 7 of the Constitution contains a number of fundamental principles that are important guidelines or pointers for the restructuring of municipalities. It defines the status (Section 151), objectives (Section 152), developmental duties (Section 153) and powers and functions of municipalities (Section 156). The implication is that the composition of Municipal Councils and their internal operational procedures are determined by the Constitution. The organisational structure of a municipality must comply with the provisions and prescriptions of national and provincial legislation otherwise it will be *ultra vires*.

The functions allocated to local governments are listed in part B of Schedules 4 and 5 of the Constitution and Section 84 of the Structures Act. Health legislation such as the *Health Act, 1977* (Act 63 of 1977) contains provisions of the health functions of municipalities. Labour legislation such as the *Labour Relations Act, 1995* (Act 66 of 1995) (LRA) as amended, had an influence on the restructuring of municipalities. In terms of the LRA, institutions such as the Commission for Reconciliation and Arbitration were established *inter alia* to settle disputes between the employer (municipality) and the employee (workers). If disagreements existed between the municipality and its employees with regard to the transformation process, an

institution such as the Commission for Conciliation, Mediation and Arbitration (CCMA) could be used to resolve the dispute. National and provincial legislation on planning and development also affects the transformation process. Apart from this, national and provincial legislation contains a multitude of provisions on local government and a thorough knowledge of this legislation was required prior to embarking upon transforming a municipality. Notwithstanding the above-mentioned legislative environment, the following general principles apply in organisational design:

- In instances where agreements on the division of functions and authority and related aspects (distribution of assets and liabilities and of personnel) between councils have been signed, the transformation process must comply with such agreements (Portfolio Committee 2003:10).
- The distinctive roles of councillors as elected political representatives, council committees, the Municipal Manager, heads of departments and other managers employed at a lower level must be clarified. This refers to aspects such as the difference between the function of a Council as legislative authority, the committees as executive authorities and those of the Municipal Manager and his management team as administrative authority. In this regard the Structures Act (Chapters 4 and 5) and the Systems

Act (Chapters 3 and 7) make a succinct distinction between the roles of councillors and officials.

- It is imperative that any municipal organisational model be designed to suit the local circumstances. Situations differ from municipality to municipality with the result that a nationwide organisational model cannot be prescribed. Aspects that may be different include the composition and economic wealth of the population and therefore the tax base of a municipality; the needs of the community and as a consequence the type of service delivery required; and the political and economic philosophy of elected councillors and their constituencies (Mawhood 1993:10).
- A priority of public needs for a particular municipality should first be established (Craythorne 2003:29) as this analysis will influence the structure of the organisation. Furthermore, it will play an important role in establishing the size and status of departments or sections within a department.
- A municipal structure must be organised around goals and objectives. It forms the basis of the existence of any municipality and must be based on public needs since it is the primary function of municipalities to satisfy the needs of the community (Reddy 2003:viii).

- In the event of positions becoming redundant due to the transformation of a municipality, the occupiers of these positions have to be dealt with in a reasonable and equitable manner (Wiechers 1995:134 and Devenish *et al.* 2001 43).
- The process of transforming municipalities should not be primarily aimed at creating new vacancies. The extent of the functions and related services, based on the goals and objectives of a municipality should determine the quality and quantity of personnel required. The extent of the functions and related services should furthermore be determined by the ability of the community to pay for service delivery (Mawhood 1993:10).
- Provision should be made for capacity building and personnel development in the organisational structure of a municipality. This does not imply growth by the creation of more departments and the subsequent multiplication of positions. Rather, it implies building capacity for knowledge, skills and experience by developing the attributes of existing staff that may result in the redeployment and integration of the workforce (DPLG 1998:5). Provision must be made for constant in-service training and skills development while creating opportunities for development.

It is therefore imperative that these principles be applied in the organisational design of local government.

2.3.2.2 Management principles

A management principle is a fundamental truth that governs the process of management (Helriegel *et al.* 2001:10). According to Gildenhuis (1997:5) the organisational structure should create circumstances for effective and efficient management and should the following principles apply:

- The structure of the municipality should provide for joint management by management teams at all management levels of the organisational hierarchy. The implication is that high-level, middle-level and all managers at the applicable levels must take lower-level decisions jointly in a democratic manner.
- The hierarchical structure of the municipality should provide for the optimum span of control. A span that is too wide or too narrow may result in a complete loss of control by the municipal manager and other managers. It has to be taken into consideration that in terms of the Systems Act the Municipal Manager is also the chief accounting officer who has to account for the effective and efficient management of the municipality (Section 55). This is a responsibility

that cannot be abdicated since it has been assigned to the Municipal Manager by legislation.

- The organisational structure of the municipality should provide for formal and informal horizontal and vertical lines of communication. These are necessary for proper coordination of the flow of information and instructions downward and the upward flow of reports on results, information and suggestions to the top management of the municipality (Arredondo 2000:10).
- Provision should be made in the organisational structure for succinct definitions of goals, objectives, functions and service activities. It must also identify the responsibility for executing such functions and activities required for the realisation of goals and objectives.
- In terms of Section 66(1) of the Municipal Systems Act proper job descriptions and job evaluations should be compiled for each position in the hierarchical structure. Job descriptions assist with determining the qualifications, knowledge, skills and expertise required for the activities to be executed by the incumbent of a particular position. Job evaluations are required to determine the remuneration attached to the position.

Once the principles of restructuring have been determined, the transformation process commenced. This process is subsequently explained.

2.3.3 Process of transforming the municipality

During transformation, the process should include the following activities.

- Identify the broad goals of the municipality: Municipalities were created in the Constitution with a specific purpose with the objectives of municipalities being prescribed in Section 152 of the Constitution. These are specific objectives and not a broad goal or vision, therefore it is incumbent upon an elected Council and its staff to formulate their vision of the broad goal of their municipality.
- Identify the objectives to realise the broad goal (compare Section 73 of the Systems Act): Section 152 of the Constitution lists the objectives of municipalities (see paragraph 3.3.3). These objectives should be regarded as general goals pertaining to the broad goal of municipalities rather than specific objectives related to the functions of municipalities in general (Zybrands in Venter 2001:216).

- Identify the functions that have to be executed in order to attain these objectives: Municipalities have been allocated functions in terms of legislation and should additional functions be related to specific objectives. A municipality must have a purpose in mind when a particular function is executed implying the rendering of specific services to the public to satisfy their needs. In this regard reference is made to the establishment notice in terms of Section 12 of the Systems Act (Section 12 Notice).

This notice addresses the following matters:

- The transfer of assets, rights, obligations and liabilities;
 - the transfer of those of the aforementioned assets comprising investments, cash and current credit balances in the account of financial institutions;
 - the transfer of all administrative and other records relating to the assets, rights, liabilities and obligations referred to;
 - the transfer of staff;
 - insurance; and
 - the establishment of a transitional facilitation committee.
- Identify the activities related to each service: The activities refer to the daily tasks of each official that are indicated on the job descriptions of their positions.

- Identify the macro-organisational units for assigning these functions and their related services: These units refer to the departments that form the organisational structure (Smit and Cronje 1999:209).
- Identify the micro-organisational units for assigning the services: These are the sub-departments or sections of departments in the organisational structure.
- Identify the number of positions needed for allocating the activities of the service: The number of positions required will be determined by the extent of each service delivery activity.
- Job descriptions should be compiled for each position in an effort to ascertain the knowledge, skills and experience required for each particular activity or group of activities (Section 66(1) of the Municipal Systems Act).
- The level of each position should be determined: This will be based on how complicated the particular service activity is and the knowledge and skills required to undertake such activity.
- Each position should be evaluated to determine the relevant remuneration: This will assist in the determination of the financial implications of the restructuring process.

- Existing staff should be evaluated for proper placement (Grobler *et al.* 2002:240): The positions to be filled from the outside must be identified. Personnel who become redundant due to the restructuring process should be identified and dealt with in a reasonable and equitable manner, such as redeployment or retrenchment.
- Obtain council approval.
- Implement the new structure.

These activities indicate, therefore, to municipalities the process to be followed for a successful transformation. It is recommended that the whole process be negotiated with the relevant trade unions and that their representatives are included in the process from the initial stages. This process would enhance the application of democratic principles in a municipality. The concept of local government democracy is subsequently explained as a factor influencing transformation.

2.3.4 Local government democracy

Local government is the sphere of government that is closest to the people, allowing the local populace to participate in affairs that affect them directly. Local democracy is a foundation stone of the legitimate, capable democratic state and Ismail *et al.* (1997:14) are of the opinion that to gain an adequate understanding of local government, it is necessary to refer to democratic theories. In this regard the authors refer to two

schools of thought that try to explain the intricate legal and political relationship between the sovereign and local bodies, such as cities-local administration as an integral part of the government of a country (centralist theory) and local self-government as an autonomous body (decentralist theory).

The school of centralist theories developed several theories including those on intermediate, constituent, utilitarian and social relations (Ismail *et al.* 1997:14). A brief overview of these theories is provided to identify the theoretical background of the transformation of local government in South Africa.

2.3.4.1 Intermediate theory

Theorists such as Jean Bodin (1576) and Montesquieu (1749) perceived cities with a constitutional state as intermediary bodies from which the power of the monarch filtered (Ismail *et al.* 1997: 14). According to this theory municipalities only enjoyed privileges granted to them by the royal house, but were endowed with some sovereign power. Their composition did not comply with democratic principles and they were virtually autonomous units within their geographical localities. A municipality was permitted by the sovereign authority to exercise authority over subjects within its area of jurisdiction. If the subordinate body (municipality) acted beyond its power, then its privileges could be withdrawn by the state (Montesquieu in Wickwar 1970:8). This implies that municipalities have to abide by legislation, which defines their mandates. Transgressions of the mandates would result in a situation where the monarch could withdraw their

degree of sovereign power and disestablish the municipality. This theory does not affect contemporary local government in South Africa as the sphere of government is ensconced in the Constitution.

2.3.4.2 Constituent theory

Johannes Althusius developed a theory of constituent bodies in his *Politica Methodice Digesta* in 1603 (Ismail *et al.* 1997:16). According to this theory it is natural for individuals to live together in groups (Johnson and Johnson 2003:7). These groups can be arranged further to constitute a hierarchy/pyramid with national government forming the apex and then subordinate institutions such as municipalities. In contrast to the intermediate theory, this theory views municipal corporations as the whole body of the private members (that is all individual stakeholders) forming a single group (Forsyth 1999:58-60). As constituent bodies, these groups form part of the contemporary thought on local government in South Africa.

2.3.4.3 Utilitarian theory

In terms of the utilitarian theory emphasis is placed on the individual and not on corporations (Smith 2000:183). Turgot advocated in 1757 that particular bodies do not exist by or for themselves. These bodies were created to be beneficial to society and once they ceased to comply with this, they should no longer exist. This gave rise to the utilitarian theory that stressed that municipal corporations can be dissolved or reorganised from top

to bottom and their historical privileges withdrawn (Binmore 2001:17 and Smith 2000:183). The implication of this theory is that municipalities were established in South Africa mainly to deliver basic services to communities and if they do not comply with this Constitutional mandate these institutions can be disbanded or reorganised in terms of the governance structure (political representatives) as well as in terms of the institutional (organisational) structure.

2.3.4.4 Social relations theory

According to the social relations theory the local state basically fulfils two roles that is the physical reproduction of the labour force and an ideological role that ensures social harmony (compare Forsyth 1999:248-249). In terms of this theory the state uses resources to accumulate profits (social capital) and spending resources on social programmes (social expenditure).

The above-mentioned theories provided a background for the transformation of local government in South Africa. It, however, is not the only theories that influenced the transformation process.

The school of decentralists also developed theories that include the historical-specific theory, law-state theory, free-administration theory, group-life theory, local self-government theory, localist theory, public-choice theory, dual-state theory, liberal democratic theory, participatory and the democratic theory. These theories emphasise that municipalities are entitled to autonomous status in the constitutional framework guiding a country (Ismail *et al.*

1997:20-31). Since some of these theories do not manifest itself in local government transformation in South Africa, they will not be explained in detail. However, decentralisation as a concept that forms one of the cornerstones of transformation in South Africa will subsequently be discussed.

For purposes of this study decentralisation will be defined as the transfer of responsibility for planning, management and resource use and allocation from the central government and its agencies to field organisations of these agencies, subordinate units of government, semi-autonomous public corporations or non-governmental, private or voluntary organisations (Robbins 2001:419). It is an indispensable counterpart to pluralistic democracy since it extends the work of local democracy and fulfils democratic aspirations.

Although the basic idea of decentralisation is to share the decision-making authority with lower levels in an organisation, power can be shared within the system at a lower level, or by creating new mechanisms in the system. Individual protagonists and governments favour the concept of decentralisation because it implies the unblocking of an inert central bureaucracy, curing managerial constipation and it provides direct access for the community to the government and the government to the people (Reddy 1999:16). The benefits of decentralisation can be summarised as follows:

- It is an effective mechanism for overcoming the serious limitations of centrally controlled planning;

- reduces the bureaucracy and red tape that is usually associated with highly centralized planning (compare Robbins 2001:419);
- officials become more knowledgeable and sensitive to local problems;
- it ensures greater representativity for the divergent political, religious, ethnic and tribal groups in developmental decisions and promote equity in the allocation of resources;
- it facilitates the political and administrative penetration of national government in remote/rural areas (Portfolio Committee 2003:15);
- it contributes to the development of management capacity among municipalities and the provinces (Kroukamp 2000:92);
- efficiency levels of central government increase, as decentralization would relieve top management officials of routine tasks;
- it provides a co-ordinating structure for all levels of governance;
- it provides a vehicle for mass participation by the local citizenry in local government affairs;
- it creates an alternative means of decision-making;
- it promotes flexible, innovative and creative management of municipalities;
- it enables local leaders to locate services more effectively within communities, to integrate areas that are isolated or lagging behind and draw them

into regional economies, and to monitor and evaluate the implementation of development projects more circumspectly (Cohen and Peterson 1996:56);

- it promotes political stability and national unity by facilitating the participation of groups in different parts of the country in developmental decision-making, thereby ensuring that they buy into the political system (Wunsch and Olowu: 1995:94); and
- it increases the number of public goods and services rendered and furthermore the efficiency in that they are delivered by reducing the diseconomies of scale inherent in over concentration in the national capital (Reddy 1999:19).

The concept of decentralisation should, however, not be regarded as a *panacea* for all local governmental developmental challenges.

The disadvantages of decentralisation include the following:

- **Cost:** Municipalities have to compete with other public institutions for scarce financial and human resources (Rosenbaum 1998:10).
- **Inefficiency:** Municipalities cannot harness sufficient resources to deliver adequate services. This is due to a small revenue base and competent personnel are attracted to lucrative and secure positions in central government (Pauw *et al.* 2002:253-311).
- It may be an excuse for national governments to evade responsibility for providing major services to communities (Kroukamp 2000:94).

- **Inertia:** A fear exists amongst conservative rural communities that change will damage their traditional interests.
- **Inequalities:** The process of decentralisation may increase social and regional disparities as the affluent groups and areas are in a better position to use their devolved powers.
- **Selfishness:** Municipalities may be dominated by unrepresentative oligarchies that are not motivated to implement property taxes or levies because it affects them more (Box 1998: 42).
- **Weakness:** Smaller municipalities tend to be reluctant to enforce their legal powers against recalcitrant local strongmen or supporters of eminent national politicians.
- **Possessiveness:** Individuals with political power tend to maintain prevailing patterns.
- **Corruption:** Municipalities are often in the news for alleged corruption and graft since they are more conspicuous than faceless central ministries and public corporations and because powerful national politicians protect them less.
- **Separatism:** The devolution of power can encourage separatist tendencies particularly when minority groups have suffered serious repression in the past, which can strengthen the desire of the people for complete sovereignty (Reddy 1999:20).

Emanating from the above it follows that uncertainties exist regarding the benefits of decentralisation on the transformation of institutions such as municipalities.

However, the hallmarks of the classical, representative local government democracy include the notions of consultation, participation, freedom of expression, equality and responsiveness. A brief overview of these notions is provided.

- **Consultation**

Consultation is a notion that is included in the Batho Pele (People First) principles. The implication of the process of consultation is that government requires the consent of the citizens whose rights it is bound to respect and protect (Reddy 1996:4). The White Paper on Transforming Public Service Delivery (WPTPSD) (1997:7) determines that citizens should be consulted about the level of service delivery they receive. Furthermore, citizens should, wherever possible, be given a choice about the services that are offered. In terms of the WPTPSD (1997:17) all citizens must be consulted on a regular basis about services provided and about new basic services to be provided. Democracy cannot be perceived to exist in instances where citizens are not provided an opportunity to participate in the process of governance. The consultation process will provide an opportunity for citizens to influence decisions regarding public services by submitting objective evidence that should assist the process of determining service delivery priorities. Consultation can contribute to the fostering of a participative and cooperative relationship between

the providers and users of public services (Portfolio Committee 2003:17).

Citizens can be consulted by means of customer surveys, interviews with individual users, consultation groups and meetings with consumer representative groups, non-governmental organisations and community based organisations including bodies representing previously disadvantaged groups. In terms of the WTPSD (1997:17) the methods adopted must be chosen to suit the characteristics of the users and consumers concerned. The results of the consultation process must be reported to the Council and made public through the media. These results should be taken into consideration when decisions are made about services to be provided.

The cost, time and attitude factors should be calculated when the process of consultation is embarked upon. Cost will be involved in performing customer surveys and provision should be made in the budget of the relevant municipality for this expense. Furthermore, it will be a time consuming process for which a municipality should plan well in advance and the attitude of the electorate should be taken into consideration. Political activists may disagree with the Council on policy matters and use the lack of consultation as the premise for disagreement. However, the participation process may circumvent disagreements and decrease the costs involved in the consultation process. In the empirical study undertaken the respondents voiced satisfaction about the level of consultation by Council.

- **Participation**

Brynard in Bekker (1996:41) defines participation as an activity undertaken by one or more individuals that was previously excluded from the decision-making process in conjunction with one or more other individuals who were previously the sole protagonists in that process. Individual participation in making societal choices and decisions in municipalities is a natural outcome of the endowment of individual dignity since it contributes to individual self-development. To municipalities participation implies that citizens have to be invited and expected to express their wishes on issues of governance. If the communities are involved in the initial stages of planning by municipalities it should positively influence the process of consultation (Craythorne 2003:264).

The present South African government is committed to the institution of wide-ranging participatory processes in the different spheres and institutions of governance in the country (Houston *et al.* 2000:74). The Reconstruction and Development Programme (RDP) is explicit on the type of democratic participation required at all levels of government. This includes a population that is empowered by means of expanded rights, meaningful information and education, an institutional network fostering representative and indirect democracy and participatory and direct democracy (African National Congress 1994:120). Furthermore, the Constitution mandates municipalities to encourage the

involvement of communities and community organisations in the matters of local government (Section 152).

In the South African context the Structures Act (Section 73) furthermore provides for the establishment of Ward Committees. This is an effort to enhance participation by the local community in local governance and serves as a mechanism to maximise operational and administrative efficiency and provide for adequate checks and balances (Section 32). In this respect it serves as a system of delegation and becomes relevant since the concepts of decentralisation and democratisation form the cornerstones of the transformation of municipalities in South Africa.

The municipal democratisation process that took place in South Africa can be divided into three phases, namely the pre-interim, interim and the final phase. These phases are subsequently explained.

- Pre-interim phase - commenced with the passing of the LGTA in February 1994 and was operative until the first local government election in 1995/96.
- Interim phase - commenced with the first local government election in 1995 and ended with the implementation of the Constitution.
- Final phase - commenced with the implementation of the Constitution.

The municipal elections held in 1995/6 and 2000 provided opportunities for the local communities to decide on political parties and individual councillors to represent their local interests.

The involvement by community members also implies that they have the right to express their views freely. A further cornerstone of democracy in local government is the right to freedom of expression.

- **Freedom of expression**

In terms of the Bill of Rights as embodied in Chapter two of the Constitution, everyone has the freedom of expression. This includes:

- Freedom of the press and other media;
- freedom to receive or impart information or ideas;
- freedom of artistic creativity; and
- academic freedom and freedom of scientific research.

The availability of different views provides vital information and assists in the popular control of the municipality by a well-informed citizenry. Furthermore, it assists the municipality in its quest to grant all inhabitants equal status and treatment by councillors and officials.

- **Equality**

The notion of equality aims at equality in opportunity in education, employment and social justice for the oppressed. For municipalities the notion of equality affects service delivery. In effect it determines that every inhabitant in the jurisdiction of a particular municipality qualifies for the same level of service. Since community members participate in the governance activities

of municipalities, Council should not disregard their views when policy is adopted. Councillors should be responsive to these views and show a measure of accountability (Portfolio Committee 2003:51).

- **Responsiveness**

Municipalities should be responsive agents since they render services that are essentially local in nature. Given its locus in the government hierarchy it is likely to be efficient in managing local affairs (Lungu 1997:3). The assumption is based on the fact that municipalities are closer to the electorate and should be familiar with the needs and conditions of its local area of jurisdiction. Furthermore, councillors are accountable to their respective constituencies and should be sensitive and responsive to the needs and conditions of citizens. This can be accomplished through frequent interaction between councillors and the electorate and by empowering communities so that they are able to take the necessary action when councillors or officials abuse their powers (Craythorne 2003:267-268). A further factor that influences the theoretical perspectives on transformation is the concept of representation.

2.3.5 Representation

The concept representation in essence means to speak on behalf of someone (Craythorne 1997:11) and it is a fundamental tenet of democracy. All the inhabitants of a particular municipality cannot congregate to make decisions on a daily basis, for this reason

councillors are elected to deliberate on issues of local concern and take decisions on behalf of the relevant community.

Councillors should be concerned with issues of sensitivity to public opinion, responsiveness to public needs and the carrying upward to the two other spheres of government those problems that cannot be resolved on the municipal level. This implies that the elected councillors have to speak on behalf of their constituencies. The electorate in turn should have a mechanism to monitor the behaviour of the councillors when dealing with local issues. One of the tools that may be used for this purpose is self-determination (ANC 2003:26). This concept will subsequently be explained.

2.3.6 Self-determination

According to Reddy (1996:11) self-determination at local level in South Africa must demand stringent conditions for the behaviour of elected officials *vis-à-vis* the electorate. Self-determination requires that decision-making takes place at the level where the voter can truly participate. This assertion raises the question of the optimal feasible size of the ward that a councillor represents. It should be reduced to a manageable community where opinion can realistically be obtained and the ward should preferably not be a large unit where the citizen is anonymous. The demarcation of the ward should allow for constant dialogue between the councillor and the electorate (Portfolio Committee 2003:32).

2.3.7 Constant dialogue

Municipal councillors should be fully-fledged members of the ward that they represent. This will provide them with the opportunity to listen to the views of members of the ward and express their own views. It is imperative for the councillor to maintain regular contact with the inhabitants of the ward that he represents in order to provide the councillor with an opportunity to make the electorate aware that the policy making process of the Council is transparent (Craythorne 2003:254).

2.3.8 Transparency of policy-making

Ideally municipal management should be open management, meaning that councillors should be transparent in their deliberations and resultant policy-making. In terms of the Constitution, the Bill of Rights provides for access to all information held by the state (municipality). The openness of the policy-making process will enhance the accountability process. Since the electorate was afforded an opportunity to participate in the policy-making process, they should be aware of the expected results. Consequently the councillor will have to account to a well-informed constituency (Manyindo 2002:10).

2.3.9 Accountability

The concept accountability refers to the responsibility of a government and its agents (such as councillors) towards the public to realize previously set objectives and to account for them in

public (Links, *et al.* 2004:110). Craythorne (1997:80) maintains that if real devolution of power is to take place to strengthen the power of municipal councillors to govern, then a corresponding set of checks and balances should be instituted. The councillor should on the one hand be accountable within his Council and be accountable to the voters. The electorate on the other hand should be sensitive to issues relating to corruptible practices and for these purposes it is imperative that the financial management process in the relevant municipality will be monitored.

2.3.10 Financial management process

The viability of a municipality, the level of services it renders and the quality of those services are inextricably linked to the financial resources available to it. Finance may be considered as the overriding factor in municipalities and without sound financial management systems in place, municipalities will be forced to discontinue their operations.

The Guidelines on Financial Arrangements in the Transitional Phase of Local Government compiled by the Department of Provincial and Local Government in collaboration with the Special Task Team on the establishment of municipalities identified three different time frames in which the restructuring process were to unfold, namely

- Pre-election (1 August 2000- 4 December 2000);
- elections (5 December 2000); and
- post-election (after 5 December 2000).

Municipalities had to consider these prescriptions in their restructuring process.

2.4 Conclusion

Prior to 1995 the most distinctive feature of municipalities was the existence of a racial division of power. The major challenge that faced municipalities during the transition period was to unscramble the legacy of apartheid-driven municipal structures. A plethora of theoretical perspectives were available in the process of transformation. The initial perspectives on transformation were informed by arguments on the difference between the concepts of transformation and change with a number of authors providing their perspectives on transformation. Reference was made to developmental change, transitional change and transformative change. The latter category of change formed the crux of the study and the perspectives of contributors to the debate such as Huntington and Human were explained. The former was of the opinion that six factors determine the success of the transformation process, namely political leadership, strategic planning, the timing of the initiative, the consolidation of political power, the way in which sensitive political questions are handled and judged and coalition formation in an attempt to ensure an enlarged political power base. The processes of decentralisation and democratisation inform further perspectives on transformation. These processes, however, should not be regarded as the *panacea* for transformation as disadvantages ascribed to them were identified.

For the transformation of municipalities to be legitimate, factors such as the vision of local government, the principles of restructuring, the process of restructuring, local government democracy, representation, self-determination, constant dialogue, openness of policy making, accountability and the financial process are to be considered as these factors have an influence on decisions taken to transform municipalities. The hallmarks of local government, however, include the notions of consultation, participation, freedom of expression and responsiveness. From the empirical study it became evident that these notions are adhered to in the Maletswai Local Municipality. The pre-transformation realities that served as imperatives to initiate the transformation process will be discussed in the following chapter.

CHAPTER THREE



PRE-TRANSFORMATION REALITIES - IMPERATIVES FOR AMALGAMATION

3.1 Introduction

The Union of South Africa was established on 31 May 1910 in terms of the provisions of the *South Africa Act, 1909*. It comprised four provinces, namely the Cape, Orange Free State, Natal and Transvaal. At the time the four provinces had a relatively well-developed local government system in place and local government affairs were regulated and controlled by ordinances that were adopted by the legislatures of the different provinces. This arrangement created the impression that central government showed no interest in the developing of appropriate local government systems.

This chapter will be confined to explain the pre-transformation realities and the imperatives for amalgamation of municipalities. To this end a condensed historical overview of local government in South Africa will be provided and the influence of the Constitution on the transformation of municipalities explained. In this regard the status and objectives of municipalities, municipalities in cooperative government and developmental local

government will be explained. The contents of legislation providing for the transformation of municipalities will also be discussed and in conclusion the process leading to the establishment of the Maletswai Local Municipality will be explained.

3.2 Pre-transformation realities

The National Party came into power in 1948 with a manifesto that promised the implementation of apartheid or segregation policies. However, apartheid was not the beginning of geographical, institutional and social separation at local government level as segregation was already a policy by the time that apartheid was introduced in 1948 (WPLG 1998:21).

Cameron (1999:76) avers that with the exception of the limited Coloured and Indian representation in the Cape Province, only Whites could vote and stand for election at local government level. Since 1913 Blacks were not allowed to own property in the 93% of the country that was designated as 'White' South Africa. Blacks were only allowed to acquire land in the 7% of the country that was termed 'reserves'. A corollary of this policy was the denial of political rights for Blacks at all levels of government.

Amendments were made to the political scenario in South Africa at various intervals. This chapter will be divided into segments denoting periods of 'punctuation' when transformation occurred and its influence on local government.

3.2.1 Political scenario from 1948-1983

The National Party came into power in 1948 with a policy based on separate development. Enabling legislation such as the Group Areas Act and the Population Registration Act was adopted by Parliament to provide the framework for the implementation of the policy of separate development. One of the outcomes of this policy was the removal of Coloureds from the voters' role in 1956 with the result that Parliament became a Whites only institution (Cloete 1998:36).

The policies pursued by the National Party government perpetuated differentiation of structures and systems according to race or population group in terms of the Population Registration Act. Emanating from this policy was the establishment of White Local Authorities (WLAs), Management Committees for Coloureds and Indians, Local Affairs Committees for Indians in Natal and Black Local Authorities (BLAs). The function of the Management and Local Affairs Committees was to advise the WLA on matters related to service delivery in the suburbs reserved for Coloureds and Indians respectively.

The WLAs were initially responsible for the administration of Black areas. In terms of the *Black (Urban Areas) Act, 1923* (Act 21 of 1923) it was compulsory for WLAs to provide segregated residential areas for Blacks. In 1971 the control of the administration of Black urban areas was removed from WLAs and placed under the control of Bantu Administration Boards that was changed to become Administration Boards and finally became

known as Development Boards. The idea was that under the umbrella control of the government department responsible for Black Affairs, those Boards would supply local services and undertake development in Black areas outside national states and the self-governing territories (Craythorne 1993:6-7). According to Cameron (1999:77) this change was an effort by central government to increase control over Black areas. All Development Boards were abolished in terms of the *Abolition of Development Bodies*, 1986 (Act 75 of 1986).

The principle of financial self-sufficiency applied to Black townships and WLAs were required to keep special accounts called Native Revenue Accounts for Black townships under their control (Cameron 1999:77). Revenue for this account was mainly obtained from sorghum beer production and retailing, liquor sales in the townships, levies on White employers of Black labour in particular areas and the payment of levies (mainly rental and fees) by township residents to the local authorities for services rendered (Bekker and Humphries 1985:119, Evans 1969:19).

The amount of finances raised through these sources was minimal (Cameron 1999:77). A fundamental problem was the dormitory town status of Black urban areas. Since no freehold was available, no taxes could be levied on properties. The sources of revenue for Black townships were inadequate (Welsh 1979:144). The introduction of BLAs with extensive powers resulted in an increase in expenditure, however, the government refused to increase the subsidies for these local authorities and they

consequently increased rent and service charges of township residents. This led to protest action by residents.

Civic associations were formed in the aftermath of the 1976 township rebellions (Planact 1992:1). These organisations vehemently opposed and campaigned against the imposition of non-legitimate local government structures such as BLAs. The South African National Civics Organisation (SANCO) was established to provide a mouthpiece for the disenfranchised to voice their opinion on local matters that directly affected them. This resulted in civic associations being perceived by local communities as alternative local government structures. SANCO coined the idea of a single tax base for all inhabitants of a town or city and subsequently this idea gained acceptance by most stakeholders in local government. Ismail *et al.* (1997:52) maintain that the resistance against BLAs orchestrated by SANCO forced the former regime to reconsider its apartheid policies which led to further efforts in 1983-1985 to reform the structure of local governance.

3.2.2 Political reforms of 1983 – 1985

The implementation of the *Constitution of the Republic of South Africa*, 1983 (Act 110 of 1983) in September 1984 brought about the first indications of reform of the political system in South Africa. The Act provided for a three-chamber Parliament, consisting of a House of Assembly (Whites), a House of Representatives (Coloureds) and a House of Delegates (Indians) with a mandate to perform the legislative functions. Furthermore, the 1983 Constitution also provided for a division between *own*

and *general* affairs. The majority of South Africans (Blacks) were excluded from this arrangement as ministries dealing with *own* affairs were only established for Whites, Coloureds and Indians. Blacks were governed by “general affairs”. This arrangement continued to exist until the reforms implemented in 1993.

At the local government level Regional Services Councils (RSC) were established in terms of the *Regional Services Council Act*, 1985 (Act 109 of 1985) in all provinces with the exception of the than Kwazulu-Natal. In the latter province the equivalent structures were the Joint Services Boards (JSB) that were established in terms of the *Kwazulu-Natal Joint Services Act*, 1990 (Act 84 of 1990).

In terms of chapter one of both the RSC Act and the Joint Services Act a RSC or JSB consisted of a chairperson appointed by the than provincial Administrator; members recommended by the Administrator and nominated by the constituent local authorities and members admitted by agreement in the case of local bodies and persons outside the Republic of South Africa. These councils were obliged to spend funds on specified functions with preference being given to the establishment, improvement and maintenance of infrastructure services and facilities in areas where the greatest needs existed. The amount of RSC or JSB services that a municipality consumed, determined its voting power on these councils.

The establishment of a RSC or JSB was an effort by government to defuse township unrest by improving the quality of life in

underdeveloped areas. An overall assessment of the RSC or JSB reveals that these councils facilitated the redistribution of funds to disadvantaged areas (Humphries and Shubane 1992:12). Despite this, the RSCs and JSBs failed in their attempts to make BLAs economically viable notwithstanding the fact that millions of Rands had been spent on keeping these councils afloat by contributing to their operating expenditure (Craythorne 1997:3).

Widespread resistance to BLAs in the townships escalated. According to Ismail and Mphaisha (1997:58) it was at the height of the resistance campaign that the National Party government acknowledged the need to reform. Consequently the government introduced the *Free Settlement Areas Act, 1988* (Act 102 of 1988) that allowed for the infiltration of Blacks into towns and cities. Furthermore, the *Local Government Affairs in Free Settlement Areas Act, 1988* (Act 103 of 1988) was adopted that allowed for mixed or non-racial local government structures. The majority of South Africans rejected these reforms and the Acts were subsequently repealed.

In 1986 the government established a committee under the chairmanship of Dr Chris Thornhill, the then Deputy Director-General, Department of Local Government and Housing to investigate and recommend a new system of local government for South Africa. This committee released its report on 28 May 1990 and it subsequently served as the basis for the framework of the National Party for local level negotiations between leaders of all race groups in the various municipal areas.

The Thornhill Commission, as it became known, proposed the following five models for local government in South Africa:

- Racially-separate local authorities for the different population groups;
- local services councils, where autonomous local authorities would constitute a joint administration;
- community government that entailed a joint local authority for a town or city with the option of establishing neighbourhood management committees on a non-racial geographical basis, with a non-racial voters roll according to a ward system;
- a single non-racial municipality elected on a common voters' roll; and
- any other system, which resulted from negotiations among the residents themselves (Council for the Co-ordination of Local Government Affairs, 1992).

The Mass Democratic Movement, consisting of stakeholders such as supporters of the ANC, who argued that these models were inadequate attempts at genuine reforms, rejected them. The models were regarded as an endeavour to perpetuate apartheid through co-optation (Cameron 1993: 429- 430).

Subsequently government adopted the *Interim Measures for Local Government Act, 1991* (Act 128 of 1991) to allow local negotiations to be validated pending the introduction of a final post-apartheid local government system (Craythorne 1993: 47).

The principles of this Act can be summarised as follows:

- Two or more local government bodies (bodies created under statute or a person or institution declared by the then Minister of Local Government to be a local government body because that person or institution performs a local government function) may negotiate for one of the models contained in Section 8 of the Act;
- there was no compulsion to use this particular Act to negotiate, but if the Act was used, then what was negotiated should have been legitimate;
- different ways of ensuring legitimacy were suggested. There was no requirement to have a negotiating forum, but if such a forum was established, it was to be inclusive;
- the parties could negotiate a model from the contents of Section 8 of the Act and this could have been purely administrative in relation to a joint or single administration, or it could have been one of the following constitutional models:
 - Section 8(c) provided for joint decision making on some matters. The then existing bodies (WLAs, BLAs and Management Committees) were to remain as they were and *own* affairs continued to exist, except for the matters on which binding joint decisions were to be taken by or on behalf of the original bodies;
 - section 8(e) provided for a joint local authority, but did not define the term; and
 - section 8(f) provided for a new single local authority;
- what the parties agreed to were to be contained in a document which could have been an agreement;

- the Administrator was given the power to approve proposals put to him (Section 11(1)) and legislative powers to make laws of no further application, to suspend the effect of laws and to amend laws; and
- once a proclamation was issued, it had the force of law.

This legislation was rejected by the ANC, which at that time enjoyed widespread support among disenfranchised communities (Reddy 1996:55). The organisation opined that this Act would have failed to establish non-racial, democratic, non-sexist and transparent local authorities in South Africa. According to Olver in Reddy (1996:56) the ANC recommended that the following imperatives be considered in the process of transformation of local government:

- The creation of a definite, legitimate and fully-constituted system of local government which could only have been done in the context of a unitary and democratic South Africa, in which the powers of local government are conferred on it by a constituent assembly or any other democratically-delegated legislative body;
- the creation of a national and democratic tradition of local government as a priority, as well as interim structures of local government which were to lay the basis for a smooth transition to a definitive future system;
- local authorities were to be demarcated, taking into account the principles of non-racism and the redistribution of resources;

- the interim structures were to strive to overcome some of the limitations imposed by the apartheid and homelands system. The structures were to reflect as closely as possible the structure of the future democratic system;
- affirmative action programmes were to be introduced and implemented to address the historical racial and gender imbalances that resulted from the apartheid era; and
- metropolitan government structures were to be created for cities and big towns and unified local authorities for small towns and other areas.

Towards the end of 1992 the ANC and the NP, the two major political rivals, as well as other marginal parties such as the Labour Party at Local Government level, agreed to settle their differences through negotiation. This led to further political reform that influenced the local government system in South Africa.

3.2.3 Political reforms of 1993-1994

The political reform for the period commencing in 1993 emanated from the decision by the ANC and NP to forge a settlement with regards to the future of local government in South Africa. The principles underlying this agreement are contained in the following three documents:

- *The Local Government Transition Act, 1993* (Act 209 of 1993);
- The 1994 World Trade Centre Agreement negotiated in Kempton Park that dealt with the provision and financing of local services; and
- *The Interim Constitution, 1993* (Act 200 of 1993).

The LGTA provided the statutory framework for the commencement of the deracialisation of local government in South Africa (Section 9 of the LGTA), while the agreement on the provision and financing of local services was an effort to address the programme of non-payment for services initiated by SANCO.

Extensive changes in the social, political, economic and technological environment in which governmental institutions exercised their activities during the beginning of the last decade of the previous century, led to the introduction of a Transitional Constitution on 27 April 1994. This Act was known as the *Constitution of the Republic of South Africa, 1993* (Act 200 of 1993).

This Constitution provided for:

- The abolishment of the three-chamber Parliament;
- abolishment of the division between *general* and *own* affairs;
- a central Parliament consisting of a National Assembly and a Senate;
- nine provincial or regional authorities to replace the four former provinces of Transvaal, Cape of Good

Hope, Orange Free State and Natal. The new provinces were the Eastern Cape, Northern Cape, Western Cape, Free State, KwaZulu-Natal, Mpumalanga, Northern Province, North West and Gauteng.

These provinces included the former independent states, namely Transkei, Ciskei, Bophuthatswana and Venda. The provinces also included the former self-governing territories, namely Gazankulu, KaNgwane, KwaNdebele, Kwazulu, Lebowa and Qwaqwa. The Interim Constitution was replaced by the “final” Constitution that was adopted by Parliament in 1996. This Constitution encompasses the imperatives for the transformation of local government in South Africa and will subsequently be explained.

3.3 Imperatives for local government transformation

The adoption of the *Constitution of the Republic of South Africa, 1996* (Act 108 of 1996) was the culmination of the political reform process in South Africa. In terms of the founding provisions of this Act, South Africa is one sovereign, democratic state founded on the following values:

- Human dignity;
- non-racialism, non-sexism;
- supremacy of the Constitution and the rule of law;
- and
- universal adult suffrage, a national common voters roll, regular elections and a multi-party system of democratic government, to ensure accountability,

responsiveness and openness (Chapter one of the Constitution).

Furthermore, the Constitution provides a Bill of Rights. This is the cornerstone of democracy in South Africa. It enshrines the rights of all people in the country and affirms the democratic values of human dignity, equality and freedom. The state must respect, protect, promote and fulfil the rights in the Bill of Rights.

The values enshrined in the Bill of Rights as it influences municipalities, are briefly explained:

- Equality – everyone is equal before the law and has the right of equal protection and benefit of the law. The concept of equality permeates most activities that a municipality has to perform. In this regard one may refer to the process of dealing with planning and licencing matters.
- Human dignity – everyone has inherent dignity and the right to have their dignity respected and protected implying that councillors and officials should respect the dignity of all citizens (Craythorne 1997:19).
- Assembly, demonstration, pickets and petitions – everyone has the right, peacefully and unarmed, to assemble, to demonstrate, to picket and to present petitions. This right may be limited in terms of the *Regulation of Gatherings Act, 1993* (Act 205 of 1993). *The Labour Relations Act, 1995* (Act 66 of 1995) (LRA) sets out the manner in which the right

to picket is to be exercised, and the limitations on the right. This also applies to municipalities.

- Freedom of association – everyone has the right to freedom of association. Municipalities may not prevent citizens from forming civic associations and must recognise and respond to such bodies.
- Political rights – every citizen is free to make political choices. According to Craythorne (1997:20) the rights of participating in political activities and of campaigning for a cause are particularly important when persons, parties or associations approach the Council on a matter during an election. The Council should listen to what the parties have to say and not attempt to prevent legitimate political activity.
- Freedom of movement and residence – everyone has the right to freedom of movement. The affect of this right on municipalities is that municipal planning may not be utilised to deny access to residence in a particular area as a means of enforcing discrimination. It does, however, not serve as a justification for land invasions as such action would infringe on other rights enshrined in the Bill of Rights.
- Freedom of trade, occupation and profession – every citizen has the right to choose their trade, occupation or profession freely. However, the authority of a municipality to license businesses is restricted by the *Business Act, 1991* (Act 71 of 1991).

- Labour relations – everyone has the right to fair labour practices.
- Environment – everyone has the right to an environment that is not harmful to his or her health or well-being. Municipalities are responsible for preventing litter and pollution.
- Property – no one may be deprived of property except in terms of law of general application.
- Housing – everyone has the right to have access to adequate housing. The provision of housing is a municipal responsibility, but with state subsidies (SA National Housing Code 2001: 109-115).
- Health care, food, water and social security – everyone has the right to have access to health care services.
- Access to information – everyone has the right of access to any information held by the state (municipality) and any information that is held by another person and that is required for the exercise or protection of any rights. The information sought must be required for the exercise or protection of a right.
- Just administrative action – everyone has the right to administrative action that is lawful, reasonable and procedurally fair. Municipalities take administrative and quasi-judicial decisions almost daily and this right should not be breached in the process.
- Limitation of rights – The rights in the Bill of Rights may be limited in so far as only in terms of law (a

by-law is a law) of general application, providing that the limitation is reasonable and justifiable in an open court and democratic society based on human dignity, equality and freedom, and taking into account all relevant factors such as the nature of the right, the importance of the purpose of the limitation, the nature and extent of the limitation, the relation between the limitation and its purpose and less restrictive means to achieve the purpose (Craythorne 1997:18).

The Bill of Rights, therefore, gives an indication to the Maletswai Local Municipality as to what inhabitants can expect in terms of service delivery and the local municipality should develop service delivery standards (to be discussed in Chapter 4) based on the Bill of Rights.

In addition to the Bill of Rights, the Constitution stipulates the status/objectives of local government.

3.3.1 Local government and the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

The Constitution envisages the complete transformation of the local government system in South Africa. It provides for local government as a sphere of government, confirms the status and objectives of municipalities and determines the role local government plays in cooperative government as well as in its

developmental imperatives. These additional dimensions of local government will subsequently be explained.

3.3.1.1 Local government as a sphere of government

In terms of Section 151 of the Constitution local government is a sphere of government in its own right and no longer a function of the national or provincial government. According to Reddy (1999:204) the Constitution refers to sphere instead of level to emphasise the “new” relationship of co-operation among the levels of government. A sphere, as opposed to a level or tier of government, connotes a shift from horizontal to vertical division of government power. This system is a vision of non-hierarchical government where each sphere has equal status, is self-reliant, inviolable and possesses the constitutional latitude within which to define and express its unique character (Primstone in Reddy 1999:204).

Local government consists of municipalities, which must be established, in terms of the Constitution, for the entire territory of the Republic of South Africa (Section 151 (1)). The executive and legislative authority of a municipality is vested in its Municipal Council (Section 151(2)). A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to the relevant national and provincial legislation as provided for in the Constitution

(Section 151(3)). The national and provincial governments may not compromise or impede the ability or right of a municipality to exercise its powers or perform its functions (Section 151(4)). This provision guarantees local government a significant measure of administrative autonomy (Devenish 1998:203).

3.3.1.2 Status of local government

The changed position and role of local government lead to a situation where local authorities would have to:

- Govern as a fully-fledged sphere of government with sufficient autonomy provided for it to perform this function;
- claim their autonomy by sharing their capacity to handle this responsibility;
- govern on the basis of a governance approach, which demands co-operation and collaboration;
- accept responsibility for extended functions including the socio-economic development of their communities;
- integrate previously separated communities into single communities in its full consequence; and
- make provision for the generation of sufficient resources to face this responsibility in an environment with almost insurmountable needs and, in large areas, only basic subsistence (and sometimes even less) resources available (Louw 1998:3).

These provisions may create the impression that local government has been accorded autonomy. According to Zybrands in Venter (2001:202) an in-depth study of these provisions indicate that the word ‘autonomy’ is not used, but rather ‘own initiative’ and furthermore that this is subject to national and provincial legislation. The elevated status of local government does not imply that local government has *carte blanche* when deciding on local priorities. The objectives of local government are defined in Section 152 of the Constitution and will subsequently be discussed.

3.3.1.3 Objectives of local government

Section 152 of the Constitution mandates local government to:

- Provide democratic and accountable government for local communities: According to Zybrands in Venter (2001:216) the obligation to provide democratic government implies free, fair and regular elections based on voters’ rolls that are comprehensive enough to reflect the potential number of voters adequately. Councillors should hold meetings with their constituencies at regular intervals to provide reports on progress made by the Council. This process forms part of accountable governance. However, respondents in the empirical study confirmed that councillors of the Maletswai Local Municipality are not holding regular meetings with their constituencies. Unfortunately legislation does not provide for punitive measures to be taken against councillors for not having community meetings and

since it is a transgression of the Constitution, the Minister of Provincial and Local Government should issue regulations to determine what steps should be taken against defaulting councillors.

- Ensure the provision of services to communities in a sustainable manner: This objective underlines the fact that a municipality is a service-rendering institution. Such services are rendered to satisfy the needs of the people. Sustainability may imply that, once commenced, the service should continue in the future and not easily be abandoned. A service is only sustainable if it is affordable and addresses a real need of the public.
- Promote social and economic development: Regarding the empirical research undertaken, the aspects of social and economic development are relatively new to municipalities and have not formed part of their traditional functions. Social development may relate to child welfare functions such as feeding schemes and day care centres. Economic development can only occur if a municipality has adopted its own Local Economic Development (LED) plan. It can form part of a strategic plan or alternatively of its Integrated Development Plan (IDP). In order to direct the developmental duties of the Municipality, it is required in terms of Chapter 5 of the Systems Act to undertake developmentally oriented planning and to take into account development plans and programmes of other spheres

of government in this regard. The Maletswai Local Municipality has completed its IDP and the contents thereof will be explained in Chapter 4 of the thesis.

- Promote a safe and healthy environment: A safe and healthy environment may refer to the prevention of the spreading of contagious diseases and ensuring a healthy life by providing primary health care services. Furthermore, it may also refer to matters such as environmental pollution that may include noise, water and air pollution. Respondents in the empirical study expressed satisfaction with air and noise pollution services rendered by the Maletswai Local Municipality.
- Encourage the involvement of communities and community organisations in the matters of local government: It was customary in the past for councillors, once elected, to govern for their term of office without consulting the electorate. In terms of this objective, continuous interaction with the public is prescribed.

These objectives are qualified by section 152(2), which provides that a municipality must strive to achieve these objectives within its financial and administrative capacity. In terms of subsection (6) a municipality does not actually need to provide the services itself. It must simply make sure that the services are provided. To underpin this, alternative service delivery methodologies will be discussed in Chapter 4.

Local government has thus been given a distinctive status and vital role in building democracy and promoting socio-economic development (Roome 1998:1). These changes are challenging the traditional role that local government adopted by confining its activities to the administration of services.

3.3.1.4 Municipalities in co-operative government

Co-operative government is an innovative concept to resolve problems related to intergovernmental relations. It is an attempt to address the difficulties experienced by most large bureaucracies in co-ordinating their government functions and streamlining their administrative activities (compare King 2002:7). In order to monitor and regulate the relationships between the three spheres of government, the competency of each is stipulated in the Constitution. This legislation makes provision for the different spheres of government to exercise their powers and to perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of another sphere. The empirical research findings confirmed that the Eastern Cape provincial government complies with the aforementioned constitutional requirement.

3.3.1.5 Developmental local government

Developmental local government has become the cornerstone of performance-oriented principles introduced into the municipal sphere. These principles include integrated development planning, community participation and performance management as well as alternative service delivery. These principles have been given statutory provision by the Systems Act.

In terms of the WPLG the central responsibility of local government is to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives. The public domain within which municipalities operate should provide an arena in which the public can mould the actions of public authority (Clarke & Stewart 1990:25). Therefore, it is in the interest of the country that local government is capacitated and transformed to play a developmental role. The WPLG (1998:37) defines developmental local government as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives (Section B (1)). The following four inter-related characteristics of developmental local government are analysed in the WPLG (Section B (1)).

- Maximising social development and economic growth;
- integrating and co-ordinating;
- democratising development; and
- leading and learning.

Given the scope of this thesis, the aforementioned characteristics of developmental local government will not be analysed in detail. However, the sections of the White Paper that are relevant to this study and form the imperative for local government transformation are briefly expanded upon.

3.3.2 The White Paper on Local Government 1998

The Ministry for Provincial Affairs and Constitutional Development launched an intensive 18 months period of consultation and research that culminated in the White Paper on Local Government (WPLG). Boraine (1998:53) opined that this particular White Paper in effect provided the new “constitution” for local government. It prescribed how local authorities should interact with the other spheres of government and influence the system of government as a whole. It moved the process of change beyond the transition stage and focused on the transformation of local government to create a better life for all.

The WPLG formed the launching pad for the new local government system. The afore-mentioned document provided a map for local authorities to transform institutionally and to remain relevant in the twenty-first century. The WPLG was based on the

framework created by the Constitution. It adds detail to the framework as prescribed in the Constitution and provides a consensual framework for transformation, as well as in determining a set of priorities that focuses on the following three basic programmes, namely institutional transformation, developmental transformation and fiscal and financial transformation. These priorities are briefly explained.

3.3.2.1 Institutional transformation

Local government is facing the challenge to adapt to the new role that it has to play in terms of the Constitution. The capacity created in the old order local authorities does not provide for the new challenges of, for example, socio-economic development and a community sensitive way of operating. The new responsibilities, processes and functions of local authorities require organisational content, arrangements and structures that can facilitate the fulfilment thereof. This implies that structure becomes dependent on the nature of the processes and functions it has to facilitate and not the other way round, as was the case previously (Louw 1999:1).

Institutional transformation is the process or programme that aims to develop a post-apartheid set of political and administrative structures that will empower local authorities to fulfil their constitutional mandate. This mandate emanates from the Constitution and manifest in the *Local Government: Demarcation Act, 1998* (Act 27

of 1998), hereafter referred to as the Demarcation Act, the Structures Act and the Systems Act.

3.3.2.2 Developmental transformation

Developmental transformation is a programme/process that aims to equip local councils to perform their tasks of socio-economic development and service delivery. This includes projects such as the municipal infrastructure programme, work on local economic development and integrated development planning, municipal service partnerships, the Municipal Infrastructure Investment Unit and the Community Water and Sanitation Programme, issues that will be addressed in Chapter 5 of this study.

3.3.2.3 Fiscal and financial transformation

The programme of fiscal and financial transformation is aimed at creating a financially viable and sustainable local government system that will be able to interact with the capital markets and act as leverage for the appropriate resources for development and infrastructure investment. The afore-mentioned projects include the establishment of an equitable share for local councils, reform of the local taxation and revenue system as well as municipal borrowing and investment, building financial management capacity through Project Viability and local initiatives, often supported by the banking

industry, and support to key institutions such as the Finance and Fiscal Commission and the Institute of Municipal Finance Officers (Chapter 1 of the *Municipal Finance Management Act*, 2003 (Act 56 of 2003). Currently the primary advantage of the fiscal and financial transformation at local government is the establishment of an equitable share that creates a financially viable and sustainable local government system to deliver services to the residents. According to the respondents in the empirical survey the residents of the Maletswai Local Municipality are unaware of the fiscal and financial transformation that took place and it was due to the large municipal area created by the establishment of the Maletswai Local Municipality.

The establishment of a large municipal area such as Maletswai creates at least three major risks relevant to this study (Centre for Development and Enterprise 1998: 24) (CDE). These risks are briefly explained.

- The first risk is that the large municipalities are remote from local communities and undermine commitment to the democratic process and reduce the sense of effective participation by communities with a sense of local identity (CDE 1998:24). This is confirmed by respondents in the empirical study who confirmed their lack of knowledge regarding the contents of the IDP. The effectiveness of participation in the political

process in a democracy is associated with a degree of co-operation and willingness to compromise between inhabitants and other interest groups that might otherwise adopt destructive and competitive stances. Not only is co-operation between classes important in avoiding the polarising effects of protest, pressure politics and conflict, but also in the South African context, co-operation by the inhabitants is essential in achieving progress towards equality. Obviously if privileged minorities feel threatened and excluded, these minorities will be less willing to contribute material and skills resources to the challenge of development and equity in society (CDE 1998:24).

The WPLG (Section D paragraph 2.3.3) makes provision for the participation of local communities through Ward Committees or through the decentralisation of certain powers by the Metropolitan Authority to local sub-structures. However, in both sets of provisions, the majority party in the overarching government controls the extent to which effective power to influence outcomes are devolved to local interests. Thereby the role of the Ward Committees is confined to advising the Council and their maximum power is thus the power to be consulted. Provisions for local and minority participation are in both

instances of such a nature that the influence, which interest of the local community enjoys, will be subject to majority party discretion. Some interpretations of democracy are based on the principle of majority prerogatives and the notion that the majority must have its way. The aforementioned majoritarian or as it is also referred to, Jacobin interpretation of democracy, is exceedingly dangerous in divided societies and divided cities and is commonly recognised by constitutional theorists as a prescription for conflict (CDE 1998:26). A constructive interpretation of democracy is that it is a system that must strive for the greatest possible inclusiveness combined with checks and balances.

The Ward Committees as provided for in the WPLG (Section D paragraph 2.3.3) are of a type that has no authority due to the fact that they will only have advisory and consultative powers. This may lead to frustration amongst Ward Committee members (Zybrands 1998:17). Therefore it may attract participation by pliable or self-nominated and opportunistic leaders with no legitimacy and be a prescription for conflict because the legitimate community leaders may refuse to participate in powerless structures and revert to protest and resistance. The situation regarding

Ward Committees in Maletswai is discussed in Chapter 4.

Furthermore, it can be expected that in future pressure will be exerted on Councils to remunerate such Ward Committee members, or at least to cover their out of pocket expenses (Zybrands 1998:17). It may be assumed that unless some or other allowance is paid to such Ward Committee members, these members will in all probability become non-functional relatively soon after having been elected.

- A second risk, which is closely related to the first, is that feedback from the community with regards to the quality and maintenance of local services and infrastructure is left to the general political process. It does not provide for consumer rights other than the provisions for local participation, which are uncertain in their likely effectiveness and implications. The consultative powers of local structures or the discretionary power of the central authority in decentralising power, imply that the only final and conclusive sanction citizens will enjoy will be at the time of local elections every five years. Any local democracy that relies on its periodic electoral sanctions tends to become characterised by over-politicisation of local government and the entrenchment of a highly

competitive system of party politics (Sadie in Venter 2001:299).

The models provided for in the WPLG (Section D paragraph 2.3.3) do not allow for any charter of citizen's rights. Kroukamp (2001:1) defines a charter of citizen's rights as an explicit statement of service standards. The lack of such a statement in the South African situation has the implication that a suburb or ward in the Maletswai Local Municipality, which can, for example, demonstrate the need for a community hall, will not have the power to insist on that particular provision. The electorate will either have to wait for the next election or revert to extra-constitutional means of obtaining redress, such as protest actions or boycotts. This is due to the fact that the provision of services in the WPLG is defined as a function exercised in the context of electoral power and not as a service function for which independent and objective criteria for evaluation and redress exist. Consumer rights cannot be made only subject to the leverage that the political processes allow. The Constitution makes provision for certain socio-economic rights, yet this principle is completely overlooked in the provisions in the WPLG (CDE 1998:26).

- The third risk is the possibility that the size of metropolitan local government and large Category B municipalities, such as the Maletswai Local Municipality, although introducing economies of scale in the design of local administration and infrastructure provision, may lead to counterbalancing inefficiencies, because of the complexity of administration required in large centralised systems (CDE 1998:26). The performance of the municipality in meeting its own commitments in terms of policy objectives and service delivery has as much to do with the capacity and efficiency of the administrative system as with policy and the constitutional basis of government. While economies of scale may be achieved by centralisation, breakdowns of efficiency due to the increasing size and complexity of local government in large municipalities can outweigh these (Schoeman in Venter 2001:323-328).

The WPLG, however, makes provisions for measures to counteract such effects. These measures include, *inter alia*, the sub-contracting of functions to the private sector or the restructuring of the administration into task forces (Section F), measures that trade unions and other stakeholders such as SANCO oppose vigorously (Craythorne 2003:175).

Enabling legislation emanating from the WPLG to provide for the restructuring of local government, has been adopted by Parliament and will subsequently be explained.

3.3.3 Legislation providing for the restructuring of local government

Emanating from the WPLG, legislation was adopted by Parliament that sought to achieve the vision for local government as detailed in the WPLG and was aimed at entrenching the concept of local democracy. In this regard the legislation referred to include the Demarcation Act, the Structures Act and the Systems Act. The contents of this legislation are explained below as it reflects imperatives for local government transformation.

3.3.3.1 Local Government: Demarcation Act, 1998 (Act 27 of 1998)

The Demarcation Act was promulgated in the Government Gazette dated 3 July 1998. The objective of the Act was to establish criteria and procedures for the determination of municipal boundaries by the Municipal Demarcation Board as required by the Constitution. The Act provided for the establishment, functions and general powers of the Board. The Board consists of seven to fifteen members who are appointed by the President of the country (Section 8).

The objectives of demarcation of municipal boundaries include the provision of democratic and accountable government for local communities, the provision of services to the communities in a sustainable manner, the promotion of social and economic development and the promotion of a safe and healthy environment. The determination of municipal boundaries is done taking factors such as the independence of people, communities and economies, the financial viability and the administrative capacity of the municipality into consideration (Section 25). Objections may be raised to such determinations.

The Demarcation Board was mandated by the government to re-demarcate the boundaries of 843 municipalities according to the guidelines (factors) provided in Section 25 of the Act (Zybrands 2000:204). The result of this demarcation exercise was the following:

- The establishment of six Category A municipalities, namely Cape Town, Nelson Mandela Metropole, Durban, Johannesburg, Tshwane, and the Ekurhuleni Metropole.
- The establishment of 47 District Municipalities (Category C municipalities such as the Ukhahlamba District Municipality with which the Maletswai Local Municipality shares executive and legislative authority).

- The establishment of 231 local councils (Category B municipalities such as the Maletswai Local Municipality). These councils are generally the result of the amalgamation of two or more municipalities from the interim phase of transformation. The Maletswai Local Municipality consists of the former Aliwal North Transitional Local Council and the Jamestown Transitional Local Council as well as of the commercial agricultural areas that surround these towns. Objections that were raised to the amalgamation process are explained in Chapter 4 of the study.

The finalisation of the demarcation process resulted in the establishment of municipalities with the Structures Act determining the structure of these newly created municipalities.

3.3.3.2 Local Government: The Municipal Structures Act, 1998 (Act 117 of 1998)

The objective of the Structures Act is to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipalities that may be established within each category; to provide for an appropriate division of functions and powers between

categories of municipalities; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith (Section 1). It therefore regulates the political and institutional arrangements for local government in South Africa.

In terms of Section 12 of the Act the Member of the Executive Council (MEC) for Local Government of a Province must establish a municipality in an area as gazetted by the Municipal Demarcation Board in a particular Province. In terms of this provision these municipalities must comply with the provisions of the Act and takes effect at the commencement of the first election of the council of a municipality such as the Maletswai Local Municipality. The Section 12 Notice establishing a municipality must specify the following:

- The category of municipality that is established;
- the type of municipality that is established;
- the boundaries of the municipal area;
- the name of the municipality;
- the number of the councillors for a particular municipality;
- which councillors of the municipality (if any) may be designated as full-time in terms of Section 18(4) of the Act;
- any adjustments in the division of functions and powers in terms of Section 85 affecting the municipality;

- any provisions of this Act from which the municipality has been exempted in terms of Section 91; and
- any other relevant detail.

Emanating from the afore-mentioned specifications no uncertainty should exist as to how such a municipality must be structured. The MEC for Local Government must at the commencement of the process to establish a municipality give written notice of the intention to establish a particular municipality to organised local government in the province and to any existing municipalities that may be affected by the establishment of the municipality. Furthermore, the MEC must consult organised local government in the province as well as the affected municipalities prior to publishing a Section 12 Notice. As was previously mentioned, the Act provides for categories and types of municipalities that may be established. In this regard it provides for the following categories:

- Category A, is a metropolitan area. In order for a municipality to have Category A status it must be regarded as a conurbation featuring areas of high population density, an intense movement of people, goods and services, extensive development, and multiple business districts and industrial areas. Furthermore, it must be a centre of economic activity with a complex and diverse economy, a single area for which integrated development planning is desirable and having strong interdependent social and economic linkages between its constituent units

(Section 2). This type of municipality has exclusive municipal, legislative and executive authority in its area of jurisdiction.

- Category B municipality, is a municipality that shares municipal executive and legislative authority in its area with a Category C municipality (District Municipality) in which area it falls.
- Category C municipality (District Municipalities - previously known as RSC or Service Boards such as the Ukhahlamba District Municipality) - a municipality that has municipal executive and legislative authority in an area that includes more than one municipality.
- Cross boundary/Border District Councils and Municipalities - a municipal area demarcated across provincial borders.
- District Management Areas - part of a district municipality, which has no local municipality and is governed by a District Council alone.

As indicated earlier the Maletswai Local Municipality was classified as a Category B municipality.

The Act furthermore provides for the following systems for municipalities:

- A collective executive system that allows for the exercise of executive authority with an executive committee in which the executive leadership of the municipality is collectively vested.

- An executive mayoral system that allows for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee.
- A plenary executive system that limits the exercise of executive authority to the municipal council itself.
- A sub-council participatory system that allows for delegated powers to be exercised by sub-councils established for parts of the municipality.
- A ward participatory system that allows for matters of local concern to wards to be dealt with by committees established for wards (Section 7).

The Structures Act “arranges” the system of local government in South Africa. It provides for the models of local government to be implemented and provides for a Ward Committee mechanism to enhance community participation in the activities of municipalities. The Act furthermore provides for the composition, membership, operation and dissolution of municipal Councils (inclusive of the Maletswai Local Municipality) (Chapter 3). The Act also determines the objectives for local government and indicates, *inter alia*, that the Council of the Maletswai Local Municipality should:

- Strive within its capacity to achieve the objectives set out in Section 152 of the Constitution;
- annually review the needs of the community, its priorities to meet those needs, its processes for involving the community, its organizational and

delivery mechanisms for meeting the needs of the community and its overall performance in achieving the aforementioned objectives; and

- develop mechanisms to consult the community and community organisations in performing its functions and exercising its authority (Section 19).

The Act also provides, *inter alia*, for the election and functions of mayors and speakers of municipalities. The internal structures and functionaries of a municipality are also provided for in the Act as are the establishment, functions and powers of Ward Committees. The division of powers between the local municipality and the district municipality is prescribed in Section 84 of the Structures Act. For the Ukhahlamba District Municipality and the Maletswai Local Municipality these powers and functions were determined by the MEC and are as follows:

- Ukhahlamba District Municipality:
 - IDP of the District as a whole - Section 84 (1) (a).
 - Solid waste -Section 84 (1) (e).
 - Municipal roads - Section 84 (1) (f).
 - Regulation of passenger transport services - Section 84 (1) (g).
 - Airports (except in Maletswai and Gariep).
 - Fire fighting service - Section 84 (1) (j) (Except in the Maletswai Local Municipality).
 - Selling food control (Elundini area).
 - Markets and abattoirs - Section 84 (1) (k).
 - Cemeteries and crematoria - Section 84 (1) (l).

Local tourism – Section 84 (1) (m) (for Elundini and Senqu only).

Public works – Section 84 (1) (n) (for Elundini and Senqu only).

- Maletswai Local Municipality:
 - Airports – Section 84 (1) (h).
 - Municipal public transport.
 - Pontoons and ferries.
 - Stormwater.
 - Liquor control.
 - Selling food control.
 - Noise pollution.
 - Local amenities.
 - Municipal abattoirs.
 - Markets and abattoirs - Section 84 (1) (k).
 - Local tourism - Section 84 (1) (m).
 - Public works - Section 84 (1) (n).
 - Air pollution.
 - Building regulations.
 - Fire fighting services (in the area of jurisdiction of the Maletswai Local Municipality).
 - Municipal planning.

The reason for the division of powers between the Ukhahlamba District Municipality and the Maletswai Local Municipality was aimed at improving service delivery. Consequently the deduction can be made that, based on this succinct determination of which institution accepts responsibility, for rendering particular services,

the consumers in the Maletswai Local Municipality can expect an acceptable level of service delivery. This was, however, not confirmed by respondents in the empirical study who expressed concern regarding the lack of service standards.

The finalisation of the structures of municipalities resulted in the adoption of legislation to establish the basic principles and mechanisms to give effect to the vision of developmental local government as espoused by the WPLG. This particular Act is the Systems Act, of which the contents will subsequently be explained.

3.3.3.3 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

The Systems Act may be described as one of the three pillars on which the legal regime of local government is built, the other two being the Demarcation Act and the Structures Act. These pieces of legislation currently complete the process of reviewing and reforming the overall regulatory system for local government and enable government to repeal virtually the entire body of legislation and provincial ordinances inherited from the apartheid era. The Act is to be complemented by, and is aligned with, finance legislation dealing with issues of financial management, budgeting, borrowing and treasury control as well as legislation related to reforming the property rating and taxation system. In this regard reference is made to the Municipal Finance Management

Act as well as the *Property Rating Act, 2004* (Act 6 of 2004).

The Systems Act focuses on the internal systems and administration of municipalities and endeavours to redress historical backlogs and imbalances and in the process it became the primary service delivery mechanism that fundamentally affects the daily lives of the ordinary citizens. In the preamble of the Act it is stated that local government should fundamentally be developmental in its orientation, should address the social and economic upliftment of communities by the provision of basic services especially to the poorer section of the community. Therefore, the Act prescribes community participation (Chapter 4) and the development and adoption of an IDP in order for municipalities to actively engage the communities served and perform its function in an efficient, effective and transparent manner. This can, only happen however, if municipalities are financially and economically viable.

The Systems Act may be regarded as a policy statement and the concretising of a philosophy based on the principle of a better life for all South Africans. Although it lacks detailed directives, these directives will be provided by the Minister of Provincial and Local Government in terms of Section 104 of the Act or alternatively, the issuing of guidelines in accordance with Section 120 of the Act. The Act thus has an enabling rather than a prescriptive nature.

However, mandatory provisions in the Act relates to the extent that the fundamental elements of public sector reform, socio-economic development, delivery of basic services and public reporting and accountability need to be uniformly applied on a country-wide basis. The Act contains processes and elements that provide the foundation for a developmental system of local government as envisaged in the WPLG. These include participatory governance, integrated development planning, performance management and reporting resource allocation and organisational change (Chapters 4-7). The development and implementation of these elements will be discussed in Chapter 5 of the study.

Chapter 8 of the Systems Act provides for municipal services to be rendered. This will give effect to constitutional provisions in regard to giving priority to the basic needs of a local community, promoting the development of the local community and ensuring that all members of that community has access to at least the minimum level of basic services (section 73). In terms of section 76 of the Systems Act, a municipality must adopt and implement a tariff policy on the levying of municipal fees. The tariff policy must include aspects such as:

- Equitable treatment of users of municipal services;
- a proportionality between the use of the service and the amount paid;
- providing access to services for poor households, for example, by charging only operating and

maintenance costs, providing life-line tariffs or the subsidization of tariffs;

- tariffs should preferably indicate the costs associated with the rendering of the service, including capital, operating, maintenance, administration and replacement costs plus interest charges;
- financial sustainability of service rendering should be strived for but it can take into account subsidisation from other sources (for example the equitable share from the fiscus to a municipality);
- surcharges may be provided for;
- local economic development can be promoted through special tariffs (Note: special discounts could perhaps be given to large consumers of water especially if the municipality is located in a water-rich area);
- the economical, efficient and effective use of resources; and
- the full disclosure of the extent of subsidies for poor households.

The deduction can be made that the abovementioned stipulations in the Act are specifically aimed at ensuring that municipalities receive an income and prevents a situation where, for instance, the Maletswai Local Municipality can unilaterally decide to have no tariff structure for political or other reasons. The tariff policy may differentiate between different users on a host of grounds provided that it does not amount to unfair discrimination. Non-payment for services

influences the tariff policy in the Maletswai Local Municipality and will be explained in Chapter 5 of this study.

In terms of Section 76 of the Systems Act two broad categories for the provision of services are envisaged, namely an internal mechanism and external mechanism. Internal mechanisms refer to a department within the municipality such as the technical services department. External mechanisms could be a municipal entity, an organ of state, a community based organisation or a non-governmental organisation. These diverse mechanisms and their relationship to service delivery will be explained in Chapter 5 of this study. When a municipality has, in terms of Section 77, to decide on a mechanism for the provision of a municipal service, or to review any existing mechanism, it must, in terms of Section 78, first assess the following:

- The direct and indirect costs and benefits if the services are provided through an internal mechanism, including the expected effect on the environment and on human health, well-being and safety;
- the existing and future capacity of the municipality to furnish the skills, expertise and resources necessary for the provision of such a service through an internal mechanism (Note: Resources include the financial resources such as loan funding for the development of a capital project);
- if the service could be provided internally by re-organisation of its administration and the

development of the human resource capacity (refer to Section 51 and 68 respectively);

- the likely impact on development, job creation and employment patterns in the municipality;
- the views of organised labour; and
- developing trends in the sustainable provision of municipal services generally.

It can be deduced that this section of the Act enforces accountability from municipalities in that a particular process must be followed prior to the appointment of alternative municipal service providers.

Within the parameters of this legislative framework, the Maletswai Local Municipality was established. Prior to amalgamation the area consisted of the Aliwal North Transitional Local Council and the Jamestown Transitional Local Council. These individual municipalities had their separate political and administrative structures that were restructured to form the Maletswai Local Municipality. The processes leading to the amalgamation and the eventual establishment of the aforementioned municipality will be explained in the following chapter.

3.4 Conclusion

In terms of legislation aimed at dividing South Africans into communities based on race, separate suburbs were established for every municipality in the country. This resulted in dysfunctional service delivery.

In formerly Black residential areas service delivery was virtually non-existent. Black Local Authorities were established and their major source of income was the selling of traditional beer, rentals and service charges paid by the communities. These institutions were unacceptable to the majority of the inhabitants of the Black residential areas and led to revolt with the result that Black Local Authorities were disbanded.

Political transformation occurred in terms of amendments to the Constitution of the country at periodical intervals and provided for the realities that led to the transformation of local government in South Africa. The transformation process was informed by imperatives such as the political reforms of 1996 and the adoption of the Constitution. The latter document provided for local government to form a sphere of government, determined the status and objectives of local government and invented the concept of co-operative government. The objectives of local government as determined in Section 152 of the Constitution mandate a Council to provide democratic and accountable government for local communities, ensure the provision of services to communities in a sustainable manner, promote social and economic development, promote a safe and healthy environment and encourage the

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

The Bill of Rights as encompassed in the Constitution provides the road map for municipalities with regards to services to be rendered to the communities that they serve. The adoption of the Constitution was followed by the WPLG process that heralded an intensive 18 months period of consultation and research on local government. The final WPLG document prescribed the method of interaction of local government with other spheres of government and influenced the system of government as a whole. The WPLG formed the policy document for the transformation of and the systems of local government to be implemented after transformation. It provided for institutional, developmental, fiscal and financial transformation of local government.

Risks emanating from the implementation of the WPLG included the fact that a large municipality might be remote from local communities, undermine commitment to the democratic process and reduce the sense of effective participation by communities with a sense of local identity. However, provision was made in the WPLG for the participation of local communities in Ward Committees. A further risk was that feedback from the community with regards to the quality and maintenance of local services and infrastructure was left to the general political processes such as local elections. No provision, however, existed for the Citizen's Charters in the various models as provided for in the WPLG. The implication of the lack of provision for such a statement is that the problem in a particular ward may not be

addressed expeditiously since the inhabitants of the ward do not have the power to insist on a particular provision. The third risk relates to the possibility that the size of the municipality may lead to counterbalancing inefficiencies due to the complexity of administration and infrastructure required in large centralised systems.

Emanating from the WPLG was legislation that provided the statutory environment for the transformation of municipalities. These statutes included the Demarcation Act, the Structures Act and the Systems Act. This legislation provided the environment within which the Maletswai Local Municipality was established and will subsequently be discussed.

CHAPTER FOUR



THE ESTABLISHMENT OF THE MALETSWAI LOCAL MUNICIPALITY AND RELATED ISSUES

4.1 Introduction

The towns of Aliwal North and Jamestown formed part of the Drakensberg District Council with its seat in Barkly East. Aliwal North is the main commercial and tourism centre and Jamestown is one of several small urban centres in the district. The Municipal Demarcation Board gazetted the amalgamation of the two towns.

The legislative mechanisms as described in the previous chapter provided the legal environment for the amalgamation and the eventual establishment of the Maletswai Local Municipality. The Demarcation Board envisaged that the transitional local councils of Aliwal North and Jamestown would merge to form a larger, more viable municipality. The process was scheduled to evolve within specific time frames and phases. These phases included the drafting and finalisation of a Section 12 Notice, situational analysis, municipal elections, disestablishment and establishment of municipalities and the implementation and development of

newly established municipalities. These phases will be explained in this chapter.

The process, as it unfolded in the Maletswai region in terms of governance, institutional transformation, financial arrangements, strategic management and service delivery is also discussed in this chapter. In this regard the formation of a local consultative forum, the disestablishment of the Aliwal North Transitional Local Council (TLC), and the Jamestown Transitional Local Council (TLC), difficulties with the transformation process, the establishment of the Maletswai Local Municipality, the administrative rationalisation of the Maletswai Local Municipality, the valuation roll, the Integrated Development Plan and service delivery will *inter alia*, be explained.

4.2 Governance in the municipal environment

Governance refers to the role of the state in society (Cloete 2000:13). It may be defined as processes through which power and authority are exercised between and within institutions of the state and civil society concerning the allocation of resources (Ritchken in Fitzgerald *et al.* 1995:195). Governance relates to how antagonistic forces with material interest in the state and civil society forge alliances and enter into conflicts to access more resources to reinforce their power. In addition Jonker in Van Niekerk *et al.* (2001:2) defines governance as the patterns that emerge from governing activities of social, political and administrative actors aimed at guiding, steering, controlling or managing aspects or facets of society. Inherent in the latter

definition of governance is the idea of public-private interactions within a network of relationships aimed at achieving desired objectives for society.

At municipal level governance means to exercise authority and more specifically to have the power (Craythorne 2003:100-133):

- To compel citizens to pay taxes or fees and levies;
- to enact legislation, no matter how subordinate, and to enforce that legislation directly or indirectly;
- to take decisions that can affect the rights of other persons, and to exercise discretion in answer to requests or petitions;
- to employ staff and to direct their efforts; and
- to allocate resources and to determine priorities in a budget which it has approved.

The above-mentioned powers are vested in a Municipal Council in terms of Section 11(1) of the Systems Act. However, despite the aforementioned enabling legislation and the subsequent transformation of local government, the sector continues to have a poor public image as a result of it being regarded as corrupt, inefficient, lacking in capacity and unable to deliver services to its constituency (Mkhatshwa 2002:11). The new system of local government has granted a more hands-on role for politicians in the management of municipal affairs. These executive responsibilities place a greater responsibility on councillors to ensure that they act in the interests of local communities such as the residents in the Maletswai Local Municipality. Councillors should also adhere to the principles of good governance that

include the principles of sensible prioritising, curbing corruption, allowing freedom of association, respecting the rule of law, transparency and accountability. According to Mkhathshwa (2002:10) it requires a new kind of cadre, driven by the values of probity, transparency and accountability.

For purposes of this thesis, the developments with regards to the establishment of the governance structure (Municipal Council) of the Maletswai Local Municipality will be explained.

4.2.1 Formation of a local consultative forum for the Aliwal North TLC and the Jamestown TLC

The following processes preceded the formation of a local consultative forum for the Aliwal North TLC and the Jamestown TLC:

- Phase one - Drafting and finalisation of Section 12 Establishment Notice. The Section 12 Notice addressed the transfer of assets (including investments, cash and current credit balances in the accounts of financial institutions), rights, obligations and liabilities, administrative and other records, staff, insurance and the establishment of a Transitional Facilitation Committee (TFC). The latter committee was established at the level of the District Municipality.
- Phase two - Drafting the situational analysis (stocktaking) and planning to facilitate phase. This

phase allowed for local councils to draft a *status quo* report with regard to the areas under their jurisdiction. The areas of concern that had to be addressed in this report include assets, liabilities, the financial position of the local council, human resources, information technology, infrastructure, infrastructure backlogs, maintaining financial control and any other relevant issues.

- Phase three - This phase dealt with the municipal election that took place on 5 December 2000.
- Phase four dealt with the disestablishment and establishment of municipalities as well as the initial operational processes of the newly established municipalities.
- Phase five provided for the implementation and developmental process in the newly established municipalities.

Following the afore-mentioned processes the then Town Clerk of the Aliwal North TLC wrote a letter on 29 March 2000 to the then Town Clerk of the Jamestown TLC informing the latter that the Demarcation Board has clustered Jamestown and Aliwal North together to form a single local municipality (Aliwal North TLC). To ensure that everything was in place and had been catered for, a steering committee had to be established. The Aliwal North TLC took the initiative to establish this committee and invited the Jamestown TLC to nominate councillors to serve on it. The Council of the Jamestown TLC acceded to the request and the first meeting of the Local Consultative Forum (LCF) was held on 8

March 2000 in the Jamestown Council Chambers (LCF Minutes 2000).

The meeting was confined to the elections of a chairperson and deputy chairperson respectively. Other matters discussed included the contents of a draft Section 12 Notice, the category, type, and boundaries, number of councillors, wards, powers and functions of the new municipality. It was agreed that the new municipality should render the following services in terms of Section 84 of the Structures Act:

- Bulk supply of water;
- bulk supply of electricity - the Jamestown direct supply of electricity by ESKOM had to be reconsidered by the new municipality;
- bulk sewerage purification works and main sewerage disposal;
- solid waste disposal sites;
- establishment, conduct and control of fresh products, markets and abattoirs;
- cemeteries;
- municipal public works;
- receipt, allocation and distribution of grants; and
- imposition and collection of taxes, levies and duties.

Furthermore, it was agreed that the new municipality would need assistance with the rendering of the following services in terms of Section 84 of the Structures Act:

- Municipal roads that form part of the transport system for the district as a whole;

- fire fighting services to serve the area under the district municipality as a whole; and
- the promotion of tourism in the area under jurisdiction of the district municipality.

It was further argued that the District Municipality should render the following services:

- Regulation of passenger transport services;
- municipal airports serving the area under the jurisdiction of the District Municipality, inclusive of the new municipality, as a whole; and
- municipal health services serving the area of the District Municipality as a whole.

These decisions were adopted in an effort to influence the decision eventually taken by the MEC for Housing, Local Government and Traditional Affairs in terms of the allocation of powers and function to the District and Local Municipalities.

The meeting commenced with initial discussions relating to personnel arrangements, asset liabilities, dispute resolution mechanisms and by-laws. The roles of the then Chief Executive Officers (Municipal Managers) of the two towns were discussed and it was agreed that an Acting Municipal Manager would be appointed after the local government election in December 2000. The next meeting of the LCF was held on 5 June 2000. Discussions centred on the possible usurption of local municipal functions by the District Municipality. The meeting decided to be cautious about the aforementioned possibility, as this would bring in doubt the reason for the existence of the local municipality.

Following the deliberations at the meeting it was recommended to the then Drakensberg District Council that the two names to be considered for the new municipality by the MEC for Housing and Local Government should either be Masakhane or Maletswai (LCF Minutes 2000). Pursuant to this level of consultation it was the prerogative of the MEC to issue a Section 12 Notice to disestablish the existing local councils and to establish the new municipality. The latter process is subsequently explained.

4.2.2 Disestablishment of the Aliwal North TLC and the Jamestown TLC

In terms of the demarcation done by the Municipal Demarcation Board the Aliwal North TLC and the Jamestown TLC were to be amalgamated to form a single local municipality. Section 12 of the Structures Act also stipulates that existing municipalities had to be disestablished and new municipalities established by the Member of the Executive Council (MEC) of a Province responsible for Local Government. In terms of Section 14 of the Structures Act a municipality established in terms of Section 12 of the Act supersedes the existing municipality in that area and becomes its successor in law with regard to the particular area. Section 14(5) of the Act provides that the MEC for Local Government of a particular province may make provision by notice in the Government Gazette for transitional measures to facilitate the disestablishment of the existing and establishment of new municipalities.

In line with the aforementioned provision, the MEC for Housing, Local Government and Traditional Affairs in the Eastern Cape Province established the Drakensberg Facilitation Committee to facilitate local government transformation (Drakensberg 2000:1). The disestablishment of the Aliwal North TLC and the Jamestown TLC and the establishment of the Maletswai Local Municipality was facilitated by the Facilitation Committee established for the Drakensberg District Council. This Committee consisted of two representatives from the then existing local councils. The local councils in turn formed local consultative forums to discuss issues related to the amalgamation as well as the various impediments that impacted on the process. These difficulties experienced during the transformation process were as follows.

4.2.3 Difficulties experienced during the transformation process

The distance between Aliwal North and Jamestown is approximately 54 kilometres which inevitably causes difficulty in terms of administration and supervision. With Aliwal North being the seat of the Maletswai Local Municipality it becomes a costly exercise to transport workers on a daily basis between the two towns. For the community of Jamestown it implied the removal of government from local to distant.

Reservations raised by the then Jamestown TLC related to the solvency of the then Aliwal North TLC and specific reference was made to a situation where salaries were not paid on time every month (LCF 2000:2). Further concerns were raised regarding the

lack of banking services in Jamestown to make extended arrangements for deductions. Staff members and councillors from Jamestown had to travel to Aliwal North to acquire banking services and the fear was expressed that they would be worse off than before. Consequently, it was requested that the matter be addressed in the Integrated Development Plan (IDP) for the Maletswai Local Municipality. In addition the IDP should also indicate where money generated in Jamestown would be spent (LCF 2000:2). Despite these concerns expressed by the Jamestown TLC, their representatives on the Local Facilitation Committee agreed to the formation of a Local Consultative Forum to initiate the amalgamation process. This decision facilitated the establishment of the Maletswai Local Municipality.

4.2.4 Maletswai Local Municipality: Incorporation of municipalities

The MEC for Housing, Local Government and Traditional Affairs issued a Section 12 Notice on 12 August 2000. This notice provided *inter alia* for the establishment of the Ukhahlamba District Municipality (formerly known as the Drakensberg District Council) and the Maletswai Local Municipality (amalgamation of the Aliwal North TLC, Jamestown TLC and the rural hinterland of the aforementioned urban areas). The District Municipality was classified as a Category C municipality with the Local Municipality a Category B municipality in terms of the Structures Act. Provision was made for six proportionally elected and six ward councillors for the Maletswai Local Municipality.

The Council opted for a plenary executive system that limits the exercise of executive authority to the Municipal Council itself. As a result of the municipality having six wards, Ward Committees had to be established. However, to date only three Ward Committees have been established and according to the councillors the slow progress is due to apathy and poor attendance of voters in the wards to partake in meetings to establish these committees (Hendricks Interview:2002). This situation may be due to the uncertainty emanating from the politics-administration interface.

4.2.5 Politics-administration interface: the situation in the Maletswai Local Municipality

The politics-administration interface in public management has been a matter of debate since the days of Woodrow Wilson (Cameron 2003:51). The latter argued that a clear distinction should be evident between these two spheres as politics is concerned with the aspiration for and retention of power over a particular jurisdictional area and its inhabitants by individuals or groups of individuals (Mafunisa 2003:85). Administration is regarded as the neutral implementation of policy by bureaucrats in a non-partisan, technical manner. According to Cameron (2003:55) this relationship is sometimes called the master-servant relationship, implying that the Council issues instructions and the officials implement these instructions.

The usefulness of the dichotomy model lies in its intention to protect public management from interference by elected office-

bearers (politicians) and members of political parties in the day-to-day administrative activities (Mafunisa 2003:88). This notion is enshrined in Section 121 of the Systems Act, which introduced a Code of Conduct for councillors. In terms of Section 11 of the Code a councillor may not, except as provided for by law, interfere in the management or administration of any municipal department unless such intervention is absolutely necessary.

However, despite the Code of Conduct and its determination, the Portfolio Committee on Provincial and Local Government of the National Assembly (2003:6) found on its study tour of municipalities that relations between councillors and Municipal Managers vary from “fairly good” to “extremely bad”. Most differences revolve around the respective roles of councillors and senior management. According to councillors, officials cannot come to terms with the fact that Councils, unlike in the past, no longer exist to serve as rubber stamps for the decisions of officials. Furthermore, officials have too much power, including the appointment of staff, and the appointments made are not consistent with the broader political needs of the municipality (Portfolio Committee on Provincial and Local Government of the National Assembly 2003: 6).

Officials regard councillors as unduly interfering in their work and one of the consistent problems raised by officials is the interference of councillors in the appointment of staff, sometimes even relatively junior staff. Contrary to the above-mentioned view the finding of the survey done for this study in the area of jurisdiction of the Maletswai Local Municipality indicates that

59% of respondents are of the opinion that councillors do not interfere in the administration and only 41% opines that councillors do interfere.

Contrary to the finding of the empirical study the Municipal Manager of the Maletswai Local Municipality submitted a letter to the MEC for Housing, Local Government and Traditional Affairs of the Eastern Cape Province claiming that councillors interfere in the administration of the municipality. In the letter, dated 17 October 2003, the Municipal Manager stated that it has become virtually impossible to manage the Maletswai Local Municipality effectively, efficiently and economically due to constant interference in the administration by councillors. Furthermore, it was stated in the letter that councillors disregard legislation and refuse to accept that a difference should exist between governance and administration and that their role is one of oversight and monitoring.

The MEC referred the letter of complaint to the Council for comment (Maletswai Local Municipality 29 October 2003). In response the Council requested the Municipal Manager to submit specific incidents of interference by councillors to enable it to address the misdemeanours. The Municipal Manager did not comply and the matter was left in abeyance.

Emanating from this incident it can be deduced that a lack of clarity exists regarding the roles and responsibilities of councillors and officials. Both parties should be capacitated in order to have an understanding of local government legislation since the

Structures Act and the Systems Act spell out the roles of councillors and officials. Therefore, it is recommended that in an effort to capacitate councillors and officials, workshops should be arranged on legislation relevant to local government in an effort to develop an understanding of applicable legislation and to engender respect for the legislation. The facilitator for these workshops should be from the Department of Provincial and Local Government. In addition clarity in terms of roles and responsibilities will also be enhanced by the development of a delegation framework.

4.2.5.1 Development of a delegation framework

Delegation is a management tool to prevent decision-making bottlenecks and a legal concept with legal consequences (Craythorne 2003:131). In terms of Chapter 7 of the Systems Act municipalities must develop a delegation framework that will maximise administrative and operational efficiency and provide for adequate checks and balances.

The Maletswai Local Municipality has not finalised its delegation framework as required by legislation (Hendricks Interview 2003). The lack of delegation slows down the speed of decision-making as decisions that could have been taken by senior managers (within policy frameworks set by the Council) must be referred to a council committee or the full Council, thus influencing service delivery *per se*. It is therefore

recommended that the municipality expedite the process of developing and adopting a delegation framework to improve service delivery.

The Section 12 Notice also provided for the disestablishment of the Drakensberg District Municipality, the Aliwal North TLC and the Jamestown TLC. The newly established Maletswai Local Municipality had to commence with the institutional transformation of the institution and will this process subsequently be explained.

4.3 Institutional transformation

The euphoria engendered by the municipal elections in the year 2000 did not prepare municipalities for the challenges ahead. According to Maseko (in Khosa 2000:173) local government was faced with numerous rapidly changing demands, which required substantial adaptation. As alluded to in paragraph 3.3.2.1 of the study, municipalities are facing the challenge to adapt to the role that it has to play in terms of the Constitution. The Maletswai Local Municipality was no exception and administrative rationalisation; conditions of service and benefits, appointment of Section 57 employees, a filing system, by-laws and town-planning schemes had to be addressed in the process.

4.3.1 Administrative rationalisation of the Maletswai Local Municipality

Municipalities consist of two mainstreams of activity, namely a political and an administrative stream. Emanating from the

amalgamation of the Aliwal North TLC and the Jamestown TLC, both these streams had to undergo major changes. The political changes were decided in terms of the Structures Act and the subsequent Section 12 Notice issued by the MEC for Housing, Local Government and Traditional Affairs. The administrative rationalisation process is far more complex and becomes apparent when one breaks down the issues that have transpired in the Maletswai Local Municipality.

Each of the former municipalities that make up the Maletswai Local Municipality had *inter alia* the following aspects within its area of jurisdiction to be rationalised, namely (Hendricks Interview 2002):

- Their staff consisting of departments and sections thereof;
- an organogram that was peculiar to the institution;
- conditions of service and benefits;
- assets;
- liabilities;
- financial records that include records kept and updated on mainframe computers;
- valuation role;
- filing systems with current and old records;
- by-laws;
- tariffs of charges;
- financial and other regulations;
- town planning schemes; and
- policies, standing orders and resolutions.

To rationalise all the above provided a challenge to the Maletswai Local Municipality and will take time to complete. It has a detrimental affect on the quality of service delivery by the Maletswai Local Municipality. All the respondents partaking in the empirical research expressed the view that it should be a priority for the Municipal Manager to co-ordinate the service delivery process, whereas the Municipal Manager was obliged to rationalise the administration prior to attending to service delivery. Furthermore, it is a requirement in terms of Chapter 4 of the Systems Act that consultation with all role-players must take place. This is a time-consuming process that will negatively influence service delivery. Another impediment in terms of the rationalisation process is the laborious procedures required for amendments to the tariff structure. In terms of Section 160(2)(c) of the Constitution a Council may not delegate the imposition of rates and other taxes, levies and duties and the raising of loans.

This implies that for the Municipal Manager to rationalise the tariffs of the Maletswai Local Municipality, the following procedure would have to be followed:

- Submit a report to this effect to the Finance Committee of the Maletswai Local Municipality;
- if supported the matter serves before the full Council;
- if the Council supports the recommendation it has to be advertised calling for objections by a particular date;

- since the Systems Act provides for consultation the Council will need to convene a community meeting to consult on the matter;
- the Municipal Manager would then, after the expiry date for objections, submit the matter to the full Council to discuss objections received; and
- if the Council approves the recommended tariffs they must be advertised in the Provincial Gazette prior to implementation (Hendricks Interview 2003).

Although the above stated procedure is a simplification of the process, a number of complications can arise. It can happen that the matter is submitted to Council for consideration and the Council can call for further investigations. Alternatively the Council can request that the matter be held over for further discussion or consultation, thereby delaying the whole process which can eventually influence the ability of the municipality to deliver quality services.

Apart from the above-mentioned, the rationalisation of staff also plays a role in institutional transformation.

4.3.2 Rationalisation of staff

The human resource function, being fundamental to the transformation process, had to become a strategic lever aligned with the new government thinking (Khosa 2000:173). The implementation of the Structures Act brought about a totally new dispensation with specific reference to the employment of senior

managerial employees. It led to a move away from employing, on a permanent basis, rather than on fixed-term performance based contractual employment. Furthermore, the re-determination of boundaries by the Demarcation Board reduced the number of municipalities in South Africa from 843 to 285. This process affected municipal employees because the reduced number of municipalities meant that lesser employment opportunities were available and it resulted in uncertainty regarding job security (Hendricks Interview 2003). Fortunately all employees of the Maletswai Local Municipality could be placed and no job losses resulted from the amalgamation.

The Section 12 Notice issued by the MEC for Housing, Local Government and Traditional Affairs provided for transitional provisions relating to staff. In terms of this Notice an employee who on the effective date of amalgamation was an employee of a disestablished municipality became an employee of the new municipality if that municipality performed his particular function. Alternatively, if the function performed by the employee reverted to the District Municipality, he would become an employee of the District Municipality. He would be employed on the same terms and conditions that were applicable to him as employee of the disestablished municipality, which previously employed him. The implication of this action was that all officials were not enjoying the same benefits. The Section 12 Notice, however, provided for the newly established municipality to reorganise its staff subject to the *Labour Relations Act, 1995* (Act 66 of 1995). Prior to amalgamation the staff establishment of the

Aliwal North TLC consisted of the structures attached to the thesis as Annexure B and that of Jamestown TLC as Annexure C.

Subsequent to the establishment of the Maletswai Local Municipality the Council decided on an organogram for the municipality (Annexure D). The Council was then in a position to place its entire staff from the various entities into a single administration. A placement policy that was agreed upon by the Independent Municipal and Allied Trade Union (IMATU) and the South African Municipal Workers Union (SAMWU) was approved at the Council meeting held in January 2002 and was a major step forward in the sense that staff could now have a sense of identity and a sense of belonging to the Maletswai Local Municipality rather than to their previous Councils, that no longer existed.

Bringing staff from two Municipalities together into a single administration does present challenges. In order to ensure efficient and effective transfers, a staff placement policy was the tool that was used. The Placement Policy Document provided for the following (2001:1-15):

- **Organograms**

The Maletswai Local Municipality prepared the envisaged final organograms of all departments and submitted a proposal to the Local Labour Forum (LLF) for consultation purposes. Where the initial stage of the establishment of the municipality inhibited the

preparation of final organograms, the temporary deployment of staff took place in terms of structures prepared on a “cut and paste” basis. This interim arrangement was governed by the timeframes of the Structures Act (Section 14). The IDP for the municipality informed the organogram and the principle of “structures follow strategy” applied.

- **Placement criteria**

The parties agreed to the following criteria:

- The municipality was to use its best endeavours to place existing employees who were transferred in terms of Section 197 of the Labour Relations Act into posts created in a new structure.
- The parties were committed to ensure continuity of employment and every attempt was made to ensure that no retrenchment or redundancy occurred, provided that the affected employees were willing to accept alternative positions that were offered. In this regard every effort was made to ensure that such alternative offers were reasonable.
- In placing employees in new structures, employees were placed on a close-match basis. In close matching a post, the job content of the “new” post was compared with the existing job content of the employees. The employee, having the closest match in respect of the job content,

was then the successful employee to be placed, for example, a typist was closely matched to a typist, a labourer to a labourer.

- Where a close match could not be done 100 per cent, the match was done on the most matched job content. The focus was on the crux of the job, for example, the job content of an accountant was matched against a post that contains the most stipulations reflecting accounting duties. The close match was done on job content and not on job designation. Post designation could, however, be used as an indicator.
- The salary and qualifications of an employee played no role in the placement.
- The close match principle applied to unchanged, minor changed and major changed posts.
- Where more than one employee could have been closely matched to a post and there were more employees than there were posts, affirmative action had preference over period of service.
- Employees were not relocated from one geographical location to another without the function that the employee was performing, necessitating such relocation.
- When placed in a post, such placement was final and constituted a permanent position.
- Employees who could not be placed in any of the categories of posts or were not offered an alternative post that was not reasonable, remained

in the pool of the transferred employees for a period of at least six months from the expiry of the period referred to in paragraph 3.5, unless otherwise agreed, whereafter the employee was dealt with in terms of existing redundancy policies or Section 189 of the Labour Relations Act. The only officials in Maletswai to whom this agreement was relevant was the former Town Clerks and Heads of Departments who were not successful with their applications for positions in the new municipality in terms of Section 57 of the Systems Act (Hendricks Interview 2002). Currently interviews had been conducted with such applicants and appointments were finalised.

- **Placement committee**

The placement committee consisted of eight members, representing trade unions and the employer. The committee consisted of four representatives of the employer and four proportionally elected representatives of trade unions. The placement committee had the following terms of reference, namely to consider and reach consensus regarding the placement of existing employees into posts in the new structures.

The placement committee strove to reach consensus on the staff placement and where consensus could not be

reached, the Council proposal would have been published. However, consensus was reached on all placements of staff in the Maletswai Local Municipality with the exception of the placement of the former Town Clerk who went on early retirement (Hendricks Interview 2003).

- **Publications of decisions**

The individual employee to be placed was notified in writing by way of a personalised letter. All decisions on placements, whether agreed to or not, were communicated to employees by means of publications in a circular specifically for this purpose and displayed on general notice boards.

- **Placement procedure**

The placement unfolded as follows:

- **Classification of posts**

The placement committee classified the posts in the structure into the following four categories:

- ❖ **Unchanged posts**

These were posts that had no change to their scheduled duties or geographical location. These posts had to be listed with the names and other forms of identification used of the present

incumbents and submitted to the Placement Committee for confirmation.

❖ **Minor changed posts**

These were posts involving minor changes to the duty schedule, which had no material affect on the level of responsibility. It might also have involved a mere change in title without a change in duties. The names and other forms of identification used of the present incumbents were submitted to the Placement Committee for confirmation.

❖ **Major changed posts**

These were posts that had undergone a major change to their duties and responsibilities. This necessitated that the posts had to be evaluated. If a major changed post could not be filled on a close match basis, the post was advertised internally and externally and filled, giving preference to:

- Internal candidates from designated groups;
- internal candidates from non-designated groups; and
- external candidates.

❖ **New posts**

These were posts that carried duties and responsibilities that did not exist in any form in the past structure. These posts were advertised both internally and externally and filled, giving preference to:

- ✚ Internal candidates from designated groups,
- ✚ internal candidates from non-designated groups, and
- ✚ external candidates (Maletswai Placement Policy 2001:10).

- **Dispute/Appeal process**

According to the Maletswai Placement Policy (2001:11) every individual employee and/or trade union on behalf of his members had the right to file a dispute about placement or non-placement to arbitration. An individual employee could have filed such dispute to arbitration within five working days of the date of receipt of a decision. The appeal committee consisted of an independent arbitrator agreed upon by the parties.

- **Job evaluation**

Job evaluation is a process of systematically analysing jobs to determine the relative value of jobs within an

organisation (Craythorne 2003:200). The job evaluation policy provided for new posts or major changed posts to be evaluated in accordance with the dominant Job Evaluation System. The system currently used is the Tuned Assessment of Skills and Knowledge (T.A.S.K) whereby jobs are evaluated from accurate, up-to-date written job descriptions, ideally supplemented by interviews with incumbents or their superiors (Deloitte & Touche 1997:11).

The Job Evaluation Committee of the Bargaining Council was to evaluate all the posts of the Maletswai Local Municipality within one year of the commencement date of the agreement. However, the evaluation process was delayed as a result of the decision taken by the Bargaining Council to do job evaluation on a regional basis in the Eastern Cape Province (Ukhahlamba District Municipality 2002:7).

For this purpose the Province was divided into five regions and the Ukhahlamba region (that includes the Maletswai Local Municipality) was clustered with the Chris Hani region. The process of establishing a job evaluation committee for the region has been finalised but the Maletswai Local Municipality has not submitted job descriptions for evaluation due to a lack of capacity with regards to the completion of job descriptions (Hendricks Interview 2004). Respondents to the empirical study have expressed concern about the delay in submitting job descriptions for evaluation since it may lead to labour

unrest. Fortunately for the management of the Maletswai Local Municipality workers have not responded negatively to the delay in preparing and submitting job descriptions to the job evaluation committee. It is recommended that the local municipality appoint a service provider to expedite the process of compiling and submitting job descriptions to the job evaluation committee to prevent labour unrest.

- **Conditions of service**

This provision of the agreement will be discussed in paragraph 4.3.3.

- **Geographical relocation**

Geographical relocation refers to the relocation of staff from one town to another. The manner in which this process was to be applied had to be negotiated with organised labour and was to be implemented as follows:

- All recommendations on placements were to indicate whether geographical relocation of staff would be required.
- Geographical re-deployment of staff were only to take place for the following sound operating and/or economic reasons:
 - ❖ The functions of the posts/s were to be delivered in another geographic area;

- ❖ the functions of the post/s may have been reduced and/or combined resulting in a necessity to rationalise resources; and
 - ❖ the functions of the post may have been abolished in that particular geographical area.
- Where it was necessary to re-deploy geographically only part of a section/department, the selection of employees for re-deployment in each of the affected job categories were done in terms of the following criteria:
- ❖ Call for volunteers from employees within each job category;
 - ❖ in instances where too many affected employees volunteered to be re-deployed, selection was done on the basis of “first in, first opportunity” (FIFO); and
 - ❖ where too few affected employees volunteered to be re-deployed, selection was done on the basis of “last in, first out” (LIFO).
- In the event of equivalent vacancies subsequently being advertised at the previous geographic relocation within a period of 12 months from re-deployment, any re-deployed employee would receive preference should he apply for transfer hereto.
- In the case of an employee accepting geographical location, and such employee moved his place of residence in order to reside closer to his new place of

work, the Council paid the cost of removal of his household goods to his new place of residence.

- In the case where the employee did not move his place of residence, additional travelling arrangements or costs were negotiated with the Municipality. The former Town Clerk of the Jamestown TLC has been appointed to head the administrative unit in Jamestown and receives compensation for travelling between Jamestown and Aliwal North to attend Council, Standing Committees and Management meetings (Hendricks Interview 2002). The financial implication is that Council pays the official in terms of the tariffs as determined by the Automobile Association.

- **Redundancy/Retrenchment**

The agreement provided that reasonable geographical re-deployment and the transfer from one employer to another employer without any changes to functions and/or conditions of employment in terms of Section 197 of the LRA, would not constitute grounds for retrenchment/redundancy. Uniform Conditions of Service had not been agreed upon at the Eastern Cape Division of the Bargaining Council and the Maletswai Local Municipality was compelled to address this shortcoming with the Workers Unions at a local level. This arrangement is subsequently explained.

4.3.3 Conditions of Service and benefits

In terms of the placement policy of the Maletswai Local Municipality, all employees transferred to the newly established municipality were, from the commencement date of the newly formed municipality, subject to the following:

- No interruption in Conditions of Service. All employees retained their benefits as if their services had not been interrupted.
- All staff of the newly formed municipality retained their Conditions of Employment following placement in the new structures. Equalisation of benefits, salaries and conditions of service were to be dealt with at Bargaining Council level (Maletswai Placement Policy 2001:9).

The majority of local councils, including the Aliwal North TLC and the Jamestown TLC fell under the old Industrial Council where Conditions of Service were negotiated between the old Municipal Employers' organisation and the South African Association of Municipal Employees (SAAME) currently known as the Independent Municipal and Allied Trade Union (IMATU) and the South African Municipal Workers Union (SAMWU). The Conditions of Service dated 12 November 1993 were applicable to the majority of the Aliwal North TLC and Jamestown TLC employees. These Conditions of Service were retained during the transitional process and negotiations on this issue are continuing at the level of the Eastern Cape Division of the Bargaining Council (Hendricks Interview 2004).

Prior to the transformation process, local councils were graded from 1 to 15 depending primarily on the size of a local council and the number of inhabitants. The benefits and remuneration of employees were based on the grading of a local council implying that the smaller a local council, the lower the grading and the lesser benefits awarded to employees. This situation resulted in Conditions of Service and benefits differing from municipality to municipality. Aliwal North TLC was a grade six local council and Jamestown TLC was a grade three local council.

The Maletswai Local Municipality was the successor in law of the two disestablished local councils. In terms of the Section 12 Notice that established the municipality, employees remained employed on the same terms and conditions that were applicable to the disestablished municipality. This implied that employees previously employed by the Aliwal North TLC retained their Conditions of Service and benefits and the same applied to employees previously employed by the Jamestown TLC. The situation was remedied when all parties in the South African Local Government Bargaining Council agreed to an uniform set of Conditions of Service and Benefits implemented from 1 January 2004 (SALGA Circular: 7 January 2004).

In addition to the existing workforce the local municipality was obliged to appoint a Municipal Manager and Heads of Departments on a five year fixed term employment contract in terms of Section 57 of the Systems Act. The latter process will subsequently be explained as it unfolded in the Maletswai Local Municipality.

4.3.4 Appointment of Section 57 Employees (Systems Act)

In terms of Section 57 of the Systems Act the Council appoints the Municipal Manager and those managers reporting directly to the former, after consultation with him. However, this does not imply that the preferences of the Municipal Manager will of necessity be considered or approved. All these appointments have to be done in terms of an employment contract, which can include details of duties, remuneration benefits and other terms and conditions. Such an employment contract is for a fixed term and may not exceed a period ending two years after the election of the next Council. In terms of Section 57 of the Systems Act these employees have to conclude performance agreements annually. These performance agreements include performance objectives and targets linked to timeframes. Provision is also made for standards and procedures of evaluating performance and the consequences of substandard performance.

The Municipal Manager for the Maletswai Local Municipality was appointed on 1 September 2001 (Maletswai Report Undated). The Managers that report directly to the Municipal Manager assumed duty on 1 January 2003. Respondents to the empirical study expressed the view that elections for municipalities were held on 5 December 2000 and the fact that the top management team for the Maletswai Local Municipality was only appointed in 2001 and 2003 respectively have had a negative influence on service delivery in the area of jurisdiction of the Maletswai Local Municipality. To compound the difficulties for the municipality the Mayor informed the community during the annual outreach

programme in 2002 that Council failed to attract a competent and experienced Financial Manager (Aliwal Weekblad 2002: 1) implying that the appointee is less competent than what is required. It can therefore be deduced that this situation will have a negative impact on the financial management of the institution and it is recommended that the incumbent be capacitated by attending relevant capacity building programmes. The respondents to the empirical study expressed the view that all other managers appointed are competent and experienced. However, one of the first challenges facing the manager responsible for administration is to improve and integrate the existing filing systems.

4.3.5 Filing system

After the placement of staff in a single organogram with reporting lines clearly established, the individual filing systems should ideally be merged. This would seem to be an impossibility since offices in the Maletswai Local Municipality are decentralised and individual members of departments are operating from a distance, leading to delays in responses to various matters that will not easily be understood by councillors and the citizens of the Maletswai Local Municipality (Bekker Interview 2002). In the interim the arrangement is that the filing system used by the former Aliwal North TLC has been adopted as the interim filing system for the Maletswai Local Municipality (Hendricks Interview 2004).

This arrangement has implications for service delivery as records are not dependable and it will affect issues such as the indigent policy adopted by the municipality. Since records are not updated it leaves room for corrupt practices and the possible omission of deserving issues. A further challenge facing the manager for administration is the integration and development of relevant by-laws.

4.3.6 By-laws

The Section 12 Notice that established the Maletswai Local Municipality confirmed that all resolutions and by-laws of the disestablished local councils are deemed to be resolutions and by-laws of the newly established local municipality (Paragraph 14(1)). The afore-mentioned Notice empowered the Maletswai Local Municipality in transferring the by-laws and resolutions of the previous local councils to it to enable the municipality to exercise its powers and functions in an uninterrupted manner until it was in a position to amend or replace it. The Municipal Support Programme of the Department of Housing, Local Government and Traditional Affairs (DHLG&TA) has allocated an amount of one million Rand for purposes of developing control systems policies that include the rationalisation of by-laws (DHLG&TA 2002). The Maletswai Local Municipality utilised an amount of R375 000 from this allocation to develop control system policies. The land management scheme was one of these control system policies.

4.3.7 Town-planning schemes (Land Management Scheme)

Although the Aliwal North TLC had an approved town-planning scheme in place prior to amalgamation, no such scheme existed for the Jamestown TLC and thus no integration of land management schemes was required. This situation resulted in inconsistencies in terms of approval granted by Council for developments in Aliwal North and Jamestown respectively, since different rules were applied in the two towns. In the interim the Maletswai Local Municipality applied the approved town-planning scheme of the former Aliwal North in the area of jurisdiction of the Maletswai Local Municipality. According to the Municipal Manager of the Maletswai Local Municipality tenders have been called for the compilation of a town-planning scheme for the area of jurisdiction of the local municipality and Messrs Setplan EL Trust has been appointed for this purpose (Hendricks Interview 2003). This is one of the processes that affected the finances of the Local Municipality since payment for rates cannot be determined on a non-discriminatory basis in the separate towns. However, the Section 12 Notice determined the financial arrangements during the transformation process and these arrangements are explained below.

4.4 Financial arrangements

In terms of the Section 12 Notice that established the Maletswai Local Municipality, all investments and all cash balances in a bank account of a disestablished local council accrue to the newly established municipality (Paragraph 11A). Each of the former

independent municipalities had their own sets of financial records and bank accounts. Furthermore, the municipalities had their own individual mainframe and personal computers for their computerised accounts. This situation was inherited by the Maletswai Local Municipality and proved to be inconvenient from an administrative point of view. It led to a situation where the Town Treasurer could not readily, advise the Municipal Manager or the Council of the daily or monthly bank balance and the state of outstanding debtors and creditors to be paid. To rectify this untenable situation the Maletswai Local Municipality decided to utilise the account previously held by the Aliwal North TLC (Hendricks Interview 2002). The account previously held by the Jamestown TLC is currently being utilised to receive payments from debtors.

Financial regulations of the disestablished local councils differed. However, a set of financial regulations is currently being developed by a service provider appointed by Council that will apply for the Maletswai Local Municipality (Hendricks Interview 2004). This influences issues such as the rates assessment of the municipality is exacerbated by the non-existence of an updated valuation roll. The difficulties experienced with regards to a differentiated rates base and the efforts to rectify the situation are subsequently explained.

4.4.1 Valuation roll

The last valuation of property for the area of jurisdiction of the Maletswai Local Municipality was done in 1998 (Nonkonyana

and Tokwe 2001:42). The Maletswai Local Municipality inherited a system whereby each of the former local councils had their own rates base and earned different property rates. The disadvantage of the system was that inhabitants of the Maletswai Local Municipality were assessed differently and as a result the charges for rates and taxes differed in the two towns. To rectify this situation tenders were called for the consolidation of the different valuation roles (Hendricks Interview 2004). This will lead to a uniform system of assessment of rates and taxes for all the citizens in the area of jurisdiction of the Maletswai Local Municipality and will improve the cashflow situation of the municipality due to an increase in income. The assets and liabilities of the disestablished municipalities were allocated to the new Local Municipality and the legal process to this effect will be dealt with in the following paragraphs.

4.4.2 Assets and liabilities

The Section 12 Notice that established the Maletswai Local Municipality states in paragraph 11(1) that the assets and liabilities of the disestablished local councils henceforth vest in the established local municipality. This implied that if a former, relatively larger local council such as Aliwal North TLC had certain assets, for example, ten tractors in their Parks Department, whilst a relatively smaller local council such as Jamestown had only two tractors in their Parks Department, the new Maletswai Local Municipality could, at its discretion, deploy some of the tractors from the Aliwal North area to the Jamestown area. According to the Municipal Manager it was, however, not

necessary to deploy equipment from any of the towns (Hendricks Interview 2003). On the other hand, in terms of the liabilities that this new council inherited, the Council would utilise funding received from all its suburbs to make good the liabilities it inherited from one or from both areas.

The finding of the empirical study done in the area of jurisdiction of the Maletswai Local Municipality confirmed that no assets were deployed from one residential area in a town to another. Such an arrangement would have had financial implications. In an effort to address this situation the Maletswai Local Municipality had to develop new tariffs of charges.

4.4.3 Tariffs of charges

All tariffs that were in force on the effective date of amalgamation, continued to be applied in the area where they were applicable, subject to any amendment or repeal by the competent municipality (Paragraph 14(1) of the Section 12 Notice). The tariff of charges for services and levies differed between the dissolved local councils since a different grading was applicable. These differing tariffs had to be rationalised into a common set of tariff of charges for the whole Maletswai Local Municipality and a tariff policy had to be developed. As an interim measure the Maletswai Local Municipality in its 2002/2003 Budget provided for the equalisation of all tariffs in its area of jurisdiction. The local communities without reservation accepted this arrangement (De Jager Interview 2003).

After completion of the above-mentioned processes the management of the Maletswai Local Municipality turned their attention to the strategic management of the amalgamated municipality. The process and the measures implemented by the municipality are discussed in the ensuing paragraphs.

4.5 Strategic management

The word strategy is derived from the Greek *strategeia*, which is in turn a combination of *stratos* (an army), and *agein* (to lead) (Human 1998:111). This suggests that strategy may be defined as the actions taken by a relatively autonomous organisation such as a municipality, in order to perform specific tasks (such as service delivery).

Yavitz and Newman (in Craythorne 2003:251) define strategic management as that set of management decisions and actions that determines the long-run performance of a corporation (municipality). It includes strategy formulation, strategy implementation, evaluation and control. The study of strategic management therefore emphasises the monitoring and evaluating of environmental opportunities and constraints in the light of the strengths and weaknesses of the municipality.

Craythorne (2003:251-252) asserts that it is imperative for municipalities to adopt a strategic vision of the future, as it will ensure that available resources are mobilised to effectively manage transformation. Unlike traditional planning, strategic planning is long-term, pro-active and community oriented in its

perspective. Properly implemented, strategic planning serves as a tool for municipal councillors and officials to identify policy priorities and to integrate the activities of relatively independent municipal departments (Meiklejohn and Coetzee in USAID 2003:28-43). The pertinent issue with strategic management is not how to do things right, but how to find the right thing to do and to concentrate resources and efforts on these aspects. The compilation of an IDP by municipalities is an effort to address the afore-mentioned view of strategic management.

Chapter 5 of the Systems Act legislates that every municipality in South Africa must compile an Integrated Development Plan (IDP) in respect of its area of jurisdiction. The Maletswai Local Municipality identified the IDP as the strategic management tool to be utilised in the management of the municipality. Such an IDP is to guide the activities of the municipality and is to be reviewed annually with the purpose to:

- Expedite delivery of basic services and to ensure that such delivery is appropriate in terms of scale and standard of service; and
- provide a financial, institutional and spatial framework for economic and social development in a municipality (Maletswai IDP 2002: 2).

The IDP forms the strategic plan for service delivery in a municipality. Before attention will be focused on the contents of the IDP of the Maletswai Local Municipality in paragraph 4.6.3.5 of this chapter, service delivery will be put in perspective.

4.6 Service delivery in perspective

For any political party to remain in power it has to deliver efficient, effective economical, sustainable and affordable services. Resulting from the fact that urban areas were racially separated due to the apartheid policy, the service delivery problems in South Africa, particularly at local level, were complex. In essence this implied that services had to be delivered to the four racial groups who were forced to live in separate residential areas. Service delivery to Black areas in particular deteriorated to the extent that in some instances it effectively ground to a halt. Infrastructure and service backlogs existed in most sectors and the distribution of infrastructure services was unequal. Whereas the richer section of the population generally enjoyed relatively high standards of services, a vast section of the population, especially rural women and the majority of Blacks, lacked the basic services (Khosa 2000:3). This was mostly the situation in the Maletswai Local Municipality and this had to be addressed in the transformation process.

Transformation of municipalities in South Africa was initiated primarily in an effort to improve service delivery. Municipalities is that sphere of government closest to its constituents and rendering a wide range of services that materially affect the lives of the citizens residing in its area of jurisdiction. In terms of the RDP municipalities are the main delivery agent for the development programmes of government as described in the WPLG. However, by 1996 the RDP was superseded by the Growth, Employment and Redistribution (GEAR) strategy as the

macro-economic framework of government. In terms of the latter strategy budget deficit, market-oriented growth, fiscal discipline, labour-market flexibility and reduced government intervention was required - all of which reduced the ability of government to impact on poverty alleviation, service delivery and income redistribution (SA Budget Review 2003:160).

The constraints imposed by GEAR were acutely experienced at municipal level as the latter institutions faced tight financial constraints that restricted the capacity of Councils to deliver services to communities in their areas of jurisdiction. In terms of the GEAR strategy the ability of municipalities to borrow domestically or internationally was tightly controlled in an effort to reduce overall government borrowing. A range of structural and systems weaknesses that undermined the ability of the new councils to fulfil their service delivery mandate compounded the constraints that confronted municipalities as a result of the macro-economic environment. Prior to elaborating on the aforementioned mandate, the concept service delivery will be defined.

4.6.1 Definition of the concept service delivery

Services relate both to the provision of tangible public goods and to intangible services such as the provision of street lighting. According to Flynn (1997:163) the term service delivery implies that the user of the service is a passive recipient who has the service delivered to them. This view relegates citizens from active participants in service delivery to passive receivers of that which the municipality sees fit to deliver. The problem with the

afore-mentioned view arises when the municipality cannot deliver on promises made by councillors to the citizens and the latter becomes irate and criticises the perceived lack of service delivery. An alternative view is that municipalities should endeavour to form a partnership with the community, one in which the gap between service delivery needs and available resources becomes a common problem that the customers are more likely to treat with understanding (Friedman 2001:24).

Cloete (2000:9) avers that public service delivery is conceptualised as the implementation of specific types of policy objectives in the public sector with various degrees of success. It consists of four distinct conceptual elements:

- The services which are the outputs or end products of government policies (including building of roads, supplying of water and electricity);
- resources or inputs required for this purpose (including money, people, time, knowledge and experience);
- processes through which those resources are transformed into products (strategic and operational management decisions and actions in the design and implementation of policies); and
- results or outcomes/impacts of those products.

According to the definitions in the Systems Act (Section 1) basic municipal services means services that are rendered to ensure an acceptable and reasonable quality of life which, if not provided, could endanger public health or safety or the environment. The Systems Act, however, does not confine a municipal service to

particular activities. For example, in *South African Municipal Workers Union versus City of Cape Town*, Case No. 7262/2001, the Cape High Court decided that a municipal police service is not a municipal service in terms of Chapter 8 of the Systems Act (De Visser 2002:2). Chapter 8 of the Systems Act refers to tariff policies, credit control, provision for indigent households and the differentiation between users. All of these issues concern fees and levies. Thus, according to the Court, a municipal service is one for which fees are levied in accordance with a tariff policy. This court decision has serious consequences for the definition of municipal services since there are critical services rendered for which no individual fees are paid. These services include fire-fighting, environmental health care, cleansing and storm water drainage. The Court argued that municipalities do many things for the benefit of the community at large for which no fees can be (or are) charged, and the municipalities fund the cost thereof by levying rates. However, the Court further argued that services such as these, for which no individual fees are charged, are excluded from the protection of Chapter 8 of the Systems Act and in particular the instruction of Section 78 (see paragraph 3.3.3.3 of this thesis). This implies that any municipal service for which no fees are payable can be provided by means of partnerships without applying the checks and balances of Chapter 8 of the Systems Act.

For purposes of this study service delivery is defined as the provision of municipal activities, benefits or satisfaction consisting of outputs, resources, processes and outcomes that ensure a reasonable quality of life to all citizens. These services are re-configured into three distinct groups, namely regulatory

services, social services and commercial services. The aforementioned categories of services are defined as follows (De Villiers 2001:53):

- Regulatory services refer to services performed by a local municipality to monitor the provision of services by an entity other than the council and to ensure that the terms of the agreed contract are met;
- social services refer to core services that are not tradeable and that a municipality is mandated by the Constitution to deliver (health and libraries); and
- commercial services refer to services for which money is paid (delivery of water and electricity).

In an effort to fulfil the responsibility of service delivery, the Maletswai Local Municipality and other Category B municipalities in the Eastern Cape, should develop service delivery standards. In the process a distinction should be drawn between the various services rendered based on their public value or significance (De Villiers 2001:57). A library for instance cannot have the same standards as a unit responsible for supplying water. This will enable the councillors and the community in the municipality to gain the same understanding of the level of service delivery. The concept of service delivery standards will subsequently be explained.

4.6.2 Service delivery standards

According to Penceliah and Moodley (2002:36-37) a standard is a qualitative and quantitative norm or measure against which an action or function can be measured or compared. It can be conceptual in nature, which implies that it is measured in the mind, in other words such a standard may differ from person to person. The setting of standards should be characterised by the following (Penceliah and Moodley 2002:36-37):

- **Realism:** Standards should be set within the mental and physical capabilities of the individual. The quantity of work required should be achievable by a trained municipal official working at a normal pace.
- **Quality:** When a municipality sets service standards, the cost of achieving the standards must be borne in mind as high quality is expensive.
- **Productivity levels:** If a municipality places a high premium on quality service delivery, the same high level of productivity can not be maintained consistently. A trained and diligent official will probably be able to maintain a high level of productivity as well as of quality, but demands for greater output may lead to sloppiness and mistakes, which will be detrimental to quality.
- **Consultation:** Standards should be determined in close collaboration with the subordinates because they have to accept that standard. Workers tend to be suspicious of standards because they believe that they

are either being exploited or carefully watched in an attempt to catch them out.

- Standards must be in writing: If standards were agreed upon, they must be stated in writing so that they can serve as reference.
- Comprehensible standards: Standards must be formulated in clear and understandable terms.
- Acceptability: In determining standards it must be borne in mind that they should not be limitless and timeless. It would be unacceptable for the municipal manager to act as a slave driver and force the workers to conform rigidly to an unreasonable standard. Cognisance must be taken of the fact that standards are positively influenced by the work value of the subordinates, office ethics, new methods, improved technology and changing working conditions (Botes 1994:181). Therefore, the standard of service delivery as determined by the municipality must be acceptable to the implementers (the workers).

The setting of service standards, inclusive of the above-mentioned characteristics by the Maletswai Local Municipality, will align service delivery by the municipality with the vision of the ANC-led government. Since its establishment a major impetus of the South African government has been the delivery of quality services to the public (Bekker 1999:1). Manifestations of this impetus can be found in numerous government policy documents such as the White Paper on Transforming Public Service Delivery (WTPSD). The setting of service standards is one of the eight

guiding principles to improve service delivery, encapsulated in the term Batho Pele: People First.

The Maletswai Local Municipality must inform citizens what level and quality of municipal services they will receive so that the citizens are aware of what to expect (WPTPSD 1997:17). Minimum service standards for all municipal services should be laid down. These service standards should be relevant and meaningful to the individual user and it implies that the municipality must cover those aspects of the service that matters most to users, as revealed by the consultation process as part of Batho Pele. Service standards should also be explained in terminology that is relevant and easily understood by the citizens. It must be precise and measurable so that users can judge for themselves whether or not they are receiving what was promised (WPTPSD 1997:3).

According to Sekoto and Van Straaten (1999:104) measurement problems in the public sector contribute to differences in decision-making behaviour. The lack of clearly defined basic levels of service delivery in the Maletswai Local Municipality leads to a focus on inputs and budgets and not on outputs and productivity measures (De Jager Interview 2003). Consequently, meeting the budget requirements become an important measure, not just as an input tool, as is the case in the private sector where less attention is paid to the standard of service delivery but also as an output tool.

Service delivery standards should have the approval of the Council before these standards are adopted. Once approved, service standards should be published and displayed at the point of delivery and communicated as widely as possible to all potential users so that the users know what level of service they are entitled to expect from the Maletswai Local Municipality, and can complain if they did not receive it (WPTPSD 1997:17). However, the publishing of service standards is not sufficient. Performance against standards should regularly be measured and the results published at least once a year and even more frequently where appropriate. These steps form an essential mechanism to enable the community to hold a municipality accountable for its performance. Furthermore, standards are essential tools to determine improvement in services from year to year, and to inform subsequent decisions about the levels to which standards should be raised in future. Performance against service standards must be reviewed annually and, as standards are met, so should they be progressively raised, year on year (Performance Management and Development 1999:169). Once set and published, standards may not be reduced if the standard is not met. The reasons must be explained publicly and a new target date must be set for when standards will be achieved.

In order to set service delivery standards the Maletswai Local Municipality can utilise an explicit statement of service standards in the form of a Citizen's Charter for the purpose of setting service delivery standards. The concept of a Citizen's Charter is the manifestation of the trust between the local municipality and its citizens (Sharma and Agnihotri 2001:733). The consumer of

municipal services has become articulate and expects the bureaucracy not merely to respond to their needs, but also to anticipate them. The objective of a Citizen's Charter is to empower the consumer in relation to municipal service delivery and is based on the following principles:

- Improvement on the quality of services;
- allowing the consumer a choice of services where possible;
- specify to the consumer what to expect and what relevant action to take where standards are not met;
- consumers should get value for money in terms of service delivery;
- individual councillors and officials have to be accountable; and
- transparency must be enhanced by the local municipality providing succinct rules, procedures, schemes and grievance procedures that may be followed by consumers (Sharma and Agnihotri 2001:733).

The implication of accepting the above-mentioned principles will result in the municipality serving a satisfied and understanding consumer and councillors will receive less criticism.

The Maletswai Local Municipality, however, has not followed the process of determining service delivery standards as prescribed by the WPTPSD. This is primarily due to a lack of strategic management and understanding of these processes. Furthermore the attitude of councillors whereby legislation is ignored due to the perception that councillors are governing and need not comply

with legislation contributes to this shortcoming. The shortcoming may be addressed by a programme aimed at capacitating both management and politicians in terms of existing legislation as adopted by Parliament and its affect on local government.

It can be recommended therefore, that since the Citizen's Charter is concerned with quality, it is the appropriate tool that should be used by the Maletswai Local Municipality to improve service delivery. Consumer organisations, citizen groups and other stakeholders should form part of the formulation of a Citizen's Charter to ensure that it will address the needs of the community. By providing goals for the local municipality, a Charter can act as a surrogate for competition in terms of the level of service delivery amongst Category B municipalities in the Eastern Cape Province.

Despite the lack of service delivery standards, a Performance Management System (PMS) for the Maletswai Local Municipality has been developed and completed. The purpose of the policy is to improve the service delivery performance of the municipality on a continuous basis and to ensure implementation of its IDP (Maletswai PMS 2002:4). The Key Performance Areas (KPAs) as determined in the PMS are used as standards to measure the service delivery as prescribed in the Key Performance Indicators (KPIs) (Hendricks Interview 2003). The PMS as approved by the Maletswai Local Municipality will be explained in paragraph 5.4.3 of this study. Particular principles of service delivery, however, need to be taken into consideration.

4.6.3 Principles for service delivery

According to the WPLG (1998:112) the Maletswai Local Municipality as well as other Category B municipalities has a range of options available to enhance service delivery. It includes building on existing capacity, corporatisation, public-public partnerships, partnerships with community based organisations or non-governmental organisations, contracting out, leases and concessions (public-private partnerships) and transfers of ownerships (privatisation). These options should be explored and strategically assessed to determine the most appropriate forms of service delivery for the relevant municipal area. In selecting the service delivery options, municipalities should be guided by the following principles (Gitsham in Reddy, *et al.* 2003:200):

4.6.3.1 Accessibility of services

Municipalities should ensure that all citizens have access to at least a minimum level of services. Imbalances in access to services created by the apartheid system in the Maletswai Local Municipality should be addressed by the development of new infrastructure and the rehabilitation and upgrading of existing infrastructure in areas such as Dukathole (former Black residential area), Hilton (former Coloured residential area) and Masakhane (former Black residential area in Jamestown). In this regard the Department of Provincial Affairs and Local Government established the Consolidated Municipal Infrastructure Programme (CMIP) to provide capital grants to assist municipalities in funding bulk and connector infrastructure for low-income

households and by doing so extend access to services. This has been replaced by the Municipal Infrastructure Grant (MIG) and CMIP ceased to exist.

Municipalities should, however, not regard accessibility only to be about making services available, but also about making services easy and convenient to use. The aim should be to ensure that people who are less able are enabled to access municipal services and amenities. Accessibility of services is linked to affordability (SA Intergovernmental Fiscal Review 2003:44).

4.6.3.2 Affordability of services

Even if a municipality has service infrastructure in place, services will remain beyond the reach of inhabitants unless these services are financially affordable. Therefore, the Maletswai Local Municipality should ensure affordability by:

- The setting of tariffs that balance the economic viability of continued service delivery and the ability of the poor to access services.
- The determination of appropriate service levels. Service levels that are too high may be unsustainable economically and jeopardise continued service delivery. On the contrary, service levels that are inadequate may perpetuate stark spatial divisions between low, middle or high-income users and jeopardise the socio-economic objectives of the Council.

- Cross-subsidisation (between high and low-income users and commercial and residential users) within and between services (Reddy, *et al.* 2003:200).

4.6.3.3 Quality of products and services

The quality of services includes attributes such as suitability for purpose, timeliness, convenience, safety, continuity and responsiveness to service-users and a professional and respectful relationship between service providers (municipalities) and service-users (citizens).

4.6.3.4 Accountability for services

Whichever mechanisms for service delivery are elected, Municipal Councils such as the Maletswai Local Municipality remain accountable for ensuring the delivery of services that are affordable and accessible. Councillors as public representatives had made promises to accept local development responsibilities and improve the lives of the communities that they serve (Daily Dispatch 2002:3). Councillors, therefore, should champion the cause of service delivery and account to the public for their actions. In the Maletswai Local Municipality the councillors have been involved in outreaches to the community with the various political heads of departments (councillors) reporting on progress in these departments (Maletswai Outreach Report 2003). However, according to the empirical study no indication is evident of councillors actively promoting local development and

improved service delivery since the PMS has not been implemented.

4.6.3.5 Integrated development and service delivery

Municipalities are compelled to adopt an integrated approach to planning and service delivery in terms of Chapter 5 of the Systems Act. The Maletswai Municipality has compiled its first Integrated Development Plan (IDP) in terms of the legislation in 2002. The IDP is to guide the activities of the Municipality during the period of tenure of its Municipal Council and is to be reviewed annually. The document was formulated based on a sustained participatory process spanning from September 2001 to March 2002 (Maletswai IDP Document 2002:1). The compilation process encompassed the following five phases:

- Phase 1- Analysis: Refers to a participatory needs analysis process undertaken by the IDP Representative Forum that consisted of the Maletswai councillors and representatives nominated by business, agriculture and other interest groups. This process resulted in the identification of priority development issues such as unemployment, poverty, lack of capacity and the compilation of an issue-driven analysis report (Maletswai Analysis Report: 1st draft 2002:1).
- Phase 2- Objectives and strategies: Refer to a participatory process that contributed to the formulation of development objectives and strategies

in relation to each of the broad priority development issues identified in the analysis phase.

- Phase 3- Project planning: Refers to the utilisation of both technical and participatory processes to formulate and describe specific projects in relation to strategies that were identified in phase 2.
- Phase 4- Integration: Refers to the assessment of projects in terms of their influence on or potential integration within sectoral programmes such as water sector plans.
- Phase 5- Approval: Refers to the preliminary period when the draft IDP is followed by amendments to the document and submission thereof to the Maletswai Local Municipality.

Subsequent to the analysis phase of the IDP, it was concluded by participants in the process that the current development priorities of the Maletswai Municipality are focused in four clusters, namely (Maletswai IDP Document 2002:2)

- Unemployment, poverty and crime cycle. This need is based on the lack of employment opportunities, decrease in number of jobs available, increase in crime and insufficient training facilities in the area of jurisdiction of the Maletswai Local Municipality.
- Infrastructure upgradings and extensions. This situation is ascribed to poor access to and within towns, inadequate electrical distribution, insufficient water reticulation, inadequate social facilities for the elderly, inadequate access to health care,

inappropriate sanitation facilities and the impact of HIV/Aids

- Coping with urbanisation. This need has been identified in the light of insufficient land and housing available for the influx of rural communities and the uncertainty of whether sufficient land is available for industry and sports facilities.
- Insufficient capacity, accountability and management. The community perceives a lack of accountability from leaders, lack of transparency and credibility, breakdown of communication, poor quality of municipal services and insufficient capacity to fulfil the role as a developmental local municipality.

It can be deduced that the success of development in a municipality is measured in terms of the level of service delivery.

Within the planning period ending June 2006, the Maletswai Local Municipality has identified projects within the four priority clusters to the estimated value of R111 204 000 (Maletswai IDP Document 2002:1). These projects are spread across the priority clusters as follows:

Table 1: Development priorities of the Maletswai Local Municipality. 2002-2006

Priority Cluster	Value of Projects 2002 - 2006
Unemployment, poverty and crime cycle	R10,039,000
Infrastructure, upgradings and extensions	R72,520,000
Coping with urbanization	R11,730,000
Insufficient capacity, accountability and management	R16,915,000

(Source: Maletswai IDP 2002:1)

Virtually no progress has been made with the implementation of these projects in the area of jurisdiction of the Maletswai Local Municipality (Hendricks Interview 2003). Furthermore, the findings of a survey done for purposes of this study indicated that only 59% of respondents have seen the IDP document. However, 42% of these respondents do not know the details of the IDP. The fact that 41% of respondents have not heard about the IDP and that 42% of respondents who have heard of the IDP do not know the contents of the document, is an indictment against the management of the Maletswai Local Municipality. This flagrant flouting of the legal requirement for participation and community involvement in the IDP process is confirmation of the need to capacitate both councillors and officials of the Maletswai Local Municipality to adhere to these requirements. The reason why the contents of the IDP are not known by residents is due to a lack of funds to capacitate councillors, officials and residents (Hendricks Interview 2004). It is recommended that the Maletswai Local Municipality apply for funding from the Ukhahlamba District Municipality for purposes of capacitating all role-players and a service provider appointed for this purpose.

4.6.3.6 Sustainable service delivery

Section 152 of the Constitution determines that municipalities must ensure the provision of service to communities in a sustainable manner. Municipalities render services to satisfy the needs of the people and according to Zybrands in Venter (2001:216) sustainability could imply that, once commenced, the service should continue in the future and not be abandoned. A service is sustainable if it is affordable and addresses a real need of the public. The identification and prioritisation of services to be rendered are key objectives in a municipality. It implies that the Maletswai Local Municipality should make a thorough assessment of all resource implications of service delivery, the incorporation of the results of such assessments into the design of service delivery strategies, and continuous access to which resources are needed for sustainable service delivery (Cloete 1999:313-314). This process unfortunately has not commenced due to a lack of capacity and no indication exists as to when it will commence.

The Systems Act in Chapter One defines financial sustainability as follows: “In relation to the provision of a municipal service, (it) means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of

- the initial capital expenditure required for the service;
- operating the service; and

- maintaining, repairing and replacing the physical assets used in the provision of the service.”

The implication for the Maletswai Local Municipality is that sufficient funds must be available to render a municipal service. As will be indicated in the following chapter of the study, it is a challenge that needs to be addressed by the management of the institution.

According to the definitions in Section 1 of the Systems Act environmental sustainability in relation to the provision of a municipal service means the provision of a municipal service in a manner aimed at ensuring the following:

- The risk of harm to the environment and to human health and safety is minimised to the extent reasonably possible under the circumstances;
- the potential benefits to the environment and to human health and safety are maximised to the extent reasonably possible under circumstances; and
- legislation intended to protect the environment and human health and safety.

In the light of the above-mentioned definitions of sustainability, service delivery requires that the Maletswai Local Municipality will have the financial acumen and income to remunerate suppliers of these services. However, as will be explained in Chapter 5 of this thesis, socio-economic factors such as unemployment and a lack of capacity, resulted in a situation where the municipality cannot collect all service fees payable by the community. Therefore, it is suggested that the modernisation

of service delivery as well as alternative service delivery methods be investigated. These options of improving service delivery will be explored in sections 4.6.4 and 4.6.5 of this chapter.

4.6.3.7 Value-for-money

The principle of value-for-money refers to the cost of inputs and the quality and value of the outputs. It implies that the Maletswai Local Municipality should make the best possible use of public resources to ensure universal access to affordable and sustainable services. This must include a continuous review of service delivery ethos. According to respondents to the questionnaire the process is not followed and it may be concluded that the Maletswai Local Municipality is not making the best possible use of public resources with regards to service delivery primarily due to a lack of capacity, as indicated by the respondents.

4.6.3.8 Ensuring and promoting competitiveness of local commerce and industry

The job-generating and competitive nature of commerce and industry should not be affected negatively by high rates and service charges on industry and commerce in an effort to subsidise domestic users. Transparency is required, as it would enable investors to be aware of the costs of investing in a particular local area such as the Maletswai Local Municipality. Unfortunately the empirical results indicated that the municipality has not complied with this requirement and has not put measures in place to improve on this shortcoming.

4.6.3.9 Promoting democracy

Municipalities should actively promote the democratic values and principles enshrined in the Constitution (Section 195). To comply with the above-mentioned principles of service delivery municipalities may have to investigate the modernisation of service delivery, or alternatively implement alternative service delivery methods. These concepts are subsequently explained.

4.6.4 Modernisation of service delivery

The modernisation of municipal service delivery requires a fundamental change in the understanding of the objectives of municipalities. Klages and Haubner in Halachmi and Bouckaert (1995:348) divide this change into the following groupings:

- Results-oriented administrative behaviour instead of a rules-oriented system;
- replacement of bureaucratic control by new forms of post-bureaucratic control, which enables operational units to mostly be self-reliant (a focus on decentralisation, room for financial latitude and the power to make decisions by means of new budgetary processes; contract management in the sense of agreement on output targets and the necessary means for their fulfilment; loose-tight leadership);
- utilisation of all available ways to achieve efficiency of motivating administrators (personnel development, strengthening of competitive orientation and benchmarking);

- support for a citizen-oriented striving for quality;
- support for an administrative culture that includes all these goals;
- development of feedback mechanisms to provide a comprehensive monitoring of the achievement of these goals, and in this context, the use of the instruments of performance measurement; and
- a willingness to realise outsourcing, that is the more-or-less complete independence of the operational units, or even the full privatisation of administrative activities wherever this proves to be a solution in the interest of the citizen.

The Maletswai Local Municipality has not followed these routes and is delivering services by means of internal departments. It can be deduced that the perception of the Council is that the level of service delivery is acceptable, therefore no need exists to explore the route of modernisation of service delivery. Alternatively, the Maletswai Local Municipality does not appreciate the possibilities for improved service delivery that may arise due to the modernisation of service delivery. The latter view is supported by 70% of respondents who expressed dissatisfaction with the *status quo* whereas 30% of respondents agreed that service delivery should not be modernised.

Efforts to modernise municipal service delivery should not be confined to cost cutting exercises but aimed at ensuring that local inhabitants receive an acceptable quality of service. Municipalities should provide these services in a sustainable

manner within a stable expenditure base. Service delivery by municipalities should be oriented towards meeting the needs of the local inhabitants and should not be designed to meet the needs of the municipality, the constraints of current management styles or outmoded production processes. Kroukamp (1999:303) suggests that the quality of municipal service delivery may be improved by utilising information technology and a citizen-centred programme delivery approach. These concepts will subsequently be explained.

4.6.4.1 Information technology

Information is the lifeblood of management. According to Wissink in Bayat and Meyer (1994:329) it provides the means by which information is utilised and acts as a nervous system to a municipality such as the Maletswai Local Municipality, providing the vital information for the day-to-day operations and managerial decisions. Council has to base its decisions concerning service delivery on the information that is available and computer-based information can systems play a vital role in municipal management. Kroukamp (1999:303) avers that the changing world of today is brought about to a large extent by the rapid development of information technology - a combination of micro-electronics and computer, telecommunications and software technology. A municipality that endeavours to deliver sustainable services to its constituency cannot ignore the strategic contribution that information technology can make to the process. The advantages of utilising information technology in service delivery include the following:

- Services can be delivered rapidly. The fact that the utilisation of information technology makes it possible to process and retrieve more information in less time increases the quality and efficiency of service delivery (Bekkers and Zouridis 1999:183).
- Information technology may be used to increase public access to municipalities. Information kiosks facilitate improved access to municipal services and people who want to retrieve municipal information from web pages can do so at any time, even from their homes or offices (Scheepers 1991:154).
- The availability of information technology facilitates remote communications and transactions. The electronic handling of transactions is increasing and the network facility may be utilised to increase citizen participation in municipal matters (Huizendveld 1998:54).
- Information technology for municipal service delivery may be utilised not only to enhance transparency with regards to citizens, but may be utilised to register and process the needs and preferences of citizens as well. Data coupling and data-mining techniques enable policy-makers to acquire insight into the needs of their constituencies. Consequently, the starting point for service delivery becomes the needs and preferences of the electorate instead of the bureaucratic institution (Lips and Frissen 1997:69).

- From the responses to the empirical study it was indicated that the integration of municipal services and the breaking down of administrative walls between former separate municipalities such as Aliwal North and Jamestown, can be stimulated by the communication potential of information technology. The availability of information technology can encourage linkages and communication across organisational boundaries, both within and between municipalities (Bekkers and Zouridis 1999:187).

Although the advantages of information technology are evident, the factors of availability and accessibility have to be taken into account in order to take advantage of it and to facilitate public participation.

4.6.4.2 Citizen-centred programme delivery

With regards to citizen-centred programme delivery Kroukamp (1999:305) avers that three primary areas should be focused on. These areas include service clustering, regulatory reform and cost recovery.

- Service clustering

The idea of service clustering should be promoted and may occur on the following levels:

- The municipality delivers co-located information referrals where a centre provides access to and information about a range of

services that the Maletswai Local Municipality renders;

- co-located programme delivery where the services themselves are provided from one location; and
- consolidated programme delivery where one department, such as the Technical Services Department of the Maletswai Local Municipality, delivers a comprehensive package of services to the local community.

Respondents to the empirical study indicated their preference for a consolidated programme of service delivery.

- Regulatory reform

Regulation plays a vital role in the process of service delivery by municipalities. However, regulatory actions often increase costs for the Maletswai Local Municipality and these costs are passed on to the consumers and taxpayers. Regulatory reforms in municipalities should improve processes, assess the way regulations affect individuals and investors and consider ways in which these groups can help to minimise negative effects (Kroukamp 1999:306 and compare Leach *et al.* 1999:8). Municipalities should consider co-operative mechanisms and analytical approaches to ensure that traditional programme or departmental boundaries do not form impediments to co-ordinated, citizen-centred regulatory solutions. Regulatory authorities, such as municipalities, should

work with stakeholders to develop reasonable performance standards (see paragraph 4.6.2) in the whole range of regulatory programmes. This was confirmed by 99% of respondents in the empirical study.

- **Cost recovery**

Cost recovery is a strategic management tool for re-thinking what departments do and how they finance the functions they perform (Pauw, *et al.* 2002:113). It goes hand-in-hand with improving service and re-engineering programmes. Due to the fact that service charges should reflect the value of the service or the privilege provided to local inhabitants, cost recovery contributes to responsive government. These charges should not be an expedient way of raising funds. By providing a way to test market demand, service charges assist municipalities such as the Maletswai Local Municipality to determine the proper scale of delivery.

The strategy of cost recovery in South Africa has been challenged on a number of fronts. A survey conducted by the Municipal Service Project and the Human Sciences Research Council found that up to 10 million people have had their water and or electricity cut off since 1994 (McDonald and Pape 2002: 8). In most cases, those who suffered water cut

off were simply unable to pay the rising cost of water and electricity. The extent and harshness of these cut-offs is unprecedented in South Africa. Cost recovery has, however, become the guiding ethos of service delivery and is a strategy concerned with balancing the budget, fiscal restraint and running the municipality like a business.

Cost recovery is linked to the agenda of the government and includes the privatisation and commercialisation of municipal services. Full cost recovery is a prerequisite for potential private investors. No firm wants to buy into a business that collects for example only 40% of its revenue base. According to McDonald and Pape (2002:3) it is a mistake to conflate cost recovery and privatization as such a model is not pro-poor since it penalizes those most in need of services. The government is faced with a choice between the abandonment of the dogma of cost recovery or faces the wrath of millions of citizens victimised and criminalised because they cannot afford to pay the cost for basic services. Municipalities such as the Maletswai Local Municipality that may bear the brunt of the wrath of local citizens may want to explore alternative service delivery mechanisms. Possible alternative service delivery methods are subsequently explained in more detail.

4.6.5 Alternative service delivery methods

Category B municipalities, inclusive of the Maletswai Local Municipality, are challenged to provide efficient and effective services for their citizens with limited resources. The constant pressure for more services with fewer resources should force the municipality to broaden its perspective in an effort to find new resources and economies of scale. According to the WTPSD (1999:13) improved service delivery at all levels of government is essential for the future economic prosperity and social development of the country as set out in the GEAR strategy of the government. However, municipalities cannot develop a truly service-oriented culture without the active participation of the wider community, including the private sector and the citizens themselves. This fact is borne out by a variety of different international experiences with governance reforms that suggest that it is in principle possible to improve the quality and quantity of public services through a combination of changes to the way in which the public service is structured and operates (ASEAN 1993; Commonwealth Secretariat 1995, 1997). These changes are aimed mainly at utilising private markets and other voluntary agencies (civil society). Strategies such as privatisation, public-public partnerships and municipal service partnerships should be explored. These concepts will be explained.

4.6.5.1 Privatisation

According to Moore and Hudson (in Johnson & Walzer 2000:18) privatisation refers to the transfer to or taking

over by private undertakings or enterprises of production or service provision activities, which were previously performed by public institutions or enterprises. Khan in Reddy (1996:218-219) opines that privatisation assumes several forms, such as the elimination of public functions or transferal to the private sector, shifts in the production and delivery of goods from the public to the private sector while maintaining public financing, the sale of assets (public land, infrastructure, and enterprises), and the deregulation of services.

According to respondents to the empirical survey undertaken, some aspects (see the following paragraph) of service delivery should be removed from municipalities and committed to market processes and to private enterprises (Fox & Meyer 1995:101-102). It necessitates a situation in which municipalities have to develop a comprehensive economic, social and political strategy that is designed to increase competitive market forces, efficiency and innovation against a backdrop of skyrocketing consumer costs and increased burdens on the national fiscus. Privatisation is aimed at reducing or eliminating market imperfections by reducing the role of the local municipality and increasing that of the private sector in the ownership, control and management of the productive resources of the local economy.

Pfiffner and Shwayder (1997:7-9) identify a range of forms which government privatisation can take. These include:

- Contracting out (also called outsourcing): A municipality contracts all or a portion of a municipal service delivery to private firms (profit or non-profit). Examples of the contracting out of services include waste collection, waste water treatment, building repairs and maintenance contracts. This form of privatisation requires some level of performance evaluation to ensure that contractors comply with minimum requirements and furthermore ensure that the municipality itself maintains contract monitoring. Municipalities should protect service standards and promote quality by means of tender evaluation processes, contract specifications and compliance techniques.

In developing and assessing tender documents municipalities should be aware that the lowest bidder is not always the best contractor (WPLG 1998:118). Despite the fact that pricing is an important factor, the financial standing of the contractor, his commitment to providing training and good employment conditions, willingness to employ local labour, technical capability to undertake the contract, environmental and health safety record, commitments regarding tariff

structures, quality standards, quality control and customer relations are equally important.

- **Corporatisation:** Municipal departments are reorganised along business lines. They are required to pay taxes, raise capital on the market (with no government backing - explicit or implicit) and operate according to commercial principles. In this way the Maletswai Local Municipality may succeed in the elimination of infrastructural backlogs that exist. The establishment of an infrastructure development unit within the Maletswai Local Municipality with the mandate to raise capital on the market and to co-ordinate engineering projects aimed at the improving of the level of service delivery is innovative and should be pursued by the Council.
- **Deregulation:** The municipality removes its regulations from the service it previously regulated, in favour of self-regulation or no regulation of the service.
- **Franchises:** A municipality awards either an exclusive or non-exclusive franchise to private firms to provide a service within a certain geographical area. Under most franchise agreements, the citizen pays directly for services rendered. Likely franchises include basic utility services such as refuse removal.
- **Grants/subsidies:** The municipality provides a financial or in-kind contribution to a private organisation or individual as encouragement to

provide a service so that the municipality does not have to provide it.

- **Service shedding:** Service shedding is when a municipality actually gives up responsibility for an activity, but works with a private agency (profit or non-profit) willing to take over the responsibility. This may involve a one-time grant or subsidy. In some instances, service shedding may be described as selling off of municipal-owned assets such as giving up internal fleet maintenance by having an outside company manage the lease and acquisition of municipal vehicles.
- **Managed competition:** In this instance a municipality competes with private firms for the provision of municipal services under a controlled or managed process with clearly defined steps to be followed and roles clearly defined for each of the participants.
- **Procurement:** Procurement refers to the acquisition or purchase of goods that are not wholly manufactured or produced by the municipality, such as the purchase of office or cleaning supplies, electronic and computer equipment or vehicles.
- **Sale of assets:** Sale of assets is when a municipality sells its assets to the private sector. This sale shifts the functions of the municipality and ownership to the private sector.

- Vouchers: The municipality provides vouchers to the citizens needing the service, but they are free to elect the institution from which to buy the service.
- Joint venture: Municipalities and private sector agencies form a joint board of directors to control asset management and service delivery and share responsibility for policy and management decisions (Johnson & Walzer 2000: 19).

In addition six common elements, which contribute towards increasing privatisation efforts, may be identified (Pfiffner and Shwayder 1997:15-16). These include:

- A commitment by politicians to champion the cause of privatisation;
- municipalities should establish an organisational and analytical structure to implement the privatisation plan;
- government may need to enact legislative changes and or reduce resources available to municipalities in order to encourage greater use of privatisation options;
- reliable and complete cost data on the activities of the municipality is needed to assess the overall performance of activities targeted for privatisation, to support informed privatisation decisions and to make these decisions easier to implement and justify potential critics;

- municipalities need to develop strategies to help their workforce make the transition to competitive market thinking and principles; and
- when the direct role of a municipality in the delivery of services is reduced through privatisation, a need is created for enhanced monitoring and oversight to evaluate performance compliance with the terms of the agreements and performance of in-service delivery.

Efforts to privatise designated services by municipalities have been met with resistance especially from the labour force of municipalities. According to Mamaile (The Star 30 August 2001) their reasons for opposing privatisation may be summarised as follows:

- Whereas the Maletswai Local Municipality is driven by the desire to deliver services to residents, private businesses are motivated by the quest for profit. This implies that certain areas such as rural villages will be omitted from development plans. A privatised electricity supplier is unlikely to invest millions of Rands in the infrastructure required to deliver to remote areas where the chances of recovering these costs are limited.
- Since the main concern of the private sector is to make a profit, prices of electricity or whatever else is privatised will be increased to satisfy shareholders who want to maximise their returns. Currently the Electricity Supply Commission (Eskom) makes 80%

of its income from the mining sector, the South African Coal, Oil and Gas Corporation (SASOL) and other large manufacturing houses, because it still views the supply of electricity to households as a service and not a commodity. However, if privatised, Eskom will want to make a profit from household supply and the price of electricity will rise (Mamaile 2001:14). Millions of people living without electricity in the rural areas and townships will not be able to afford the service.

This opposition to privatisation culminated in a two-day general strike by the Labour Federation in 2002. To minimise opposition by Labour, municipalities can investigate the possibility of adopting private-public partnerships.

4.6.5.2 Public-public partnerships

According to Gitsham, *et al.* (in Reddy, *et al.* 2003:200) public-public partnerships (PPP) or joint ventures allow for horizontal co-operation between a municipality and any other public entity to exploit economies of scale. Public-public partnerships also allow for vertical co-operation to improve co-operation at the point of the consumer. Public-public partnerships are common in areas such as joint purchasing consortia, training initiatives, and technical support and information services. In the South African context municipalities are exploring innovative partnerships

with the Post Office for the collection of municipal revenue (Reddy, *et al.* 2003:200). This makes it easier for citizens to pay their accounts and decreases the strain which revenue collection places on municipal capacity.

In line with the public-public partnership philosophy the Ukhahlamba District Municipality propagated the Service Delivery Unit (SDU) model that will be responsible for service delivery in the area of jurisdiction of the District Municipality (inclusive of the Maletswai Local Municipality). The reasoning being that available capacity and expertise will be used across the total area of the District Municipality and will no longer be to the exclusive avail of certain areas. In line with the requirements of Section 51 of the Systems Act, the proposed Ukhahlamba Management Structure will enable the District Municipality and the four Local Municipalities within its area of jurisdiction to:

- Be responsive to the needs of the local community with Area Managers (to be appointed by the District Municipality) and their staff close to the communities on a decentralised basis;
- facilitate a culture of public service and accountability among its staff with the focus of SDUs on specific municipal services;
- be performance oriented and focus on the constitutional objectives of local government with the emphasis on a developmental approach;
- ensure that the political structures (the Councils and committees of the Councils), political office-bearers,

managers and staff members align their roles and responsibilities with the municipal objectives set out in the IDP;

- establish clear relationships and facilitate co-operation, co-ordination and communication between the political structures and the management structures within the municipality and between the political structure and the administration of the municipality and the local committees it serves;
- perform its municipal functions through operationally effective and appropriate service delivery units and administrative units;
- utilise skilled, expensive and scarce personnel to the optimum;
- hold the municipal manager accountable for the overall performance of the administration;
- utilise expensive and scarce vehicles, plants and equipment to the optimum;
- ringfence the various service delivery units created for services such as water, electricity and roads in order to identify costs associated with the particular service;
- apply business principles in service provision that will be related to operational and performance criteria determined by the Council; and
- meet the demand for co-operative government in terms of Section 41 of the Constitution.

Unfortunately the Maletswai Local Municipality has not yet explored these opportunities to improve service delivery

(Hendricks Interview 2004). In addition to the aforementioned PPP option municipalities can also form municipal service partnerships.

4.6.5.3 Municipal service partnerships

Municipal Service Partnerships (MSP) refer to partnerships between the municipalities and the private sector, as well as to Community Based Organisations/Non-Governmental Organisations and is a key option that the Maletswai Local Municipality should consider in their quest to rectify infrastructure deficits and disparities. Maletswai Local Municipality should consider including Community-Based Organisations (CBOs) and Non-Governmental Organisations (NGOs) in partnerships with other public or private institutions. An example of such a three-way public-private-CBO partnership is the distribution of notices of meetings to the community.

In this instance the municipality provides the funding and infrastructure to print the notices, the private contractor provides the equipment (such as vehicles to transport distributors) and the CBO provides functions such as the recruitment of local labour to distribute the notices. This approach enables the transfer of skills, creates employment and provides an effective service without draining municipal capacity (Theron, *et al.* 2000:157).

According to the White Paper on Municipal Service Partnerships (MSP) (2000:2), improving and expanding the delivery of municipal services by means of municipal service partnerships is new ground for South Africa. The delivery of municipal services through MSPs requires a clear and stable policy environment for the municipalities, service providers and investors to enable mobilisation of resources to meet RDP objectives. For these reasons the government adopted the Policy Framework for Municipal Service Partnerships.

The WPLG recommends that municipalities look for innovative ways of providing and accelerating the delivery of municipal services. The MSP policy aims to provide a clear framework within which to marshal the resources of public institutions, CBOs, NGOs, and the private sector towards meeting the overall development objectives of the country. The MSP policy has been derived from the principles of Batho Pele (People First) (WPMSP 2000:3). It promotes an ethos of participation of consumers and other stakeholders throughout the process of determining and implementing service delivery options. It endorses universal access to basic services, the progressive improvement in service standards, openness and transparency in the processes used for selecting service providers. Underlying this is the core principle that services should be affordable and delivered efficiently. The MSP policy support and encourages information flows,

value-for-money, avenues for redress by citizens and courtesy in service delivery.

According to Gitsham, *et al.* (in Reddy, *et al.* 2003:204) a typical MSP arrangement would be as follows:

- **Service contract:**

The service provider receives a fee from the Maletswai Local Municipality to manage a particular aspect of a municipal service. Service contracts are usually short-term (one to three years) and include examples such as the repair and maintenance or billing and collection functions. This type of arrangement is a starting point for involving CBOs and NGOs in municipal service provision with the other arrangements with regards to MSP activities being considered as the capacity and experience of CBOs and NGOs develop over time (Pentz 1999:19).

- **Management contract:**

The service provider is responsible for the overall management of all aspects of a municipal service, but without the responsibility to finance the operating, maintenance, repair, or capital costs of the service. Management contracts are typically for three to five years. Management contracts generally specify the payment of a fixed fee plus a variable component – the

latter being payable when the contractor meets or exceeds specified performance targets. The service provider normally does not assume the risk for collecting tariffs from residents, however, high collection rates could be a trigger for incentive payments to the service provider. An example may be contracting the management of water utility.

- **Lease:**

The service provider is responsible for the overall management of a municipal service and the operating assets of a municipality such as the Maletswai Local Municipality are leased to the contractor. The service provider is responsible for operating, repairing, and maintaining those assets. In some cases the service provider may be responsible for collecting tariffs from residents and assume the related collection risk. The service provider pays the Council rent for the facilities, which may include a component that varies with revenues. Generally, the service provider is not responsible for new capital investments or for replacement of the leased assets. Leases are typical for eight to fifteen years. Examples include the lease of a municipal market, port or water system.

- **Build/Operate/Transfer (BOT):**

The service provider undertakes to design, build, manage, operate, maintain, and repair, at the expense of the service provider, a facility to be used for the delivery of a municipal service. The municipality becomes the owner of the facility at the end of the contract. BOTs may be used to develop new facilities, or expand existing ones. In the latter case, the service provider assumes the responsibility for operating and maintaining the existing facility, but may or may not (depending on the contract) assume responsibility for any replacement or improvement of the facility. A BOT typically requires the Council to pay the service provider a fee (which may include performance incentives) for the services provided, leaving responsibility for tariff collection with the Council.

- **Concession:**

The service provider undertakes the management, operation, repair, maintenance, replacement, design, construction and financing of a municipal service facility or system. The service provider often assumes responsibility for managing, opening, repairing, and maintenance of related existing facilities. The contractor collects and retains all service tariffs, assumes the collection risk and pays

the Council a concession fee (sometimes including a component that varies with revenue). The municipality still remains the owner of any existing facilities operated by the concessionaire, and the ownership of any new facilities constructed by the concessionaire is transferred to the municipality at the end of the concession period.

According to Fourie in Theron, *et al.* (2000:159) the MSP policy framework outlines the following substantive authority and policy guidelines for Councils to engage in MSPs:

- The Maletswai Local Municipality has the authority in terms of the LGTA or relevant provincial proclamations and ordinances to enter into MSP contracts of all kinds;
- decisions regarding the duration of MSP contracts will be left to the discretion of Municipal Councils and MSP service providers subject to guidelines and minimum standards;
- Municipal Councils will have their executive authority defined in legislation to include matters such as planning, tariff setting, appointing service providers, establishing a tariff policy and performance monitoring;
- corrupt procurement practices should be discouraged to the greatest extent possible, since they undermine democratic processes, and sacrifice the public interest for the benefit of personal gain. The penalties for

corrupt procurement practices must protect the public interest in ensuring fair, transparent, cost effective and competitive procurement; and

- bidders, community residents and other affected parties should be informed regularly about the progress of a competitive MSP procurement. This will promote transparency and help ensure that the Municipal Council, municipal officials and bidders involved in the procurement follow the procedures mandated by law and by the Council. This will furthermore foster the accountability of municipal decision-makers to their constituents and will tend to reduce the likelihood of corrupt procurement practices.

In terms of the above authority the Maletswai Local Municipality, in conjunction with the Ukhahlamba District Municipality has appointed a service provider with the brief to investigate the future strategic direction of the Aliwal North Spa with the main objective of developing the enterprise into a key tourist gateway between the Free State and Eastern Cape Provinces (Ukhahlamba District Municipality Situational Analysis and Future Strategic Direction for Aliwal North Spa 2002:1). The process has unfolded to a level where preliminary discussions have been held with possible partners including major hotel groups (Hendricks Interview 2004).

According to the WPMSP (2000:6) MSPs, if well structured and properly implemented, can lead to significant improvements in the

efficiency of service delivery. This implies that more services can be delivered while still remaining within the overall budget limits of the Council. Contracting of a specialist service provider can have a number of advantages. In addition to providing specialist knowledge and expertise, such a service provider can gain efficiency from economies of scale that may not be available to a Municipal Council. MSPs also allow Municipal Councils to reduce their expenses for equipment rental, lease costs, initial purchase costs and technology licensing arrangements. Over time, municipalities can save on the capital costs of infrastructure expansion and technology upgrades. By linking the provision of municipal services to a definitive contractual arrangement, Municipal Councils are also able to know their costs in advance and therefore are in a better position to prepare their budgets and plans. In addition, by requiring a number of potential service providers to bid for the provision of municipal services, Municipal Councils can gain from the benefits of competition.

Ultimately it is the responsibility of the local municipality to decide on the approach to service delivery as the local municipality will have to bear the consequences. According to the White Paper (1998:2) there is a need to strategically assess and plan the most appropriate forms of service delivery for the area of jurisdiction. The administrations of the municipalities need to be geared to implement the chosen delivery options in the most effective manner and ensure maximum benefits to their communities. It is an indictment against the Maletswai Local Municipality that a formal decision on the approach to service delivery has not been taken and consequently the administration is

not geared to provide the services that is expected by the community. This was confirmed by respondents in the empirical study.

4.7 Conclusion

This chapter dealt with the disestablishment of the Aliwal North TLC and the Jamestown TLC and the establishment of the Maletswai Local Municipality. The transformation of the Maletswai Local Municipality had to take place at a political and administrative level. Disestablishing old apartheid councils and establishing new councils only took care of the necessary political change, but the administrative transformation proved to be far more complex.

The former Drakensberg District Council facilitated the transformation process. The latter initiated the formation of a Local Consultative Forum that consisted of representatives from the local councils. The discussions in the forum centred on the contents of a draft Section 12 Notice as well as to the services to be rendered by the to be established Local Municipality. Despite numerous difficulties that were foreseen in the transformation process, the Section 12 Notice for the establishment of the Maletswai Local Municipality was issued on 12 August 2000.

Despite enabling legislation and the subsequent transformation of local government, the sector continues to have a poor public image as a result of it being regarded as corrupt, inefficient, lacking in capacity and unable to deliver services to its

constituency. The new system of local government has granted a more hands-on role for politicians in the management of municipal affairs. These executive responsibilities place a greater responsibility on councillors to ensure that the councillors act in the interests of local communities such as the residents in the Maletswai Local Municipality and adhere to the principles of good governance that include the principles of sensible prioritising, curbing corruption, allowing freedom of association, respecting the rule of law, transparency and accountability.

The new system of local government necessitated that the politics-administration interface in the Maletswai Local Municipality had to be addressed. The finding of the empirical study indicated that 59% of respondents were of the view that councillors do not interfere in the administration and only 41% opined that councillors do interfere. Contrary to this finding the Municipal Manager of the Maletswai Local Municipality submitted a letter to the MEC for Housing, Local Government and Traditional Affairs of the Eastern Cape Province claiming that councillors interfere in the administration of the municipality. Emanating from this situation it can be deduced that a lack of clarity exists regarding the roles and responsibilities of councillors and officials and both parties should be capacitated in order to have an understanding of local government legislation since the Structures Act and the Systems Act spell out the roles of councillors and officials. Therefore, it is recommended that in an effort to capacitate councillors and officials, workshops should be arranged on legislation relevant to local government in an effort to develop an understanding of applicable legislation and to engender respect for

the legislation. The facilitator for these workshops should be from the Department of Provincial and Local Government.

A further contributing factor is the fact that the Maletswai Local Municipality has not finalised its delegation framework as required by legislation and the lack of delegation slows down the speed of decision-making as decisions that could have been taken by senior managers (within policy frameworks set by the Council) must be referred to a council committee or the full Council, thus influencing service delivery *per se*. It is recommended that the municipality expedite the process of developing and adopting a delegation framework to improve service delivery.

The administrative rationalisation of the Maletswai Local Municipality commenced and the process centred on staff rationalisation, conditions of service, assets, liabilities, financial records, valuation role, filing system, by-laws, tariffs of charges, financial and other regulations, town-planning schemes, policies, standing orders and resolutions and service delivery. Staff rationalisation referred to the placement of staff of the erstwhile Transitional Local Councils of Aliwal North and Jamestown in the Maletswai Local Municipality and a staff placement policy was adopted for this purpose by the Council of the new municipality. The placement policy provided for an organogram for the new institution as well as for placement criteria, a placement committee, placement procedure, a dispute/appeal process, job evaluation, Conditions of Service, geographical relocation, and redundancy/retrenchment procedures.

Furthermore, the Council in terms of Section 57 of the Systems Act appointed a Municipal Manager and the managers reporting directly to the Municipal Manager. Since these appointments were only effected in September 2001 and January 2003 respectively and their initial tasks were to rationalise the administration of the municipality, service delivery could not receive priority. The situation was compounded due to the fact that the Council could not attract a competent and experienced Financial Manager. It was thus deduced that this situation had a negative influence on the financial management of the municipality and it was recommended therefore that the incumbent be capacitated by attending relevant capacity building programmes. Furthermore, in the absence of an approved filing system the system used by the former Aliwal North TLC has been adopted as the interim filing system for the Maletswai Local Municipality. This arrangement has implications for service delivery as records are not dependable and it will impact on issues such as the indigent policy as adopted by the municipality. Since records are not updated it leaves room for corrupt practices and the possible omission of deserving families.

In terms of the Section 12 Notice that established the Maletswai Local Municipality the assets and liabilities of the disestablished local councils vested in the established local municipality. The finding of the empirical study confirms that no assets were deployed from one residential area in a town to another for service delivery purposes. With regard to the strategic management of the municipality and to improve service delivery, the management of the Maletswai Local Municipality identified the IDP as the tool

for this purpose. Within the planning period ending June 2006, the Maletswai Local Municipality identified projects within the four priority clusters, namely an unemployment, poverty and crime cycle, infrastructure, upgradings and extensions, coping with urbanisation, insufficient capacity, accountability and management to address improved service delivery.

Unfortunately virtually no progress has been made with the implementation of these projects in the area of jurisdiction of the Maletswai Local Municipality. The empirical findings indicated that only 59% of respondents have seen the IDP document although 42% of these respondents do not know the details of the IDP. These facts are an indictment against the management of the Maletswai Local Municipality and confirm the need to capacitate both councillors and officials of the Maletswai Local Municipality to adhere to these requirements. It is recommended that the Maletswai Local Municipality apply for funding from the Ukhahlamba District Municipality for purposes of capacitating all role-players and a service provider be appointed for this purpose.

With regard to service delivery municipalities are compelled to ensure that the services they deliver are of an acceptable standard that will ensure a reasonable quality of life. To measure this requirement, the Maletswai Local Municipality had to develop service delivery standards that were realistic and officials in municipalities had to keep in mind that high quality demands high cost, higher standards tend to reduce productivity levels, subordinates had to be consulted, and that the standards had to suit the worker. Citizens had to be informed regarding levels of

service they would receive and it was recommended that the Maletswai Local Municipality adopt a Citizen's Charter to address these issues.

For the Maletswai Local Municipality, to deliver services in terms of the mandate, it is to be guided by principles that relates to the accessibility of services, affordability, quality of products and services, accountability for services, integrated development and service delivery, sustainable service delivery, value-for-money, ensuring and promoting competitiveness of local commerce and industry and the promotion of democracy. These processes impact on service delivery as it is time consuming and expensive. According to respondents in the empirical study the process is not followed and it was concluded that the Maletswai Local Municipality is not making the best possible use of public resources with regards to service delivery primarily due to a lack of expertise.

The modernisation of service delivery was furthermore explored. In this regard the advantages and application possibilities of information technology, citizen-centred programme delivery, service clustering, regulatory reform, and cost recovery as ways to modernise service delivery were investigated. With regard to alternative service delivery methods and strategies such as privatisation, public-public partnerships and municipal partnerships were investigated and it was recommended that municipalities should follow a strategic approach in terms of the IDP to improve service delivery.

Unfortunately the Maletswai Local Municipality did not follow these routes and is currently delivering services by means of internal departments. The perception of the Council is that the level of service delivery is acceptable, hence there is no need to explore the route of modernisation of service delivery. Alternatively, the Maletswai Local Municipality does not appreciate the possibilities for improved service delivery that may arise due to the modernisation of service delivery. The latter view is supported by 70% of respondents who expressed dissatisfaction with the *status quo*. However, according to the empirical study no indication is given of councillors actively promoting local development and improved service delivery.

Since the influence of transformation on service delivery in Category B municipalities forms the gist of the thesis, this issue will be discussed as a case study in the following chapter with particular reference to the Maletswai Local Municipality.

CHAPTER FIVE



SERVICE DELIVERY IN CATEGORY B MUNICIPALITIES IN THE EASTERN CAPE - THE MALETSWAI SITUATION

5.1 Introduction

Emanating from the legislative mechanisms adopted to provide for the restructuring of local government as explained in Chapter 3 of the study, it would be of essence to assess the level of satisfaction of inhabitants with the quality of services delivered by the Category B municipalities. Therefore, this chapter focuses on the services delivered by the Maletswai Local Municipality (which is a Category B municipality). However, service delivery as a responsibility of local government in South Africa will initially be explained whereafter service delivery in the Maletswai Local Municipality and challenges facing service delivery will be investigated. The explanation of service delivery as a responsibility of local government will be based on the mandate as provided to local government in the Constitution. The services rendered by the Maletswai Local Municipality will be categorised as regulatory, social and commercial services.

5.2 Service delivery as a responsibility of local government in South Africa

Local government is the cutting edge of service delivery (Stofile 2002:1). Moreover, it is the contact point for both national and provincial government with the people (Mbeki 2002:2). According to the RDP, municipalities are key institutions for delivering basic services, a view enshrined in Section 152 of the Constitution that determines that one of the objectives of municipalities is the provision of services to communities in a sustainable manner. In line with the above view the functions of municipalities have traditionally been classified into two groups, namely line functions and supporting functions. This study will be confined to line functions, as these functions are the service delivery activities that influence the perception of the local community on the level of service delivery by the municipality.

Schedule 4, Part B of the Constitution stipulates a number of direct delivery and regulatory (line) functions to be performed by municipalities. It includes the following services, namely air pollution, building regulations, child-care facilities, electricity and gas reticulation, fire fighting services, local tourism, municipal airports, municipal planning, municipal health services, municipal public transport, municipal public works, pontoons, ferries, jetties, piers and harbours, storm water management systems in built-up areas, trade regulations, water and sanitation services. Schedule 5, Part B of the Constitution lists the following as further municipal services, namely 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 which 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, and traffic and parking.

These schedules contain a wide spectrum of services to be rendered, ranging from traditional services such as the provision of water, sewerage, sanitation, electricity and roads to other less traditional services such as child-care facilities and the control of undertakings that sell liquor to the public. Some aspects of municipal responsibility such as pontoons, ferries, jetties and harbours are listed in detail while others are vaguely described as local amenities (Zybrands 2001:219). These services will be explained as performed by the Maletswai Local Municipality.

5.3 Service delivery in the Maletswai Local Municipality

This section of the chapter focuses primarily on municipal services rendered by the Maletswai Local Municipality. These services encompass regulatory, social and commercial services as mandated by the Constitution (Craythorne 2003:158-178 and Zybrands in Venter 2001:225). Regulatory services refer to building control service, disaster management, fire protection service, land-use control service, pollution control service and

traffic and policing service. Social services include an ambulance service, burial and cremation service, environmental health service, personal health care service, cultural service, housing development service and parks, sports and recreation service. Commercial services refer to an abattoir service, electricity supply service, public transport service, roads, streets and rainwater drainage service, sewage disposal service, solid waste removal service, water supply service and local economic development (De Villiers 2001:53). These services are subsequently explained.

5.3.1 Regulatory services

The context of regulatory services as rendered by the Maletswai Local Municipality will be explained in the following paragraphs.

5.3.1.1 Building control service

Building control services include the approval of building plans, inspection of building sites, general inspections to detect illegal building activities, legal action against transgressors and construction and maintenance of all municipal buildings. In the practical sense it implies that building plans have to be examined by engineers, health officials and fire officials to ensure public safety. Such plans should also be checked to ensure that it complies with the National Building Regulations, the zoning scheme and regulations of the municipality. Furthermore, every municipality requires office buildings and workshops to operate from (Cloete

1997:106). The construction and maintenance of these buildings are matters that should be attended to meticulously to prevent the construction of inadequate or improper buildings and the falling into disrepair of these buildings.

The Maletswai Local Municipality has one qualified building inspector who is tasked to perform these functions (Hendricks Interview 2003). The incumbent was initially appointed by the former Aliwal North TLC to render services for its area of jurisdiction. With the establishment of the new local municipality his area of service rendering has increased, with the consequent increase in the volume of work. Added to this difficulty is the fact that the area of the former Jamestown TLC does not have an approved land management scheme (Bekker Interview 2002). Notwithstanding the existing situation, 19% of respondents in the empirical study expressed satisfaction with the level of the service whilst 19% of respondents expressed dissatisfaction and 34% indicated that they are neither satisfied nor dissatisfied. More disconcerting for the Local Municipality should be the fact that 28% of respondents refused to express an opinion on the level of service delivery. The implication is that alternative methods of service delivery including the employment of more staff, will have to be considered by the Maletswai Local Municipality in an effort to render the service effectively.

5.3.1.2 *Disaster management*

Disaster is defined in Section 1 of the *Disaster Management Act, 2002* (Act 57 of 2002) as a progressive or sudden, widespread or localised, natural or human-caused occurrence which causes or threatens to cause death, injury, disease, damage to property, infrastructure or the environment or disruption of a community. It is also of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects whilst using only their own resources. Disaster management activities should be aimed at protecting the local inhabitants during or after such crises. These activities include emergency planning, co-ordination of civil protection, operating the central communication system, preparedness campaigns, training of volunteers and public awareness training.

Despite the fact that Disaster Management is a function of the District Municipality, the Disaster Management Act requires that municipalities plan for emergencies and disasters such as flooding, the washing away of roads and possible disasters when hazardous substances are transported through their area of jurisdiction. A Disaster Management Committee was established for the area of jurisdiction of the Maletswai Local Municipality (Maletswai IDP Document 2002:4). A plan for handling disasters has, however, not been developed. The implication is that if a disaster was to strike in the area

of jurisdiction of the local municipality, ineffective response will be forthcoming and this may lead to loss of life or damage to properties owned by the Local Municipality as well as by inhabitants. 80% of respondents in the empirical study expressed concern about the state of readiness of the municipality and 20% refused to comment. It is recommended that the Maletswai Local Municipality request the Ukhahlamba District Municipality to assist the Local Municipality to improve its state of readiness by preparing a plan for handling disasters at a local level that will be aligned to the District Disaster Management Plan. Fire protection services must form part of the disaster management strategy.

5.3.1.3 Fire protection service

A fire protection service that should be rendered by a municipality include activities such as the maintenance of fire stations and fire-fighting equipment, continuous in-service training of fire brigade personnel, comments on building plans for compliance with fire regulations, building inspections for compliance with fire regulations, site inspections for fire hazards and extinguishing fires (Cloete 1997:17). The practice in municipalities is that a fire service becomes a rescue service and in some instances also provides an ambulance service.

The fire protection service of the Maletswai Local Municipality forms a section of the Technical Services Department under control of the Acting Chief Traffic Officer. There are no trained firemen rendering the service and staff members of the municipality volunteer to assist when the need arises. Fire-fighting equipment consists of an outdated fire-fighting machine that will not be able to respond timeously if a fire breaks out (Hendricks Interview 2003). The implication is that the local municipality is ill-equipped to deal with fire-fighting in its area of jurisdiction.

In terms of Section 84 of the Structures Act this function should be performed by the District Municipality (in this case the Ukhahlamba District Municipality). However, in terms of the division of powers and functions this responsibility has been allocated to the Maletswai Local Municipality for its area of jurisdiction. The implication is that if a fire breaks out in its area of jurisdiction the Local Municipality will have to perform the fire-fighting function. In the light of the fact that it is ill-equipped, the Maletswai Local Municipality will not be able to perform the function adequately with disastrous results for the district. Damage to properties and loss of life may result due to the inability of the municipality to perform its function. Respondents in the empirical study expressed concern with the existing situation. Therefore, it is recommended that the Ukhahlamba District Municipality be requested to take over the fire-

fighting function from the Local Municipality since it is primarily a district municipality function in terms of Section 84 of the Structures Act.

5.3.1.4 Land-use control service

Land-use control services to be rendered by a municipality include the inspection of property for contravention of zoning regulations and implementing legal action against transgressors (Gildenhuis 1997:18). The Maletswai Local Municipality deals with land-use planning by means of the allocation of uses to specific areas of land on a map and regulating how those uses will be acted on by means of documents known as zoning scheme regulations or town-planning regulations. This form of planning is complex and apart from compiling local structure plans within an overall zoning or town-planning scheme, the planners have to take cognisance of regional, provincial and national development plans. The applicable legislation is the *Physical Planning Act*, 1991 (Act 125 of 1991), the *Regional Industrial Development Act*, 1993 (Act 187 of 1993) and the *Development Facilitation Act*, 1995 (Act 67 of 1995). No provision is made in the staff structure of the Maletswai Local Municipality for personnel to perform this particular function. The implication is that no real effort is made by the municipality to enforce the existing legislation. 32% of respondents expressed satisfaction with the level of service delivery, whereas

68% indicated dissatisfaction with the services. Therefore, it is recommended that the Maletswai Local Municipality create and fill positions on the existing organogram to perform the land-use control service.

5.3.1.5 Pollution control service

Pollution control activities include measuring air pollution, measuring pollution of natural waters, inspections of sites for land pollution, regular testing of municipal water supply for chemical and bacterial contamination and implementing legal action against transgressors. Municipalities, due to their closeness to people who are the destroyers and polluters of the world, are best suited to play a significant role in the environment conservation (USAID 2003:84). Respondents in the empirical study indicated that, in the absence of major industries in the area of jurisdiction of the Maletswai Local Municipality, the Department of Health and Social Services of the latter municipality is not focused on air pollution control, but deliver the service on an *ad hoc* basis.

Staff members from the Department of Health and Social Services in the Maletswai Local Municipality sample water and milk for bacterial safety on a regular basis (Maletswai Outreach Report 2002:2). The monthly sampling of sewer effluent to determine the presence of the cholera bacteria is also undertaken by

the municipality. 100% of respondents in the empirical study expressed satisfaction with the level of service delivery.

5.3.1.6 Traffic and policing service

A traffic service should be a disciplined (incorruptible) service under almost military-style command and control and for this reason there has to be a single chain of command and control (Craythorne 1997:432). Traffic and policing service activities include the registration and licensing of motor vehicles, testing of vehicles and issuing of roadworthy certificates, testing and licensing drivers of motor vehicles, law enforcement and general municipal policing.

The Maletswai Local Municipality has three traffic officers in its employ and these officers are responsible for handling the above-mentioned activities. The former Aliwal North TLC initially employed these officials for its area of jurisdiction. The increased area of jurisdiction of the Maletswai Local Municipality and the resultant increase in population has a detrimental effect on the level of service delivered to the citizens. Despite this situation, 48% of respondents in the empirical study expressed satisfaction with the service as rendered by the Local Municipality. The deduction can be made that the commitment of the three officials compensate for the lack of capacity in terms of officials. However, it will

be advisable for the Council to consider increasing the number of traffic officers despite the financial impact for the citizens of the Maletswai Local Municipality, as it will be expected from them to contribute to the additional expenses incurred. In addition to regulatory services the Maletswai Local Municipality also renders social services to its residents.

5.3.2 Social services

Social welfare services activities include ambulance services, burial and cremation services, environmental health services, personal health care services, cultural activities, housing development activities and parks, sports and recreation activities. The afore-mentioned services will subsequently be explained.

5.3.2.1 Ambulance service

Ambulance services refer to the transporting of patients by ambulances, maintenance of ambulance vehicles and in-service training of paramedical staff. The Provincial Government provides ambulance services and it has no bearing on the services delivered by the Maletswai Local Municipality.

5.3.2.2 Burial and cremation services

Even the smallest village needs a cemetery. Cemeteries take up fertile soil and to escape the rising costs of the

maintenance of cemeteries, cremation of the dead is increasing (Hendricks Interview 2003). Burial and cremation services provided by a municipality include the maintenance of cemeteries, maintenance of crematoria, digging of graves and burial of corpses and the cremating of corpses. The Maletswai Local Municipality provides cemeteries for all its inhabitants as part of its service delivery responsibility.

5.3.2.3 Environmental health service

Environmental health services include night-soil removal, sewage removal from septic tanks, street cleaning, removal and disposal of carcasses, pest control, inspection of premises for health hazards and food inspection at stores (National Health Bill 2003). Even the smallest municipality should provide for the removal of refuse and night soil in order to prevent unhygienic conditions and the offensive piling up of garbage.

The bucket system of sanitation is used in the Masakhane residential area of Jamestown (Maletswai Outreach Report 2002:3). This system was also in use prior to transformation and the incorporation of the former local authorities and in an effort to improve the service, the Maletswai Local Municipality obtained funds to implement a waterborne sewerage system in the 2003/2004 financial year. For these purposes a service

provider was appointed to install the sewerage system (Hendricks Interview 2003). According to respondents in the empirical study residents are satisfied with the progress made with the installation of a waterborne sewerage system.

5.3.2.4 *Personal health care service*

Municipalities should render specified personal health care services to prevent the development of unhygienic conditions in its area of jurisdiction. These services include the provision and maintenance of clinics, pre-natal and post-natal care, inoculation against contagious diseases, birth control, rehabilitation of drug addicts, and nutrition of the malnourished among the indigent, medication and fighting HIV/Aids.

The Maletswai Local Municipality has four clinics serving the community in its area of jurisdiction (Maletswai Annual Report 2002:3). One clinic burned down and due to severe budget cuts there are not sufficient medicines available at the existing three clinics (Maletswai Annual Report 2002:4). According to the Senior Professional Nurse in charge of clinics, Ms Ndulula, the following problems are experienced:

- Lack of co-operation from staff results in the late submission of work such as statistics related to various illnesses suffered by the citizens of the Maletswai Local Municipality;

- problems with communication and the non-observance of communication channels by staff members;
- budgetary shortfalls led to a situation where uniforms and protective clothing could not be purchased;
- shortage of staff;
- lack of skills in terms of budgeting, rational drug usage and family planning and it results in mismanagement of drugs as staff members do not understand and use the standard treatment guidelines;
- the clinic in Hilton (the former Coloured residential area) has cracks that need immediate attention and poses a threat to safety of both personnel and patients;
- there are battery operated equipment that require regular servicing and since these are not done timeously, it hinders the proper rendering of services; and
- staff members verbally abuse the community that visits the clinics (Maletswai Outreach Report 2002:2). This situation was confirmed by 69% of the respondents and reported by community leaders to the Deputy President of the country when he visited the communities of Aliwal North on 18 March 2004 (Volksblad 20 March 2004).

In the light of the above-mentioned situation it becomes clear that the community is not receiving the service that they are expecting. In the absence of service delivery standards,

measurement of the level of service delivery is not based on substance. However, according to respondents in the empirical study the poor level of this particular service influences the willingness to pay for services rendered by the Maletswai Local Municipality. It is recommended, therefore, that Council should develop a customer care policy to create a positive and reciprocal relationship between the Council, residents and service providers. Councillors must be trained to have an understanding of the importance of customer care whereafter a policy should be compiled by the Municipal Manager and submitted to Council for approval. Further guidelines should include the following:

- **Capacitate officials**

According to the empirical survey respondents are dissatisfied with the manner in which they are received when visiting the municipality. This is an indication that the officials do not appreciate the importance of customer care and should be capacitated in this regard. Therefore a service provider should be appointed to workshop officials on the contents of the policy on customer care as adopted by Council as well as on the importance of customer care to influence the perception of the community regarding the level of service delivery. Customer care must thereafter be included as a KPI of individual employees in an effort to measure the reaction of the residents to this particular service.

- **Establish a call centre**

A call centre is a place where the residents experience human contact in a user-friendly environment, in order to be given a full professional service. According to the empirical study respondents indicated that poor communication is experienced between residents and the local municipality. The establishment of a call centre will improve the communication channels as it will provide a mechanism for users of services and ratepayers to give feedback to the Council with regards to the quality of the services delivered. Furthermore, it provides accessible mechanisms for residents to query or verify accounts and metered consumption. The initial cost of establishing a call centre can be minimised by using existing premises and deploying existing staff members to occupy the call centre. The call centre must be accessible and the officials identified to occupy the call centre must be trained in terms of telephone etiquette and the basic compilation of municipal accounts and the response to calls should be prompt.

- **Commercialisation of accounts**

In addition to informing residents of municipal activities such as budget and ward meetings local businesses should be invited to advertise their goods and products on the monthly account for service delivery as distributed by the municipality. The advertisements should be

placed at a cost determined by the Council and will also contribute to improved communication. The income generated by this process should be utilised to subsidise consumer accounts.

- **Develop a system of imbizos to improve community involvement**

As indicated in the response to the empirical study efforts to have community meetings to establish Ward Committees in the Maletswai Local Municipality have proven to be unsuccessful mainly due to non-attendance by residents. An alternative method of having imbizos with different wards may be the solution. An imbizo is a forum for enhancing dialogue and interaction between the Council and the residents (Government Communication and Information System 2003:2). The imbizos should be attended by all councillors and should be utilised to forge partnerships with the communities in terms of service delivery.

The key to success for this approach is willingness to take people into confidence of the Council. Instead of a mentioning only service delivery, residents could be informed about constraints and what the Council intends to do about them. It is equally important for the councillors and officials to listen to the response of the residents.

That implies getting representative government to work. While much effort has been devoted to simulating democracy by setting up public participation processes, a great deal of time and effort may be saved if those who were elected to represent the residents spent a large portion of their time listening to and working with them. This process may not expedite service delivery - it might even cause a delay but will ensure an active, aware citizenry able to tell the difference between a cheap gesture such as land invasion and a service delivery strategy.

5.3.2.5 Cultural service

Municipalities should provide opportunities for cultural activities to be exercised. In this regard municipalities should provide for libraries, art galleries, and art exhibitions, organizing of concerts, symphony and other orchestras (Gildenhuis 1997:21).

Library services are provided for all inhabitants in the area of jurisdiction of the Maletswai Local Municipality. Community halls have been provided in all residential areas of the municipality and these facilities are available to the community to arrange concerts and other activities. However, a tendency exists amongst sections of these communities to vandalise the halls (Maletswai Annual Report 2002:2). This may be due to a lack of proper

control since the municipality has not appointed caretakers for these facilities.

5.3.2.6 Housing development service

In terms of the National Housing Code (2000:98) the housing activities of a municipality include the following:

- Township establishment for the provision of stands;
- erection of low-cost housing;
- maintaining a waiting list for low-cost housing;
- allocation and sale of low-cost housing;
- allocation of stands for self-build low-cost housing schemes; and
- erection and maintenance and renting of municipal housing.

The Maletswai Local Municipality has launched a project in Jamestown where 378 houses are being built at a cost of R 5,6 million (Maletswai Annual Report 2002:1). A further project to erect 858 houses at a cost of R 4,7 million in the Masakhane Extension area (Jamestown) is in process. The project commenced with the erection of toilets in 2001. However, no progress has taken place since 2001, a situation that indicates that service delivery in terms of housing is a cumbersome process. In Aliwal North the Joe Gqabi Township (1218 sites) have been developed at a cost of R12,4 million and 78 sites have been developed in Hilton at a cost of

R1,5 million. The deduction can be made that in the light of the above-mentioned projects the Maletswai Local Municipality is providing the service to its inhabitants in terms of the National Housing Code, despite the lack of progress in Jamestown.

However, the level of unemployment in the area of jurisdiction of the Maletswai Local Municipality implies that a number of houses will be allocated to unemployed residents. Services will have to be delivered to those individuals with the knowledge that the consumers will not be able to pay for services received. The non-payment for services impacts negatively on the cashflow of the municipality and will be explained as a challenge for service delivery under section 5.4 of this chapter.

5.3.2.7 Parks, sports and recreation service

Parks, sports and recreation services that a municipality should be rendering include provision, development and maintenance of parks, pavements, road reserves and public open spaces, nature conservation, cultivation of plants and seedlings in nurseries for own use, provision and maintenance of sports facilities, developing of sports and organisation of sporting events (Craythorne 1997:430). The Maletswai Local Municipality finds it difficult to keep parks, pavements and open spaces cleared of weeds and overgrowth due to a lack of equipment and capacity (Maletswai Outreach Report

2002:4). However, should funds be budgeted, employment can be provided for local residents that can influence the payment level for service delivery. Furthermore, it is recommended that Council explores the possibility of establishing partnerships with members of the community. This partnership should be based on the understanding that Council will provide the equipment and the community will provide the labour and the cost to be borne by Council.

The keeping of animals in the residential areas, commonage and roads is a major concern for the municipality as it creates health and safety hazards. It has been suggested that more land should be made available by Council to accommodate livestock owners and emerging farmers. No progress relating to this suggestion has been made.

5.3.3 Commercial services

Commercial service activities delivered by a municipality refer to abattoir services, electricity supply services and public transport services, roads, streets and rainwater drainage services, sewage disposal services, solid waste removal services, water supply services and local economic development. In the following paragraphs these services will be explained in an effort to determine whether the Maletswai Local Municipality complies with the statutory requirements

and if the standards of service delivery have improved since restructuring.

5.3.3.1 Abattoir service

Abattoir services refer to the provision and maintenance of abattoir facilities, slaughtering of animals, inspection and grading of meat and destroying infected and contaminated carcasses and meat. Abattoirs in most municipalities are operated by a private company, but in smaller municipalities where there is a need for such a facility, it is provided by the municipality (Craythorne 1997:433). The Maletswai Local Municipality has decided to follow the former route and sold its facility to a private company (Hendricks Interview 2003). Therefore, it is impossible to determine whether the service has improved since restructuring as the private company did not form part of the empirical study undertaken.

5.3.3.2 Electricity supply service

Electricity supply services rendered by a municipality include the provision and maintenance of an electricity supply network, building and maintaining high and low voltage conductors, building and maintaining substations, inspection of electrical wiring of buildings and the supply and maintenance of streetlights. According to Cloete (1997:101) a small number of municipalities

generated their own electricity before the end of the nineteenth century. This resulted in a situation where a considerable number of municipalities in South Africa had their own power stations. After the establishment of the Electricity Supply Commission (ESKOM) in terms of the *Electricity Act, 1922* (Act 42 of 1922) municipalities such as the Maletswai Local Municipality decided to buy electricity in bulk from ESKOM and resell it to the residents at a profit. This is utilised to supplement the income of the municipality from taxation for the rendering of unprofitable services such as the cleaning of streets.

Since transformation the following projects were undertaken:

- Electrification of Joe Gqabi Extension 5 at a cost of R3, 4 million;
- installation of pre-paid meters in Dukathole at a cost of R210 000;
- electrification of houses in Dukathole at a cost of R120 000; and
- repairs to streetlights and high mast lights in Dukathole, Hilton and Masakhane.

When political parties went on the election campaign prior to the 2000 municipal election, they made various promises including the provision of free basic electricity (Sepotokele 2001:7). However, the government underestimated the enormity of providing free electricity

and the Maletswai Local Municipality is one institution that does not have the capacity to handle the administrative and technological challenges of the plan (Hendricks Interview 2003). As a result the residents in the area of jurisdiction of the Maletswai Local Municipality do not receive free basic electricity and it could be expected that this non-compliance with an election promise may lead to a lack of confidence by the community in their elected representatives and have repercussions in the next local government elections. However, the findings in the empirical study indicated that 69% of respondents are satisfied with the *status quo*. It can be deduced therefore, that the respondents do not regard the supply of free basic electricity as a priority and this could explain the relatively low (12%) dissatisfaction figure and 19% of respondents who were not prepared to comment on this issue.

5.3.3.3 Public transport service

The public transport services that a municipality could render include the provision and maintenance of public transport facilities, provision and maintenance of pontoons, ferries, jetties, piers and small boat harbours, provision and maintenance of parking facilities and provision and maintenance of taxi ranks (Province of the Eastern Cape: Provincial Gazette 2003:11).

The Maletswai Local Municipality does not render a public transport service, but a taxi rank was built in the 2003/2004 financial year (Hendricks Interview 2004).

5.3.3.4 Roads, streets and stormwater drainage services

The above-mentioned services include the construction and maintenance of local roads and streets, traffic engineering, erection and maintenance of traffic signs and marks, construction and maintenance of paved sidewalks and the construction and maintenance of rainwater drainage systems. Due to its economics and scale, road maintenance has to be decentralised into districts each of which serves specific groups or suburbs (Craythorne 1997:429). Roads are expensive to build and should be maintained efficiently. Results from the empirical study indicated that 82% of respondents are dissatisfied with the condition of the roads and streets in the area of jurisdiction of the Maletswai Local Municipality. The deduction can be made that the maintenance of roads and streets have been neglected by the municipality and that a strategy needs to be developed by the Council to improve the condition thereof. This strategy must include the development of a masterplan for the maintenance of roads and streets and the sourcing of funds for the maintenance of roads and streets from the Ukhahlamba District Municipality. Alternatively the Maletswai Local Municipality must request the Demarcation Board to allocate the power and

function of roads and streets in the area of the municipality to the Ukhahlamba District municipality due to a lack of capacity.

Drainage refers to stormwater drainage and sewerage (also known as waste water) systems. Both these services consist of widely dispersed underground pipes or surface works (known as systems) and should be maintained and kept operating at a district level. Only 2% of respondents in the empirical study expressed satisfaction with the level of service delivered whereas 32% expressed outright dissatisfaction, 28% were not satisfied or dissatisfied and 38% refused to respond to the question. The deduction can be made that a high level of dissatisfaction is experienced by respondents regarding this service as rendered by the local municipality. Strategies to improve the stormwater systems for the residents in the area of jurisdiction of the Maletswai Local Municipality should be the inclusion of stormwater systems with the masterplan for maintenance of roads and streets.

5.3.3.5 Sewage disposal service

The sewage disposal service that should be rendered by a municipality includes the construction and maintenance of sewerage systems, supplying sewerage connections to premises of individual users and the inspection of sewerage connections (National Health Bill 2003).

The Maletswai Local Municipality has built a bulk sewerage line for Area 5 in Aliwal North at an estimated cost of R3 176 154-00 and a new sewerage purification plant at a cost of R6 042 050-00 (Maletswai Annual Report 2002:2). Consultants are currently busy with the design of the Dukathole sewer reticulation for 378 sites at a cost of R 646 380-00. The deduction can be made that the Maletswai Local Municipality has commenced with efforts to improve the sewage disposal service rendered to the inhabitants of the Maletswai Local Municipality. This situation is corroborated by respondents in the empirical study where 41% expressed satisfaction with the service, 28% expressed dissatisfaction, 19% indicated that they are neither dissatisfied nor satisfied and 12% did not commit them to an answer.

5.3.3.6 Solid waste removal service

Solid wastes are also known as refuse. This service includes the regular collection and removal of refuse, recycling of solid waste (composting), and the collection and removal of garden refuse (National Health Bill 2003).

Refuse removal in Aliwal North takes place on a weekly basis and a suitable vehicle is used for this purpose. Indiscriminate dumping of garden refuse in residential areas such as Dukathole, Hilton and Masakhane is a

problem since no vehicles or equipment is available to remove the refuse (Maletswai Annual Report 2002:3). In Jamestown, however, one tractor has been utilised for refuse removal (Maletswai Outreach Report 2002:2). With the development of a new residential area in Jamestown one tractor will be unable to perform this function effectively and will impact on the level of dissatisfaction amongst the inhabitants. Currently 59% of respondents in the empirical study expressed satisfaction with the level of service delivery regarding solid waste removal and in an effort to improve the level of satisfaction, the local municipality will have to incur expenses by purchasing equipment required to address problems experienced with refuse removal. The deduction can be made that the Maletswai Local Municipality has planned properly for rendering this service and its implementation strategy is successful.

5.3.3.7 Water supply service

The water supply service includes the construction and maintenance of bulk water supply, construction and maintenance of water reticulation networks and supplying water connections to individual consumers. The goal of the municipality should not only be to supply sufficient water, but the prevention of diseases is essential. Consequently, as a town expands the municipality has to find funds for establishing

reservoirs, purification works and a water reticulation system (Hendricks Interview 2003).

Since 2000 the Department of Water Affairs and Forestry investigated the feasibility of providing a basic level of water supply free to poor consumers earning less than R1 100, 00 per month. Government as a whole has supported this initiative and it culminated in the announcement by the President in September 2000 that the government aimed to provide free basic services (Department of Water Affairs and Forestry 2001: 3). In February 2001 the Minister of Water Affairs and Forestry announced that government had decided to provide a basic supply of 6 000 litres of potable water per month to poor households free of charge. The majority of municipalities, including the Maletswai Local Municipality, have supported this initiative. The latter municipality has granted its inhabitants ten-kiloliter water per month, free of charge. 68% of respondents in the empirical study expressed satisfaction and only 3% expressed dissatisfaction with the delivery of this service whilst 17% were neither satisfied nor dissatisfied and 12% did not comment. It can be deduced that this relatively high level of satisfaction is due to the fact that the local municipality complies with the decision regarding free basic water and even exceeds the provision of national government.

In an effort to implement the free basic water policy the Maletswai Local Municipality is faced with challenges that need to be addressed. For example, the community in Jamestown has experienced a shortage in terms of water supply (Maletswai Outreach Report 2002:1). The shortage has been exacerbated due to the fact that members of the community vandalised a borehole situated close to the oxidation pond. This borehole supplied water to the oxidation ponds and the eastern section of Masakhane (Jamestown). In an effort to address this shortage the Maletswai Local Municipality appointed consultants to do an environmental impact study to design a reservoir and purification works for bulk water supply to Jamestown at a cost of R6 059 784. Tenders for the upgrading of the water reticulation to Jamestown have also been invited. The estimated project cost is R 625 000. This project is aimed at improving the water supply to the community of Jamestown and thus improving service delivery and supporting the efforts from national government to provide better services to inhabitants.

However, despite the good intentions by the Council it is disconcerting to note the absence of public participation in this project as required in terms of Chapter 4 of the Systems Act. Furthermore, the implementation of this project presented the Maletswai Local Municipality with the opportunity for local economic development. It is, however, an indication of the rigid thinking of the higher

echelons in the municipality that there is no effort to become developmentally oriented in terms of project implementation. This situation may explain the reasons why local economic development has a low profile in the Maletswai Local Municipality.

5.3.3.8 Local economic development

Local economic development (LED) is a relatively new service to be rendered by municipalities since it did not form part of their traditional functions in the previous regime. According to Harrison *et al.* (in Reddy *et al* 2003:176) it is increasingly regarded as complementary to nationally and provincially driven economic strategies, programmes and policies. Real Geographical Growth Product (GGP) growth in the Eastern Cape is estimated to have averaged 2.4% per annum over the period 1995-2000, which is slightly higher than the estimated population growth of 1,9% (Ukhahlamba District Municipality Economic Profile and Implementation Strategy 2003:12). Despite indications that the GGP per capita may be increasing slightly, the overall levels of unemployment are probably rising because the GGP growth is likely to be below the growth of the population of working age that is likely to be at least 3% per annum (Ukhahlamba District Municipality Economic Profile and Implementation Strategy 2003:19-20).

The Ukhahlamba district (including the Maletswai Local Municipality) contains approximately 5% of the population of the Eastern Cape but in 1999/2000 it was estimated to contribute slightly less than 3% of the economic value added in the provincial economy (Ukhahlamba District Municipality Economic Profile and Implementation 2003:12). The largest contribution to the 3% value of the GGP is from the public service sector (41% by education and health), followed by the agriculture sector at 18%. Of the four local municipalities within the jurisdiction of the Ukhahlamba District Municipality, the Maletswai Local Municipality has the only economy that tends towards sectoral balance and diversification.

The above-mentioned situation implies that the Maletswai Local Municipality has the best possibilities to render services with regards to local economic development in the area of jurisdiction of the Ukhahlamba District Municipality. This service can, however, only be rendered if the Maletswai Local Municipality and all other Category B municipalities in the Eastern Cape Province adopt LED plans and accept responsibility for the economic destiny of their towns.

In the case of the Maletswai Local Municipality the LED plan forms part of the IDP. It is based on the premise that for the municipality to address problems such as unemployment and the affordability level of

service delivery, it will in future be obliged to stimulate its local economy and as a result, also create jobs. This premise is based on the future situation and is not pragmatic since it is placed on the backburner (meaning that it will only be discussed at some stage in the future) and is therefore contrary to the developmental role that is the mandate of the Maletswai Local Municipality.

It manifests in a situation where local economic development in the area of jurisdiction of the Maletswai Local Municipality has been confined to the development of a cultural village and community gardens. The estimated cost for the construction of a cultural village in Aliwal North is R3 000 000, that has been funded from LED funds, provided by the Department of Provincial and Local Government (Maletswai Outreach Report 2002:2). An amount of R1 100 000 has been provided from LED funds for the development of a community garden in Jamestown. The project includes the construction of a weir and the purchasing of a truck and an irrigation system. The Local Municipality made the land for the project available at a nominal fee (Hendricks Interview 2004).

The community garden project in Aliwal North was allocated an amount of R 229 000 from LED funds. The municipality made land available and bought seeds to enable community members to plant vegetables for domestic use and to sell to members of the local

community. The project is not showing progress, as there seems to be a lack of commitment from the participants (Hendricks Interview 2003). To compound matters, it would seem that the municipality has no action plan in place to improve the progress of the project since it has a lack of institutional capacity to administer LED initiatives.

A summary of the findings of the empirical study distributed for completion by inhabitants of the Maletswai Local Municipality with regards to services delivered by the Municipality is displayed in the following table:

Table 2: Feedback from inhabitants on service delivery

	Access		VS	S	NSD	D	VD	RA
	Yes	No						
1. Water Supply	100%	0%	20%	48.00%	17%	3%	0%	12%
2. Electricity Supply	85%	15%	22%	47%	3%	3%	6%	19%
3. Street Lighting	100%	0%	9%	31%	19%	9%	16%	16%
4. Roads	100%	0%	3%	6%	6%	32%	44%	9%
5. Storm Water Drains	100%	0%	0%	2%	28%	19%	13%	19%
6. Sign Posting of Roads	87%	13%	0%	25%	28%	9%	16%	22%
7. Pavements	100%	0%	0%	41%	9%	6%	22%	22%
8. Parks	81%	19%	0%	9%	22%	16%	37%	16%
9. Sports Facilities	88%	12%	0%	16%	16%	16%	36%	16%
10. Libraries	84%	16%	0%	41%	16%	12%	22%	9%
11. Community Halls	94%	6%	0%	16%	19%	30%	19%	16%
12. Noise Pollution Control	75%	25%	0%	18%	16%	13%	13%	40%
13. Air Pollution Control	72%	28%	0%	15%	25%	3%	13%	44%
14. Refuse Removal	10%	0%	3%	56%	9%	3%	13%	16%
15. Sewage disposal	87%	13%	0%	41%	19%	6%	22%	12%
16. Cemeteries	Y	N	0%	19%	19%	22%	28%	12%
17. Solid waste removal	84%	16%	0%	31%	22%	3%	25%	19%
18. Pay points	97%	3%	0%	25%	28%	6%	19%	22%
19. Billing system	94%	6%	0%	47%	19%	3%	9%	22%
20. Building control	91%	9%	0%	19%	28%	0%	19%	34%
21. Traffic and policing service	100%	0%	16%	31%	28%	3%	6%	16%
22. Burial and cremation service	75%	25%	0%	34%	22%	0%	16%	28%
23. Housing development service	94%	6%	0%	19%	25%	22%	9%	25%

VS=Very satisfied

S=Satisfied

NSD=Neither satisfied nor dissatisfied

D=Dissatisfied

VD=Very dissatisfied

RA=Refuse to answer

According to the results emanating from the empirical study there is an overall dissatisfaction amongst inhabitants with the level of service delivery by the Maletswai Local Municipality. The

absence of performance agreements for the Section 57 employees and service standards as determined by Council in conjunction with the community compounds the problem since performance cannot be assessed in terms of an agreed-upon framework. This is a manifestation of the lack of urgency and commitment that underlies the challenges faced by the Maletswai Local Municipality with regard to service delivery. These challenges will subsequently be expanded upon.

5.4 Challenges facing service delivery

Municipalities form the sphere of government closest to its constituents and are rendering services that materially affect the lives of the inhabitants residing within its area of jurisdiction. As previously discussed, Section 152 of the Constitution mandates municipalities to ensure the provision of services to communities in a sustainable manner. This mandate has to be fulfilled in an environment where municipalities face challenges such as expectations of the communities, a lack of finances and the implementation of a performance management system. These challenges will subsequently be explained.

5.4.1 Expectations of the community

After the first democratic elections in South Africa in 1994 the African National Congress (ANC) came to power and the subsequent municipal elections of 1995/96 and 2000 were also dominated by the ANC. This led to a change in the political scenario in South Africa and particularly in the Maletswai Local

Municipality that is from an apartheid-driven society to a non-discriminatory one. The ANC was voted into power because most Black people in South Africa thought that their expectations would be met partly with immediate effect (Fourie 1998:223). These expectations included an improved quality of service delivery which implied the redressing of the imbalances of the past while maintaining continuity at all levels of society, focusing on meeting the needs of inhabitants who are living below the poverty line and those who were previously disadvantaged in terms of service delivery.

According to Fourie (1998:223) the realities of these expectations should be considered to understand the background against which municipalities render services. These realities include the following:

- **Poverty**

In the rural areas of South Africa 53,4% of the people are poor. In the urban areas 20,5% are poor and in the metropolitan areas 26.1% are poor (Booyesen 2003:4). Available statistics provide a picture of high rates of poverty within the area of jurisdiction of the Maletswai Local Municipality. According to the IDP document of the Maletswai Local Municipality (2001:33) approximately 63% of households residing in the area are earning less than R1 000 per month, which is well below the primary household subsistence level. This implies that affordability levels are relatively low and that has negative consequences

both for the sustainable delivery of services as well as for spending power within the local economy.

A concentrated focus on strategies to eradicate poverty and facilitate job creation is critical for the municipality. Whilst the Unemployment, Poverty and Crime Cycle cluster has been identified by the Representative Forum during the process of formulating the Maletswai IDP to address this problem, several projects identified within other priority clusters integrate with the objectives of job creation and engendering decreases in social pathologies (Maletswai IDP 2002:33). The following projects focus on addressing this issue:

- Aliwal Spa and Game Reserve Development (District IDP Anchor Project);
- cultural village;
- tourism marketing project;
- community gardens development programme;
- Maletswai brickfields development programme;
- development of monuments and heritage sites;
- public entertainment support fund; and
- sites for taxi/bus ranks in Aliwal North and Jamestown.

It seems that the municipality has identified the mechanisms required to address the shortage of employment. However, since no implementation is happening, it can be deduced that the municipality does not

have the capacity required for the implementation phase. Implementation strategies must be devised by the Maletswai Local Municipality taking into consideration the lack of capacity prevalent in the institution.

- **Unemployment**

According to Census 2001, 63% of the total economically active population of South Africa was situated in urban areas. A little over half of the African economically active population could be found in urban and the other half in rural areas. Of the rural economically active African population, 40, 86% were unemployed, compared to 33, 9% of all population groups for the country as a whole. According to the Maletswai IDP document (2002:7) 34% of the economically active population within the municipality is unemployed whilst only 13% of the population is actively seeking employment. This is an indication of a relatively low participation rate of economically active people in the economy in the area. The highest employment rate is found in the agricultural sector, which reflects the fact that most people residing in these areas are farmers or farm workers.

The high level of unemployment negatively influences the affordability level of service delivery. This situation has a bearing on revenue collection and impact negatively on the cash flow of the municipality.

- **Health**

The infant mortality rate in rural areas is estimated to be 65% higher than in metropolitan areas (Dept of Health Statistics: 2003). A number of children die of preventable illnesses such as tuberculosis, diarrhoea and fever that is usually due to inadequate sanitary conditions. The HIV/Aids pandemic is likely to alter the demographic profile of the Maletswai population significantly since it is still rapidly growing and the epidemic is reversing development gains, obliterating millions of lives, widening the gap between rich and poor and undermining social and economic development (Centre for Health Systems Research and Development 2002:19). The following key impacts of the pandemic are noted in the Maletswai IDP Document (2002:7):

- Decrease in productivity;
- increase in need for healthcare; and
- change in consumer patterns.

This situation reflects negatively on the quality of service delivery by municipalities.

- **Infrastructure**

According to the Department of Provincial and Local Government (Succeed/Essential Publication 2003:72-79) the backlog in infrastructure provision in South Africa is immense and meeting this backlog requires large capital inputs from business and users, institutional development

and training and technology development. The Maletswai Local Municipality is faced with the following infrastructure shortcomings (IDP 2002:8):

- Poor access to and within towns;
- inadequate electrical reticulation;
- insufficient water reticulation;
- inadequate social facilities for the elderly;
- inappropriate sanitation facilities; and
- HIV/Aids influence.

Funding from outside sources such as the Ukhahlamba District Municipality and the Development Bank of Southern Africa will have to be obtained to address the above-mentioned infrastructure shortcomings. However, as discussed in the following paragraph, the finances of municipalities have become precarious due to reasons that will be explained and this situation impacts on efforts to obtain finance on the open market.

5.4.2 Financial matters

The local sphere of governance in South Africa has undergone a process of fundamental transformation. This includes the amalgamation of municipalities with neighbouring settlements and townships. As indicated in Chapter 2 of this thesis, the Aliwal North TLC was amalgamated with Jamestown TLC and its hinterland to form the Maletswai Local Municipality. In 2000 there were 843 municipalities in South Africa, many of which were not financially independent and could be regarded as

bankrupt (Scott 2002:1). Surveys conducted by Duff and Phelps Credit Rating Company during 1998 confirmed that 275 (33%) municipalities were in financial difficulties, with 80 on the verge of imminent financial failure (DCR 1998:1). Project Viability (1998:1) indicated that the Department of Constitutional Affairs estimated that only 150 (17%) municipalities in South Africa were creditworthy at the end of 1998. The situation could be ascribed to the continued culture of non-payment, poor financial management and a lack of legal measures to enforce accountability. This negative financial situation was compounded in the case of the Maletswai Local Municipality when amalgamation took place since both Transitional Local Councils were experiencing financial difficulties. According to the Mayor of the Maletswai Local Municipality the financial situation of the institution is disconcerting (Aliwal Weekly 2002:1). This situation emanates from the following challenges:

- An annual budget that is mainly on paper and cannot be implemented positively to render services to the community due to a lack of funds; and
- a poor billing system due to the fact that some housing units in the area are not numbered.

The reasons that led to this situation will subsequently be explained.

- **Culture of non-payment for municipal services**

A programme that was initially launched as a peaceful measure to force political change in South Africa has developed into a threat that may destroy the results of that measure. Outstanding debts owed to municipalities total more than R24 billion and are escalating (RSA Intergovernmental Fiscal Review 2003:43-44). In the Maletswai Local Municipality outstanding debts escalated from R11 million in 2000 to R18 million in the 2003/2004 financial year (Hendricks Interview 2003). Reasons for this situation to continue include the possibility that non-paying consumers having adjusted their lifestyles in accordance with the increased disposable income, or unemployed people simply being too poor to pay for services (Zybrands in Venter 2001:219). According to feedback from the empirical study, other possible reasons for non-payment for municipal services are the political and administrative inability to deal with the problem effectively and a perception of entitlement whereby members of the community expect these services to be delivered free of charge.

Burger, in the Centre for Development Support Report (2001:159), however, opines that the non-payment of services concerns the question whether non-payment results from poverty (an ability-to-pay problem) or a culture of non-payment (a willingness-to-pay problem). If the problem is the existence of a culture of non-payment,

the solution may be the eradication of that culture either by means of an incentive scheme (the carrot method) or by legal means (the stick method). However, if the problem is poverty, it is an indication that households cannot afford the level of services the Maletswai Local Municipality delivers. This may, however, be a simplistic view as other contributing factors may also exist such as a level of dissatisfaction with the quality of service delivery.

According to Botes and Pelsler in the Centre for Development Support Report (2001:82) reasons for non-payment of municipal services differ substantially between rural and urban areas. In many urban areas there are significant proportions of households that could pay for services, opt for free-riding, whilst inability-to-pay for services is more acute in rural areas. Therefore the strategies to address non-payment should differ between urban and rural areas and the challenge in improving payment for services must be focused on addressing the free-rider syndrome. Therefore, it is recommended that the Maletswai Local Municipality initiate a process of close co-operation with inhabitants to address the issue of non-payment in a collaborative, innovative and human-sensitive manner.

- **Poor financial management**

According to Erasmus and Visser (2002:1) public financial management involves general governmental fiscal issues as

well as the social, economic and political dimensions. The *Municipal Finance Management Act, 2003* (Act 56 of 2003) will regulate the financial management of municipalities to ensure that all revenue, expenditure, assets and liabilities and municipal public entities are managed efficiently and effectively. The afore-mentioned Act also provide for the responsibilities of persons entrusted with local sphere financial management. Zybrands in Venter (2001:219) avers that councillors embarked on a spending spree and in the process stripped assets from the accumulated reserves and depleted operating capital. This resulted in municipalities having to borrow funds from financial institutions. These institutions are loath to advance further funds, as they perceive municipalities as high-risk borrowers. To compound matters the Municipal Demarcation Board failed to conduct financial viability assessments during the demarcation process and it led to negative perceptions regarding the creditworthiness in the municipal borrowing sector and market anxiety about the nature, pace and duration of the transformation process itself (Business Day 2002:5).

Sound financial management furthermore requires a degree of financial expertise and without such expertise financial mismanagement becomes inevitable. The situation in South African municipalities is exacerbated by the fact that a number of knowledgeable treasury officials have resigned, thereby leaving a void that will not easily be filled.

The Maletswai Local Municipality requested the provincial Department of Housing, Local Government and Traditional Affairs to appoint a team to carry out a formal investigation into perceived inadequacies in the running of the Aliwal North Administrative Unit, with particular emphasis on the Treasury Department (Nkonyana and Tokwe 2001:1). It should be noted that at no stage was the Maletswai Local Municipality divided into administrative units, nevertheless Council requested an investigation with the above-mentioned terms of reference. The findings of this investigation included the following (Nkonyana and Tokwe 2001:4):

➤ **Revenue collection**

The Aliwal North Administrative Unit has been reported to have cash-flow problems. This may be ascribed to the fact that during the 2000/2001 financial year it budgeted for an income of R27 190 675 of which only R20 648 537 was collected. The amount of under collection was tantamount to four months personnel costs of the Aliwal North Administrative Unit. The implication was that if all other expenditure groups were paid at that stage, the Administrative Unit would not have been able to pay personnel costs for four months.

➤ Debtors

The fact that the collection level was below the budgeted income is an indication that there was no endeavour to collect the previous year's debtors. This was supported by the fact that during the period May 2000 to June 2001 the arrears increased by 98, 15%, from R 5 508 941, 02 to R10 915 714, 78. Most arrears were on rates which formed 31% of the total debt. There were no attachments or sales in execution as an indication of efforts to recover outstanding rates.

In the case of Jamestown the Auditor-General found that services were provided but no payments were received for the financial year ended 30 June 2001 (Auditor-General Report 2002:10). Apart from this there has been no follow-up and legal action taken on long outstanding debtors. Furthermore, most debtors in the Jamestown area did not initially pay consumer deposits and despite the fact that this situation was rectified, the residents of Masakhane were exempted from this provision. It can be deduced from these findings that the Council of the Maletswai Local Municipality was vindicated in what the Council perceived as a shortcoming in the management of the finance section. Notwithstanding the outcome of the investigation the Municipal Manager confirmed the existence of one revenue management policy for the Maletswai Local Municipality (Hendricks Interview 2003).

This policy provides for a proper billing system, effective management and reporting system, steps to be taken before effecting disconnections, a credit control policy, commencement and resumption of services, legal action and writing off of arrears, unauthorised consumption, theft, damages and penalties and an indigent support policy. Despite the fact that Council adopted this comprehensive policy, the feedback from the empirical study indicates that the implementation thereof is lacking. It is recommended that the implementation of the revenue policy of Council be accepted as the most important KPI of the Municipal Manager and that there will be no interference by councillors in the implementation of the policy. Monthly progress reports on the implementation process must be submitted to Council as the current situation negatively impacts on revenue collection and service delivery as finances are required to fund services rendered to the community. In addition the municipality has no customer care policy in place. Therefore, consumers are not continually sensitised to the importance of paying for services rendered. This situation is compounded by the lack of sufficient paypoints.

➤ **Sufficient paypoints**

In order to encourage citizens to pay their accounts for service charges regularly, it is imperative for a municipality to provide sufficient paypoints. Respondents in the empirical study expressed only a 25% satisfaction level

with the available paypoints. The deduction can be made that the Maletswai Local Municipality does not provide sufficient paypoints and that the majority of inhabitants do not have easy access to paypoints. The Council should develop a strategy to improve access to paypoints, including an arrangement with local supermarkets to accept payments on behalf of the local municipality. It may also be arranged with the local bankers of the municipality to provide specific deposit slips for users to deposit their payments direct into the account of the municipality. The Maletswai Local Municipality has, however, not taken any steps to increase paypoints to ensure improved access for users.

➤ **Lack of legal measures to enforce accountability**

The Municipal Manager as chief accounting officer is accountable to Council for the formation and development of an economical, effective and efficient administration in terms of Section 10G(1)(k) of the LGTA and also Section 55 of the Systems Act. Prior to the promulgation of the Municipal Finance Management Act (MFMA) councillors could not be held accountable, except for certain highly irregular matters. The adoption of the MFMA will address this shortcoming since Section 21 of the Act provides for the Mayor to co-ordinate the process for preparing and tabling the annual budget and to take responsibility for the implementation thereof. The budget compilation process in terms of the MFMA includes the community

participation process as prescribed in Chapter 4 of the Systems Act. In terms of Section 22 of the MFMA the accounting officer of the municipality (Municipal Manager) must upon the completion of the draft budget advertise in a newspaper of general circulation in the area of jurisdiction of the municipality that the draft budget is available for public scrutiny during office hours at the main administrative office of the municipality and such other places as may be specified in the advert. Following the afore-mentioned process, the draft budget is to be tabled at the next sitting of the Municipal Council for discussion and public hearings.

The above-mentioned process provides confirmation that the budgetary process will be driven politically. Subsequent to the discussion of the draft budget by the Municipal Council and following the conclusion of public hearings, the Mayor must direct the Municipal Manager to prepare the final budget for the financial year. Thereafter the Mayor submits the final budget to the Municipal Council for approval (Section 21 of the MFMA). Notwithstanding the notion that this process will enhance political accountability, the management of the budget may be used by the executive authority of the Council as a KPI to measure the performance of the Municipal Manager. However, for the Council to follow this route, a performance management system must be adopted and implemented. The progress of the Maletswai Local

Municipality with regards to the adoption and implementation of a PMS will subsequently be discussed.

5.4.3 Performance management system

In terms of Chapter 6 of the Systems Act it is obligatory for a municipality to establish a Performance Management System (PMS) that should be aligned with the IDP. The Maletswai Local Municipality has adopted a performance management system in terms of the requirement of the Act and the following Key Performance Areas (KPAs) have been identified:

- Service delivery, which will include all priorities and objectives relating to the municipal services the municipality intends to deliver during the year in question as set out in the IDP;
- development, which will include all the priorities and objectives of the municipality set out in the IDP relating to household, social and economic infrastructure provision, local economic development and poverty eradication during the year in question;
- institutional transformation, which will include all the priorities and objectives of the municipality relating to human resources management, including measures to comply with the provisions of the Employment Equity Act,

the Skills Development Act as well as section 51 of the Systems Act during the year in question;

- municipal finance management, which will include all the priorities and objectives of the municipality related to improving and maintaining the financial sustainability of the municipality and the proper management of its finances and assets during the year in question; and
- democratic governance, which will include all the priorities and objectives of the municipality relating to improving the relationship among the council, administration and community, including mechanisms, processes and procedures for community participation in the affairs of the municipality, during the year in question.

The above key performance areas are generic in the sense that they have been prescribed by the Department of Provincial Affairs and Local Government. Since the political and administrative leadership in the Maletswai Local Municipality did not align these KPAs with the existing situation in their area of jurisdiction, it can be deduced that the possibility of addressing the needs of their constituency in terms of service delivery is doubtful. This may be as a result of a lack of management capacity and should be addressed by developing the management skills of top management by attending training courses especially with regards to management and strategic issues.

Despite the approval of a PMS by the Council the system is not operational in terms of service delivery. This may be due to the lack of capacity or a lack of political will. Unless the Maletswai Local Municipality addresses service delivery urgently and obtain the required capacity or demonstrate the political will to implement a PMS, it will be difficult to address the perceived poor level of service delivery in its area of jurisdiction.

In what can be regarded as a response to the above-mentioned challenges, the Council of the Maletswai Local Municipality at a Special Council Meeting held on 12 February 2003 resolved to request the MEC for Housing, Local Government and Traditional Affairs of the Eastern Cape Province to appoint an Administrator for the Maletswai Local Municipality in terms of Section 139 of the Constitution. This resolution was an abdication of responsibilities by the Council since Section 139 of the Constitution stipulates that when a municipality cannot or does not fulfil an executive obligation in terms of legislation, the relevant provincial executive may intervene by taking any appropriate steps to ensure fulfilment of that obligation. These steps include the issuing of a directive to the Municipal Council, describing the extent of the failure to fulfil its obligations and stating any steps required to meet its obligations and assuming responsibility for the relevant obligation in that municipality to the extent necessary

- to maintain essential national standards or meet established minimum standards for the rendering of a service;
- to prevent a Municipal Council from taking unreasonable action that is prejudicial to the interests of another municipality or to the province as a whole; or
- to maintain economic unity (Minutes of a Special Council Meeting held on 12 February 2003).

Apart from the afore-mentioned challenges facing local government, feedback from the empirical study also highlighted the following issues as challenges:

- Black economic empowerment;
- promotion of tourism;
- entrepreneurial skills development;
- renovation of schools;
- building of old age homes;
- building of a day hospital;
- improved public relations;
- recall current elected councillors;
- develop and implement youth development programmes; and
- improve recreation facilities.

Recommendations in the following chapter aimed at addressing challenges and the objectives set in Chapter 1 of the study will improve the level of service delivery in the Maletswai Local Municipality.

5.5 Conclusion

The chapter focused on the services delivered by the Maletswai Local Municipality and commenced with an explanation of service delivery as a competency of local government. The constitutional mandate of local government was explored culminating in an investigation of the services rendered by the Maletswai Local Municipality. These services were categorised as regulatory, social and commercial services. Regulatory services refer to building control activities, civil protection activities, fire protection activities, land-use control activities, pollution control activities and traffic control activities. Social services include ambulance services, burial and cremation services and environmental health services. Commercial services refer to abattoir services, electricity supply services, public transport services, roads, streets and water supply services.

Regulatory services such as building control as delivered by the Maletswai Local Municipality are impeded by the fact that there is only one staff member who was initially employed to render the service in the jurisdiction of the erstwhile Aliwal North TLC and now has to attend to the larger area inclusive of the former Jamestown TLC. In addition no approved land management scheme for the latter area exists. Notwithstanding the existing situation, 19% of respondents in the empirical study expressed satisfaction with the level of the service whilst 28% of respondents expressed dissatisfaction. More disconcerting for the Local Municipality should be the fact that 28% of respondents refused to express an opinion on the level of service delivery. The

implication is that alternative methods of service delivery, including the employment of more staff, will have to be considered by the Maletswai Local Municipality in an effort to render the service effectively.

Disaster management does not receive the attention it deserves from the municipality and as a result there is no disaster management plan in place. 80% of respondents in the empirical study expressed concern about the state of readiness of the municipality and 20% refused to comment. It is recommended that the Maletswai Local Municipality request the Ukhahlamba District Municipality to assist the Local Municipality to improve its state of readiness by preparing a plan for handling disasters at a local level that will be aligned to the District Disaster Management Plan.

The rendering of a fire protection service has been allocated to the Maletswai Local Municipality in terms of the division of powers and functions, but the municipality does not have the capacity to render this particular service. Respondents in the empirical study expressed concern with the existing situation. Therefore, it is recommended that the Ukhahlamba District Municipality be requested to take over the fire-fighting function from the Local Municipality since it is primarily a district municipality function in terms of Section 84 of the Structures Act.

Land-use control services to be rendered by the Maletswai Local Municipality include the inspection of property for contravention of zoning regulations and implementing legal action against

transgressors. However, there is no provision in the staff structure of the Maletswai Local Municipality for personnel to perform this particular function and the implication is that there is no real effort by the municipality to enforce the existing legislation. 32% of respondents expressed satisfaction with the level of service delivery and 68% indicated dissatisfaction with the service. Therefore it is recommended that the Maletswai Local Municipality create and fill positions on the existing organogram to perform the land-use control service.

Pollution control and air quality management forms part of the functions performed by the environmental health practitioners and 100% of respondents in the empirical study expressed satisfaction with the level of service delivery. The traffic and policing functions as performed by the three officials employed by the municipality have been rated as satisfactory by inhabitants. However, it is recommended that Council consider increasing the number of traffic officers in an effort to maintain the existing level of satisfaction.

Difficulties with regard to social services rendered by the municipality include the general reception at clinics where it is claimed by members of the community that staff members verbally abuse patients. It is recommended that staff members at all clinics in the area of jurisdiction of the Maletswai Local Municipality be trained in terms of customer care. However, according to respondents in the empirical study the poor level of this particular service influences the willingness to pay for services rendered by the Maletswai Local Municipality. Council,

therefore, should develop a customer care policy to create a positive and reciprocal relationship between the Council, residents and service providers. The approval of the policy should be followed by the capacitation of officials regarding customer care policy to influence the perception of the community regarding the level of service delivery. A further measure to enhance the customer care policy of the Council will be to establish a call centre to provide a mechanism for users of services and ratepayers to give feedback to the Council regarding the quality of services delivered. In addition the Council should commercialise the accounts distributed to consumers to inform the residents about activities such as budget and ward meetings and also to afford local businesses an opportunity to advertise their goods and products on the monthly accounts. The income generated from the advertisements placed by local businesses should be utilised to subsidise consumer accounts.

Since the response in the empirical study has confirmed that community meetings to establish Ward Committees in the Maletswai Local Municipality have proven to be unsuccessful mainly due to non-attendance by residents, an alternative method of having imbizos with different wards may be the solution. These imbizos should be attended by all councillors and should be utilised to forge partnerships with the communities in terms of service delivery.

The provision of cultural services such as community halls and libraries are well received by the inhabitants. Housing development is one of the areas where the municipality has

excelled and the difficulty experienced in this process relates to the level of unemployment experienced in the Maletswai area and the resultant inability of house owners to pay for services. The Maletswai Local Municipality finds it difficult to keep parks, pavements and open spaces cleared of weeds and overgrowth due to a lack of equipment and capacity. However, if funds can be budgeted, employment can be provided for local residents which can impact on the payment level for service delivery. Furthermore, it is recommended that Council explore the possibility of establishing partnerships with members of the community. This partnership should be based on the understanding that Council will provide the equipment and the community will provide the labour and the cost to be borne by Council.

Commercial services such as electricity supply have elicited a satisfactory response from respondents to the empirical study. However, Council needs to address the supply of free basic electricity to the inhabitants of the Maletswai Local Municipality since it was an election promise that has not been fulfilled. The findings from the empirical study completed for the study indicate that 69% of respondents are satisfied with the *status quo*. It can be deduced that the respondents do not regard the supply of free basic electricity as a priority and this could explain the relatively low (12%) dissatisfaction figure and the 19% refusal to comment.

The roads, streets and stormwater drainage services provided by the Maletswai Local Municipality include the construction and maintenance of local roads and streets, traffic engineering,

erection and maintenance of paved sidewalks and the construction and maintenance of stormwater drainage systems. 82% of respondents in the empirical study expressed dissatisfaction with the condition of the roads and streets in the area of jurisdiction of the Maletswai Local Municipality and it appears that the municipality has neglected the maintenance of roads and streets. It is recommended that the Maletswai Local Municipality develop a strategy to improve the condition of roads and streets in its area of jurisdiction. This strategy must include the development of a masterplan for the maintenance of roads and streets and the sourcing of funds for the maintenance of roads and streets from the Ukhahlamba District Municipality. Alternatively the Maletswai Local Municipality must request the Demarcation Board to allocate the power and function of roads and streets in the area of the municipality to the Ukhahlamba District Municipality due to a lack of capacity.

Stormwater drainage consists of widely dispersed underground pipes or surface works and should be maintained and kept operating effectively. Only 2% of respondents in the empirical study expressed satisfaction with the level of service provided whereas 32% expressed outright dissatisfaction, 28% were not satisfied or dissatisfied and 19% refused to respond to the question. The deduction can be made that there is a high level of dissatisfaction by respondents regarding the stormwater drainage service rendered by the local municipality. The Council must develop strategies to improve the stormwater systems for the residents in the area of jurisdiction of the Maletswai Local Municipality. Strategies to improve the stormwater systems for

the residents in the area of jurisdiction of the Maletswai Local Municipality should be the inclusion of stormwater systems with the masterplan for maintenance of roads and streets.

In contrast the Maletswai Local Municipality has commenced with improvements to the sewage disposal sites and the progress with the process is manifested by 41% of respondents who expressed satisfaction with regards to the service and only 28% of the respondents expressed dissatisfaction, 19% are neither satisfied nor dissatisfied and 12% refused to answer.

The solid waste removal service delivered by the Maletswai Local Municipality includes the regular collection and removal of refuse, recycling of solid waste and the collection and removal of garden refuse. Currently 59% of the respondents expressed satisfaction with the level of service delivery and in an effort to improve the level of satisfaction, the local municipality will have to incur expenses by purchasing equipment required to address problems experienced with refuse removal. The deduction can be made that the Maletswai Local Municipality has planned properly for rendering this service and its implementation strategy is successful.

The water supply service as delivered by the Maletswai Local Municipality includes the construction and maintenance of bulk water supply, construction and maintenance of water reticulation networks and supplying water connections to individual consumers. 68% of respondents in the empirical study expressed satisfaction and only 3% expressed dissatisfaction with the

delivery of this service, whilst 17% are neither satisfied nor dissatisfied and 12% refused to answer. It can be deduced that this relatively high level of satisfaction is due to the fact that the local municipality complies with the decision with regards to free basic water and even exceeds the provision of national government.

Local economic development in the Maletswai Local Municipality has been confined to the development of a cultural village and community gardens. The fact that there is little effort to stimulate local economic development by the municipality is an indictment on the elected political office-bearers (councillors) who are expected to be in the forefront when matters relating to job creation and poverty eradication have to be addressed at a local level. Although local economic development is a relatively new function for municipalities, it should be used as an instrument for involving the local community in the economic activities in the area of jurisdiction of the Maletswai Local Municipality.

Results emanating from the empirical study confirm an overall dissatisfaction amongst inhabitants with the level of service delivery by the Maletswai Local Municipality. The absence of performance agreements for the Section 57 employees and service standards as determined by Council in conjunction with the community compounds the problem since performance cannot be assessed in terms of an agreed-upon system. This is a manifestation of the lack of urgency and commitment that underlies the challenges faced by the Maletswai Local Municipality with regard to service delivery.

Moreover, numerous challenges influence service delivery by the Maletswai Local Municipality. These challenges include the expectations of the community, financial matters and the implementation of a performance management system. The reality of the expectations of the community have to be considered against the poverty levels, the level of unemployment, the health situation and the lack of proper infrastructure. Funding from outside sources such as the Ukhahlamba District Municipality and the Development Bank of Southern Africa will have to be obtained to address the infrastructure shortcomings. In terms of financial matters the Maletswai Local Municipality are challenged by a culture of non-payment for municipal services, poor financial management, shortage of paypoints and a lack of legal measures to enforce accountability. According to feedback in the empirical study, other possible reasons for non-payment for municipal services are the political and administrative inability to deal with the problem effectively as well as a culture of entitlement where members of the community expect these services to be delivered free of charge. It is recommended that the Maletswai Local Municipality initiate a process of close co-operation with inhabitants to address the issue of non-payment in a collaborative, innovative and human-sensitive manner.

Despite the fact that Council adopted a comprehensive revenue management policy, the feedback in the empirical study indicates that the implementation is lacking. It is recommended that the implementation of the revenue policy of Council be accepted as the most important KPI of the Municipal Manager and that no interference by councillors in the implementation of the policy

will take place. Monthly progress reports regarding the implementation process must be submitted to Council as the current situation has a negative influence on revenue collection and service delivery as finances are required to fund services rendered to the community. With regards to the PMS the challenge for the municipality is to solicit the political will to implement a suitable system to enable the institution to measure its level of service delivery.

Apart from the afore-mentioned challenges facing local government, feedback in the empirical study also highlighted the following issues as challenges:

- Black economic empowerment;
- promotion of tourism;
- entrepreneurial skills development;
- renovation of schools;
- building of old age homes;
- building of a day hospital;
- improved public relations;
- recall current elected councillors;
- develop and implement youth development programmes; and
- improve recreation facilities.

Recommendations in the following chapter aimed at addressing challenges and the objectives set in Chapter 1 of the study, may assist to enhance the level of service delivery by the Maletswai Local Municipality.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

In this chapter attention will be paid to the conclusions drawn in the thesis and recommendations made to address the need for improved service delivery by Category B municipalities in the Eastern Cape Province. From the study it was evident that particular problems flowing from the amalgamation process were *inter alia* that local municipalities are grappling with efforts to eliminate service backlogs; uniting communities that were divided by the policies of the previous political dispensation; transforming archaic bureaucratic institutions and creating a viable financial system. The demand for quality service delivery from local government has increased over the past few years, putting increased demands on councillors and officials to utilise scarce resources in such a manner that a better life for all inhabitants of a local government area is promoted. The aim of the amalgamation of these municipalities was to create a municipality that would economically be functional; had the potential to be financially viable; and delivered services to all the inhabitants of the area.

Another problem is that the community has the perception that the standard of service delivery has deteriorated since the transformation of the municipalities. To address these problems

the study focused on service delivery by Category B municipalities since its inception in 2000 using the Maletswai Local Municipality as a case study.

In view of the historical background of local government in South Africa and the resultant transformation of this sphere of government, the objectives of this study were

- to provide a theoretical perspective of transformation;
- provide a background to the system of municipal government that prevailed during the apartheid era in South Africa and in particular in the Maletswai Local Municipality;
- analyse the imperatives that led to the transformation of local government;
- investigate and analyse the reasons for the satisfaction or dissatisfaction with the quality of service delivery;
- propose a framework to assist local government to improve the level of service delivery; and
- draw conclusions and make recommendations on the improvement of the standard of service delivery.

Against the background that municipalities are pivotal in terms of service delivery, this thesis focused on service delivery by Category B Municipalities. The study departed from the hypothesis that the transformation of municipalities led to improved service delivery. Following the introduction, which broadly outlined the scope of the study, Chapter 2 provided theoretical perspectives on the transformation of local government. For the transformation of municipalities to be

legitimate, factors such as the vision of local government, the principles of restructuring, the process of transforming the municipality, local government democracy, representation, self-determination, constant dialogue, openness of policymaking, accountability and the financial process are to be considered as these factors have an impact on decisions taken to transform municipalities. In this endeavour, however, cognisance was taken of the role of consultation, participation, freedom of expression and responsiveness. From the empirical study it became evident that these notions are adhered to in the Maletswai Local Municipality. However, in an effort to maintain and improve on the existing situation, provision must be made for constant in-service training and skills development while creating opportunities for development.

Chapter 3 provided a historical overview of local government in South Africa. The problems with the apartheid system of local government became evident and the need for its transformation obvious. The primary objective of the transformation was to democratise municipalities to ensure improved service delivery. In terms of the apartheid policy municipal government was only established in certain areas and not in other areas where the majority of South Africans lived. Consequently, large parts of the country inhabited by Black people did not have municipal government and where these institutions were established, those municipalities were impoverished and ineffective. Citizens were divided into areas based on racial lines, which eventually started to crumble as the masses began demanding for municipal services coupled with the increased pressure of urbanisation. The

apartheid regime eventually took notice of the appalling state of affairs of municipalities and in the early 1990's began addressing these problems with all the role-players and a series of measures was instituted.

The important role which municipal government plays in South Africa cannot be overstated. Municipalities play a vital role in providing basic services to communities and are involved in social upliftment, development and are stimulants of the economy. Viewed against the background of the poor history of local government as provided in Chapter 3 of this study, it was imperative that municipalities had to be transformed.

When a democratic government was elected in 1994 South Africa underwent dramatic transformation. During the negotiations prior to this historic event it was agreed by all stakeholders that democratic elections would take place in respect of the national and provincial government and that the transformation of municipal governments would take place in terms of a timeframe outlined in the LGTA.

The LGTA deracialised local authorities by the restructuring of the racially based structures, but it did not transform local authorities. It democratised local authorities through the first democratic local government elections held in 1995 and 1996 that signaled the commencement of the interim phase. The LGTA provided rigid timeframes, which gave impetus to the transformation process. However, the aim of the government to construct compact and integrated cities intended to remedy the disadvantages and neglected characteristics of the apartheid city

and to ensure that the basic needs of all South Africans were provided for, were only partially addressed. The final phase of the transformation of local government commenced with the implementation of the *Constitution of the Republic of South Africa, 1996* (Act 108 of 1996). These and other legislative measures instituted to restructure municipalities have been captured in Chapter 3 of the thesis.

Whilst Chapter 3 deals with the historical developments and the legislative arrangements to effect the transformation of local government, Chapter 4 focuses on the establishment of the Maletswai Local Municipality within the transformation framework set by the Legislature. Particular attention was paid to the arrangements in terms of governance, institutional arrangements, financial arrangements, strategic management and service delivery.

Governance was explained in terms of the type of the composition of the Municipal Council and the establishment of Ward Committees. Institutional arrangements focused on administrative rationalisation and staff placement. Financial arrangements referred to the initial arrangements in terms of banking details and compatible computer systems for the amalgamated municipalities where strategic management for municipalities was defined in terms of the IDP. Service delivery was identified as one of the main reasons for transforming municipalities, however, the new system of local government necessitated that the politics-administration interface in the Maletswai Local Municipality had to be addressed and as the findings of the empirical study indicated, 59% of the respondents had the view that councillors do

not interfere in the administration and only 41% opined that councillors do interfere. Contrary to this finding the Municipal Manager of the Maletswai Local Municipality submitted a letter to the MEC for Housing, Local Government and Traditional Affairs of the Eastern Cape Province claiming that councillors interfere in the administration of the municipality. It was therefore deduced that a lack of clarity exists regarding the roles and responsibilities of councillors and officials.

Service delivery by Category B municipalities was the essence of Chapter 5 of the thesis. A definition of the concept of service delivery was provided and standards for measuring service delivery explained. Services delivered by the Maletswai Local Municipality, categorised as regulatory, social and commercial services were explained.

It was found that regulatory services such as building control as applied by the Maletswai Local Municipality are impeded by the fact that there is only one staff member who was initially employed to render the service in the jurisdiction of the erstwhile Aliwal North TLC and now had to attend to the larger area inclusive of the former Jamestown TLC. In addition no approved land management scheme for the latter area is available. Notwithstanding the existing situation, 32% of the respondents in the empirical study expressed satisfaction with the level of the service whilst 68% of respondents expressed dissatisfaction. The implication is that alternative methods of service delivery, including the employment of more staff, will have to be

considered by the Maletswai Local Municipality in an effort to render the service effectively.

Disaster management does not receive the attention it deserves from the municipality and as a result no disaster management plan is in place. 80% of the respondents in the empirical study expressed concern about the state of readiness of the municipality and 20% refused to answer.

The rendering of a fire protection service has been allocated to the Maletswai Local Municipality in terms of the division of powers and functions but the municipality does not have the capacity to render this particular services. Respondents to the empirical study expressed concern with the existing situation.

Land-use control services to be rendered by the Maletswai Local Municipality include the inspection of property for contravention of zoning regulations and implementing legal action against transgressors. However, no provision in the staff structure of the Maletswai Local Municipality has been made for personnel to perform this particular function and the implication is that no real effort is made by the municipality to enforce the existing legislation. 32% of the respondents expressed satisfaction with the level of service delivery and 68% indicated dissatisfaction with the service.

Pollution control and air quality management forms part of the functions performed by the environmental health practitioners and 100% of the respondents in the empirical study expressed

satisfaction with the level of service delivery. The traffic and policing functions as performed by the three officials employed by the municipality have been rated as satisfactory by inhabitants.

Difficulties with regard to social services rendered by the municipality include the general reception at clinics where it is claimed by members of the community that staff members verbally abuse patients. However, according to the respondents in the empirical study the poor level of this particular service influences the willingness to pay for services rendered by the Maletswai Local Municipality.

It was also found that the provision of social services such as community halls and libraries are well received by the inhabitants. Housing development is one of the areas where the municipality has excelled and the difficulty experienced in this process relates to the level of unemployment experienced in the Maletswai area and the resultant inability of house owners to pay for services. The Maletswai Local Municipality finds it difficult to keep parks, pavements and open spaces cleared of weeds and overgrowth due to a lack of equipment and capacity.

Commercial services such as electricity supply have elicited a satisfactory response from the respondents in the empirical study, however, Council needs to address the supply of free basic electricity to the inhabitants of the Maletswai Local Municipality since it was an election promise that has not been fulfilled. Moreover, the findings from the empirical study indicated that 69% of respondents were satisfied with the *status quo*. It was deduced therefore, that the respondents do not regard the supply

of free basic electricity as a priority and this could explain the relatively low (12%) dissatisfaction figure and the 19% refusal to comment.

The roads, streets and stormwater drainage services delivered by the Maletswai Local Municipality include the construction and maintenance of local roads and streets, traffic engineering, erection and maintenance of paved sidewalks and the construction and maintenance of stormwater drainage systems. 82% of the respondents in the empirical study expressed dissatisfaction with the condition of the roads and streets in the area of jurisdiction of the Maletswai Local Municipality and it was deduced that the municipality has neglected the maintenance of roads and streets.

Stormwater drainage consists of widely dispersed underground pipes or surface works and should be maintained and kept operating effectively. Only 2% of the respondents in the empirical study expressed satisfaction with the level of service delivered whereas 32% expressed outright dissatisfaction, 28% were not satisfied or dissatisfied and 19% refused to respond. The deduction was made that there was a high level of dissatisfaction by the respondents on the stormwater drainage service rendered by the local municipality. In contrast the Maletswai Local Municipality has commenced with improvements to the sewage disposal sites and the progress with the process is manifested by 41% of the respondents who expressed satisfaction with regards to the service. 28% of the respondents expressed dissatisfaction, 19% are neither satisfied nor dissatisfied and 12% refused to answer.

The solid waste removal service delivered by the Maletswai Local Municipality includes the regular collection and removal of refuse, recycling of solid waste and the collection and removal of garden refuse and 59% of the respondents expressed satisfaction with this service. The deduction was made, therefore, that the Maletswai Local Municipality has planned properly for rendering this service and its implementation strategy is successful.

The water supply service as delivered by the Maletswai Local Municipality includes the construction and maintenance of bulk water supply, construction and maintenance of water reticulation networks and supplying water connections to individual consumers. 68% of the respondents in the empirical study expressed satisfaction and only 3% expressed dissatisfaction with the delivery of this service, whilst 17% are neither satisfied nor dissatisfied and 12% refused to answer. It was found that this relatively high level of satisfaction is due to the fact that the local municipality complied with the decision with regards to free basic water and even exceeds the provision of national government.

Local economic development in the Maletswai Local Municipality has been confined to the development of a cultural village and community gardens. The fact that little effort takes place to stimulate local economic development by the municipality is an indictment on the elected political office-bearers (councillors) who are expected to be in the forefront when matters relating to job creation and poverty eradication have to be addressed at a local level. Although local economic development is a relatively

new function for municipalities, it should be used as an instrument for involving the local community in the economic activities in the area of jurisdiction of the Maletswai Local Municipality.

Results emanating from the empirical study confirmed an overall dissatisfaction amongst inhabitants with the level of service delivery by the Maletswai Local Municipality. The absence of performance agreements for the Section 57 employees and service standards as determined by Council in conjunction with the community compounds the problem since performance cannot be assessed in terms of an agreed-upon system. This is a manifestation of the lack of urgency and commitment that underlies the challenges faced by the Maletswai Local Municipality with regard to service delivery.

Moreover, numerous challenges exist that influence service delivery by the Maletswai Local Municipality. These challenges include the expectations of the community, financial matters and the implementation of a performance management system. The reality of the expectations of the community has to be considered against the poverty levels, the level of unemployment, the health situation and the lack of proper infrastructure. In terms of financial matters the Maletswai Local Municipality is challenged by a culture of non-payment for municipal services, poor financial management, shortage of pay points and a lack of legal measures to enforce accountability. According to feedback from the empirical study, other possible reasons for non-payment for municipal services are the political and administrative inability to deal with the problem effectively and a culture of entitlement

whereby members of the community expect these services to be delivered free of charge.

Despite the fact that Council adopted a comprehensive revenue management policy, the feedback from the empirical study indicated that the implementation thereof is lacking. Regarding the performance management system the challenge for the municipality is to solicit the political will to implement a suitable system to enable the institution to measure its level of service delivery.

These matters were discussed in detail and what follows are recommendations and a framework towards a strategy to improve service delivery in Category B municipalities in the Eastern Cape.

6.2 RECOMMENDATIONS

The following recommendations are proposed as guidelines for Category B municipalities in the Eastern Cape Province to improve service delivery in their particular local authorities.

6.2.1 Provide in-service training and skills development

The empirical study confirmed that the residents are satisfied with the processes of consultation, participation, freedom of expression and responsiveness as applied by the Maletswai Local Municipality. However, it is recommended that in an effort to maintain and improve on the existing situation, provision must be

made for constant in-service training and skills development for officials while creating opportunities for development.

6.2.2 Improve the understanding of roles of councillors and officials

The empirical study indicated that councillors and officials do not understand the respective roles of councillors and officials. Both parties should be capacitated in order to have an understanding of local government legislation, since the Structures Act and the Systems Act spell out the roles of councillors and officials. Therefore, it is recommended that in an effort to capacitate councillors and officials, workshops should be arranged on legislation relevant to local government in an effort to develop an understanding of applicable legislation and to engender respect for the legislation. The facilitator for these workshops should be from the Department of Provincial and Local Government.

6.2.3 Improve readiness for dealing with disasters

The Maletswai Local Municipality should request the Ukhahlamba District Municipality to assist the Local Municipality to improve its state of readiness by preparing a plan for handling disasters at a local level that will be aligned to the District Disaster Management Plan. This process should be funded by the District Municipality since Disaster Management is primarily a function allocated to the District Municipality.

6.2.4 Fire-fighting to revert back to District Municipality

According to the empirical study the Maletswai Local Municipality does not have the capacity to render a fire protection service. Therefore, it is recommended that the Ukhahlamba District Municipality be requested to take over the fire-fighting function from the Local Municipality since it is primarily a district municipality function in terms of Section 84 of the Structures Act.

6.2.5 Improve land-use control services

Respondents in the empirical survey expressed dissatisfaction with the level of land-use control services rendered by the Maletswai Local Municipality. The reason for the dissatisfaction is due to the lack of sufficient staff to implement existing legislation. It is recommended, therefore, that the Municipality create and fill positions on the existing organogram to perform the land-use control service. Failure to implement existing legislation will result in the establishment of uncontrolled informal settlements on vacant land.

6.2.6 Increase the number of traffic officers

Despite the fact that the empirical survey indicated that residents are satisfied with the traffic and policing service as delivered by the Maletswai Local Municipality, it is recommended that Council consider increasing the number of traffic officers in an effort to maintain the existing level of satisfaction.

6.2.7 Develop and implement a customer care policy

Emanating from complaints by the community as to how poorly they are received by municipal officials when visiting municipal offices, it is imperative for the Maletswai Local Municipality to develop and implement a customer care policy to create a positive and reciprocal relationship between the Council, residents and service providers. A service provider should be appointed to workshop officials on the contents of the policy on customer care as adopted by Council as well as the importance of customer care to influence the perception of the community regarding the level of service delivery positively. Customer care must be included as a KPI of individual employees in an effort to measure the reaction of the residents to this particular service. Moreover, councillors must be trained to have an understanding of the importance of customer care whereafter a policy should be compiled by the Municipal Manager and submitted to Council for approval. Provision should be made for the following:

- **Establishing of a call centre**

According to the empirical study respondents indicated that poor communication exists between residents and the local municipality. The establishment of an accessible call centre will improve the communication channels as it will provide a mechanism for users of services and ratepayers to give feedback to the Council with regards to the quality of the services delivered.

Furthermore, it provides mechanisms for residents to query or verify accounts and metered consumption and therefore the officials identified to man the call centre must be trained in terms of telephone etiquette and the basic compilation of municipal accounts and the response to calls should be prompt.

- **Commercialisation of accounts**

In addition to informing residents of municipal activities such as budget and ward meetings local businesses should be invited to advertise their goods and products on the monthly account for service delivery as distributed by the municipality. The advertisements should be placed at a cost determined by the Council and will also contribute to improved communication. The income generated by this process should be utilised to subsidise consumer accounts.

- **Develop a system of imbizos to improve community involvement**

As indicated in the thesis efforts to have community meetings to establish Ward Committees in the Maletswai Local Municipality have proven to be unsuccessful mainly due to non-attendance by residents. An alternative method of having imbizos with different wards may be the solution. These imbizos should be attended by all councillors and should be utilised to

forge partnerships with the communities in terms of service delivery.

6.2.8 Improve the maintenance of parks and open spaces

The empirical study confirmed that the Maletswai Local Municipality finds it difficult to keep parks, pavements and open spaces cleared of weeds and overgrowth due to a lack of equipment and capacity. To address this situation it is recommended that funds be budgeted for this purpose and that Council explores the possibility of establishing partnerships with members of the community. These partnerships should be based on the understanding that Council will provide the equipment and the community will provide the labour and the cost to be borne by Council. This arrangement will address the unemployment situation and also assist residence with the payment of municipal accounts.

6.2.9 Improve the condition of roads and streets

Respondents in the empirical study expressed dissatisfaction with the condition of the streets and roads in the area of jurisdiction of the Maletswai Local Municipality. It is recommended that the Council develop a strategy to improve the condition of roads and streets in its area of jurisdiction. This strategy must include the development of a masterplan for the maintenance of roads and streets and the sourcing of funds for the maintenance of roads and streets from the Ukhahlamba District Municipality. Alternatively the Maletswai Local Municipality must request the Demarcation

Board to allocate the power and function of roads and streets in the area of the municipality to the Ukhahlamba District municipality due to a lack of capacity.

6.2.10 Improve stormwater systems

According to the empirical study residents were dissatisfied with the stormwater drainage service rendered by the Council. It is recommended that the Council must develop strategies to improve the stormwater systems for the residents in the area of jurisdiction of the Maletswai Local Municipality. Strategies to improve the stormwater systems for the residents in the area of jurisdiction of the Maletswai Local Municipality should be the inclusion of stormwater systems with the masterplan for maintenance of roads and streets.

6.2.11 Improve solid waste removal service

Although the deduction was made that the Maletswai Local Municipality is delivering a satisfactory solid waste removal service, the Municipality will have to incur expenses in an effort to improve the level of satisfaction by purchasing equipment required to address problems experienced with refuse removal.

6.2.12 Obtain funding to address infrastructure shortcomings

Funding from outside sources such as the Ukhahlamba District Municipality and the Development Bank of Southern Africa will

have to be obtained by the Maletswai Local Municipality to address the infrastructure shortcomings in its area of jurisdiction.

6.2.13 Address the issue of non-payment

The empirical study confirmed that the issue of non-payment had an effect on the income of the Maletswai Local Municipality. It is recommended, therefore, that the Maletswai Local Municipality initiate a process of close co-operation with inhabitants to address the issue of non-payment in a collaborative, innovative and human-sensitive manner.

6.2.14 Improve revenue collection

The Municipality has approved a revenue collection policy. Officials should be capacitated to understand the policy to enable them to implement the policy without prejudice. Capacity building workshops should be conducted by the Municipal Manager on a bi-monthly basis to ensure that the officials of the local municipality are sensitised to the importance of collecting revenue and the implementation of the revenue collection policy. Although cognisance had been taken from the empirical study that a contributing factor to non-performance in this regard is due to a lack of political will, this can be rectified by implementing the procedures. This situation will improve the revenue collection of the municipality.

6.2.15 Increase the number of pay points

The management of the local municipality must approach the bankers of the Municipality as well as supermarkets in the area of jurisdiction of the Maletswai Local Municipality and arrange for consumers to be able to pay municipal accounts at these outlets. This arrangement will provide additional pay points for consumers and will lead to improvement with regards to the arrear accounts of the municipality.

6.2.16 Focus on strategies to alleviate poverty and facilitate job creation

The Maletswai Local Municipality should establish a unit to deal with local economic development. Funding should be obtained from the Municipal Infrastructure Grant as well as from the District Municipality to finance the unit. In addition, partnerships should be developed with the private sector in order to provide funding and expertise with regards to projects. Existing resources and expertise should be shared between the District and Local Municipalities and international support in terms of funding of projects needs to be elicited through effective marketing strategies.

6.2.17 Determine service delivery standards

According to the empirical study the Maletswai Local Municipality has not determined service delivery standards. It is recommended that a Citizen's Charter be developed for service

delivery in the area of jurisdiction of the local municipalities. This will ensure that service delivery by the Municipality can be measured and can contribute to remove the culture of non-payment for rates and service charges by the residents. It can thus create an environment conducive to an improved level of service delivery.

6.2.18 Integrate performance management system with achievement of goals

A performance management system has been approved by the Maletswai Local Municipality and must be integrated with the goals as set in the IDP. This will enable the Council to measure the level of service delivery to the community. Failure to implement a performance management system leads to a situation where the performance of councillors and officials cannot be assessed in a fair manner.

6.2.19 Establish municipal service partnerships for non-core functions

The Maletswai Local Municipality has already identified the importance of establishing a municipal service partnership for the Aliwal North Spa. The process must be expedited and other non-core activities such as the game reserve should also form part of a municipal service partnership in an effort to decrease the financial implications for Council.

6.2.20 Investigate the benefits of the modernisation of service delivery to communities

The establishment of an Infrastructure Development Unit within the municipality with the mandate to raise funds on the open market and to co-ordinate all engineering projects aimed at improving service delivery should be pursued. Emoluments for staff appointed to this Unit as well as other operating costs can be borne from money raised for projects.

6.2.21 Implement revenue management policy

The feedback from the empirical study indicated that despite the fact that Council adopted a comprehensive revenue management policy, the implementation thereof was lacking. It is recommended that the implementation of the revenue policy of Council be accepted as the most important KPI of the Municipal Manager and that there will be no interference by councillors in the implementation of the policy. Monthly progress reports on the implementation process must be submitted to Council as the current situation impacts negatively on revenue collection and service delivery as finances are required to fund services rendered to the community.

These recommendations should be incorporated with service delivery standards and a **framework** that provides for a comprehensive approach for improving service delivery. This **framework** should include a process of identifying who the customers are, establishing the needs and priorities of the

customers, determining the position of the current service, determining the relation between the current service and service standards, gearing up for delivery, monitoring delivery against standards and appointing the right people in the right positions. This process will subsequently be explained.

- ***Identifying who the customers are***

Municipalities should identify their customers. It is a continuous process that requires courtesy and rationality that is inextricably linked to the political and socio-economic realities of the country.

- ***Establishing needs and priorities of the customers***

After the process of identifying the customers has been initiated, municipalities should ensure that the needs and priorities of such customers are ascertained and realised. On the basis of available data, and possibly after having conducted a needs analysis survey, policy makers such as councillors would then be able to prioritise the needs of customers. Municipalities should ensure that stakeholders are consulted. According to Hilliard and Msaseni (2000:78) the process of consultation and inclusiveness can be expensive, nonetheless, it is essential and usually inevitable. Before service delivery standards can be set it is essential to know what customers need. The needs of the citizens are always unlimited, while municipal resources are limited (Du Toit and van der Waldt 1997:

27). Consequently no municipality can afford to provide in all the needs of all the citizens. It can barely afford to provide and satisfy the basic needs of its citizens. Municipalities, therefore, may determine a current service baseline.

- ***Determining the position of the current service***

The identification of customer needs and priorities requires intensive research to obtain precise, reliable information. In assessing existing service delivery levels, benchmarks or baselines are essential (Hilliard and Msaseni 2000:78). Service delivery baselines should be utilised as yardsticks in identifying problem areas in present service delivery.

- ***Determining the relation between the current service and service standards***

The identification of the relation between the current service and service standards relates to priorities and actions that should be taken by a municipality to meet customer needs. It requires a comparison of the current service delivery profile of the municipality with the agreed upon requirements of standards. This should assist the municipality in identifying some areas where customer demands and standards are falling below expectations. Once the baseline has been established and the problem areas identified, human resource training and retraining

can commence and new work methods and procedures can be established.

- ***Gearing up for delivery***

Delivery of municipal services is an inclusive process in which all stakeholders should be involved. The gearing up for the delivery phase involves the control functions as well as accountability for Municipal Managers for their actions or inactions (Cloete 1997:40).

- ***Monitoring delivery against standards and publishing results***

In South Africa the delivery of essential services and standards are monitored and regulated by the national sphere of government. Accomplishments must be measured against pre-determined standards so as to identify any deviations that might occur. Therefore, the implementation phase must be flexible enough so that corrective action can be accommodated when the need arises.

The final step is to establish whether the services have met the standards that were set, to announce the results to the customers, and to provide reasons why the service has fallen short of what was promised or anticipated. These results should be published, indicating successes and failures. The municipality should then indicate how it

plans to remedy its failures. Citizens should have some recourse, or should know through which channels they can complain so that the necessary remedial steps can be taken.

- *Appoint the right people in the right positions*

The power of appointments that lies in the hands of municipal councillors involves more than merely dismissing people from positions. Appointments are a source of patronage that may be doled out selectively to prevent the development of power centres within the area of jurisdiction of the municipality (Migdal 1987:409). Probably the most popular method is to appoint top members in the local branches of the ruling political party to top management positions in the municipality. These appointments may be due to a situation where during periods of transformation, the distinctions between management and political leadership tend to be vague and politicians become involved in organisational matters while officials are drawn into policy-making (Human 1998:95). However, these distinctions begin to disappear as new departments evolve, politicians spend more time doing strictly political work and managers turn to the business of running their organisations.

The effort by the ruling political party to take over the levers of power by means of deployment of loyalists have the negative implication that it may attract those whose sole aim is to further their personal careers and to enrich

themselves. These people may not have the skills or qualifications required to successfully manage a local municipality and as a result service delivery may be affected by such an appointment.

According to Fourie (1998:230) it is essential to appoint competent staff to achieve success in the delivery of service. Competence implies that the staff member should have the necessary skills and knowledge to deliver the service. This involves the knowledge and skill of frontline workers, in other words the workers who first come into contact with the customer. Furthermore, it is imperative that the operational support personnel should have the knowledge and skill to support the frontline workers. Without their support the frontline workers should not be able to perform their jobs effectively and efficiently.

It is thus evident that the current system of Category B municipalities in South Africa is established, but it does not imply improved service delivery. Councils are democratically elected and as far as possible municipalities are made up of both the former advantaged and the former disadvantaged areas. The shortcoming in the current system is the lack of a uniform framework towards a strategy to improve service delivery. This thesis proposed a framework to be adopted by Category B municipalities to improve service delivery to the citizens.

Apart from the afore-mentioned challenges facing local government and recommendations made to overcome these challenges, the feedback from the empirical study also highlighted

the following issues as challenges to improve service delivery, namely Black Economic Empowerment, promotion of tourism, entrepreneurial skills development, renovation of schools, building of old age homes, building of day hospitals, improved public relations, the recalling of current elected councillors, developing and implementing youth development programmes and the improvement of recreational facilities.

BIBLIOGRAPHY



Abrams, D. and Hogg, M.A. (eds). 2000. *Social Identity and Social Cognition*. Oxford: Blackwell Publishers.

Adlem, J. and Du Pisani, A. 1982. *Stedelike Politiek en Administrasie: 'n Inleiding*. Pretoria: Haum Opvoedkundige Uitgewery.

Adlem, W.L.J. (ed.) 1992. *Plaaslike Owerheidswese in 'n oorgangsfase in Suid-Afrika: Vergelykbare Perspektief*. Pretoria: Universiteit van Suid- Afrika.

African National Congress 1993. *Reconstruction and Development Programme*: Johannesburg: Umanyano Publications.

African National Congress 1994. *The Reconstruction and Development Programme*. Johannesburg: Umanyano Publications.

African National Congress 2004. *A people's contract to create work and fight poverty*: January 8th Statement. Johannesburg.

Allan, K. Gotz, G. and Joseph, C. 2001. *Johannesburg an African city in change*. Johannesburg: Zebra Press.

Aliwal Weekly, 2002. Editorial. 6 December.

Anderson, J.E. 1984. *Public Policy-making*. Orlando: Holt, Rinehart & Wilson.

Arredondo, L. 2000. *Communicating effectively*. New York: McGraw Hill.

ASEAN 1993. *The role of the civil servant in meeting the challenges in the year 2000 and beyond*. Proceedings of the sixth ASEAN conference on Civil Service Matters, Management Services Department, Prime Minister's Office, Brunei Darussalam.

Atkinson, D. and Ravenscroft, P. 2002. *Alternative service delivery options for municipalities in the rural areas: Kamiesberg Local Municipality Case Study*. Cape Town: Water Research Commission.

Atkinson, D. 1995. Towards the end of the beginning, *Towards Democracy: First Quarter*. Johannesburg.

Atkinson, D. 2003. Post-apartheid local government reforms: A small town perspective, *CDE FOCUS* Number 8. Johannesburg: CDE.

Auditor-General, 2002. Maletswai Local Municipality (Former Jamestown TLC). Audit of accounts for the financial year ended 30 June 2001.

Babbie, E. 1998. *The practice of social research*. Eighth Edition. London: Thomson Publishing.

Barlow, I.M. 1991. *Metropolitan government*. London and New York: Routledge.

Bayat, M.S. and Meyer, I.H. 1994. *Public Administration: Concepts, theory and practice*. Halfway House: Southern Book Publishers.

Bekker, C. 2002. Former Town Clerk, Jamestown Transitional Local Council. Personal interview, 30 May, Jamestown.

Bekker, J.C.O. 1999. *The paradoxes of quality service delivery and public sector transformation in South Africa*. Paper presented at the Human Resources for Development Conference: Manchester: 28-30 June.

Bekker, S. and Humphries, R. 1985. *From control to confusion: the changing role of Administration Boards in South Africa*. Pietermaritzburg: Schuter & Shooter/ISER in association with the Rhodes University Institute of Social and Economic Research.

Bekkers, J.J.M. and Zouridis, S. 1999. Electronic service delivery in public administration: Some trends and issues, *International Review of Administrative Sciences* Vol 65 No 2.

Berger, P.L. and Berger, B. 1972. *Sociology and Biology Approach*. New York Basic Books Inc. Publishers.

Bernstein, A. 1994. Questions on how cities should be managed and governed, *Municipal & Public Works Services* Vol. 13 No 7. Auckland Park: Malnor Ltd.

Binmore, K. 2004. *A utilitarian theory of political legitimacy*. ESRC Centre on Economics Learning and Social Evolution. <http://netec.mcc.ac.uk/WoPEc/data/Papers/elsesrcls031.html>.

Blundell, B. and Murdock, A. 1997. *Managing in the public sector*. London: Butterworth Heinemann.

Booyesen, F. le R. 2003. *HIV/Aids and Poverty Dynamics*. Bloemfontein: University of the Free State.

Boraine, A. 1998. Proposed White Paper on Local Government, *Completing the Circle of Democracy: A collection of papers presented during the launch of the South African Local Government Association at the Local Government Summit held in Durban*. Durban: Butterworths.

Botes, P.S. 1992. *Public Administration and Management: A Guide to Central Regional and Municipal Administration and Management*. Pretoria: HAUM Tertiary.

Botes, P.S. 1994. *Aspects of supervision: A guide for the contemporary public manager*. Johannesburg: Southern Book Publishers.

Bowman, C. and Asch, D. 1987. *Strategic Management*. Basingstoke: Macmillan.

Box, R. 1998. *Citizen government*. New York: Sage.

Burger, A.P.J. Theron, F. Van Rooyen, A. (eds) 1996. *Challenges in Change*. Stellenbosch: University of Stellenbosch.

Business Day, 2002. Editorial. 4 July.

Caiden, G.E. 1982. *Public Administration* Second Edition. Berlin: Palisades Publishers Pacific.

Caiden, G.E. 1991. *Administrative Reform comes of age*. Berlin: Walter de Gruyter Studies in Organization.

Cameron, C. 1991. Organisational revolution: Activity, analysis and functional rationalization, *O & M*, Vol. 30, No 1.

Cameron, R.G. 1993. Regional Services Councils in South Africa: past, present and future, *Public Administration*, Vol. 71, No 3.

Cameron, R.G. and Stone, A.B. 1995. *Serving the public*. Cape Town: J L Van Schaik.

Cameron, R.G. 1996. The democratization of South African local government, *Local Government Studies*, Vol.22, No 1.

Cameron, R. 1999. *Democratisation of South African local government: A tale of three cities*. Cape Town: J L Van Schaik.

Cameron, R. 2003. Politics–administration interface: the case of the city of Cape Town, *International Review of Administrative Sciences*, Vol. 69, No 1.

Census 2001 issued by Statistics SA. Pretoria: Government Printers.

Centre for Development and Enterprise 1998. *The White Paper: A Review*: Johannesburg.

Centre for Health Systems Research and Development 2002. *Strengthening local government and civic responses to the HIV/AIDS epidemic in South Africa*. Bloemfontein: University of the Free State.

Centre for Development Support 2001. *Payment of municipal services project*. Bloemfontein: University of the Free State.

Centre for Policy Studies 1992. *Issues of Representation in Local Government*. Pretoria.

Chapman, R. A. 1994. Social change through public administration, *Politeia*, Vol. 13, No 1.

Child, J. 1984. *Organization: A guide to problems and practice*. Second Edition. London: Paul Chapman Publishing.

Clarke, M. and Stewart, J. 1990. *Managing Local Government: General Management in Local Government: Getting the balance right*. Glasgow: Longman Group (UK) Ltd.

Cloete, F. 1995. *Local government transformation in South Africa*. Pretoria: J L Van Schaik.

Cloete, F. 1999. Impact of the Presidential Review Commission: Report on sustainable service delivery in South Africa, *Journal of Public Administration*, Vol. 34, No 4.

Cloete, F. 2000. *At full speed the tiger cubs stumbled: Lessons from East Asia about sustainable public service delivery*. Pretoria: Human Sciences Research Council.

Cloete, F. and Mokgoro, J. 1995. *Policies for public service transformation*. Cape Town: Juta and Company Ltd.

Cloete, J.J.N. 1986. *Towns and Cities: their government and administration*. Pretoria: J L Van Schaik.

Cloete, J.J.N. 1995. *Public administration glossary*. Pretoria: J L Van Schaik.

Cloete, J.J.N. 1996. *Public Administration and Management: New Constitutional Dispensation*. Pretoria: J L Van Schaik.

Cloete, J.J.N, 1997. *South African Municipal Government and Administration-New Constitutional dispensation*. Pretoria. J L Van Schaik.

Cloete, J.J.N. 1998. *South African Public Administration and Management*. Pretoria: J L Van Schaik.

Coetzee, W.A.J. 1988. *Public Administration: A South African Introductory Perspective*. Pretoria: J L Van Schaik.

Cohen, J.M. and Peterson, D.A. 1996. *Administrative decentralization and development: Policy implementation in developing countries*. New York: UN/DDSMS.

Commonwealth Secretariat 1995. *From problem to solution: commonwealth strategies for reform*. London: Commonwealth Secretariat.

Commonwealth Secretariat 1997. *Better policy support: improving policy management in the public service*. London: Commonwealth Secretariat.

Council for the Co-ordination of Local Government Affairs, 1992. Report regarding local government in the transitional phase.

Crabtree, B.F. and Miller, W.L. 1992. *Doing qualitative research*. London: SAGE Publications.

Craythorne, D. 1993. *Municipal Administration: A Handbook*. Third Edition. Cape Town: Juta and Company Ltd.

Craythorne, D. 1997. *Municipal Administration: A Handbook*. Fourth Edition. Cape Town: Juta and Company Ltd.

Craythorne, D. 2003. *Municipal Administration: A Handbook*. Fifth Edition. Cape Town: Juta and Company Ltd.

Daily Dispatch 2002. Councillors to perform duties. 4 October.

David, F.R. 1993. *Concepts of Strategic Management*. Fourth Edition: New York: Macmillan.

De Jager, G. 2003. Chairman of the Maletswai Finance Standing Committee.. Personal Interview, 1 June, Aliwal North.

Deloitte & Touche, 1997. *T.A.S.K. Job evaluation notes*. Johannesburg Press.

Denscombe, M. 1998. *The good research guide for small-scale research projects*. Philadelphia: Open University Press.

Dente, B. and Kjellberg, F. (eds) 1988. *The dynamics of institutional change: Local government reorganization in Western Democracies*. London: Sage Publications.

Department of Health Statistics 2003. Pretoria: Government Printers.

Derbyshire, D. J. 1984. *An Introduction to Public Administration: People, Politics, and Power*. Second Edition. London: McGraw-Hill Book Company (UK) Limited.

Devenish, G. E. 1998. *A Commentary on the South African Constitution*. Durban: Butterworths.

Devenish, G.E., Govender, K. and Hulme, D.H. 2001. *Administrative Law and Justice in South Africa*. Durban: Butterworths.

De Villiers, B. 1994. *Birth of a Constitution*. Cape Town: Juta and Company Ltd.

De Villiers, S. (ed) 2001. *Johannesburg an African City in change*. Johannesburg: Zebra Press.

De Visser, J. 2002. Definition of municipal services, *Local Government Law Bulletin*, Vol. 4, No 1.

De Vos, A.S. 2001. *Research at Grass Roots*. Pretoria: J.LVan Schaik.

Dillinger, W. 1993. *Decentralization and implications for urban service delivery*. Washington, DC: The World Bank.

Dooley, D. 1984. *Social Research Methods*. New Jersey: Prentice-Hall, Inc.

Duff and Phelps Credit Rating Company 1998. *Survey conducted on financial viability of municipalities*. Johannesburg.

Dunleavy, P. 1980. *Urban political analysis*. London: The Macmillan Press.

Du Toit, D.F.P. Van der Waldt, G. Bayat, M.S. and Cheminais, J. 1998. *Public Administration for effective governance*. Cape Town: Juta and Company Ltd.

Du Toit, D.F.P. Van der Waldt, G. 1997. *Public Management: The Grassroots*. Cape Town. Juta and Company Ltd.

Elcock, H. 1991. *Change and decay? Public Administration in the 1990s*. New York: Longman Inc.

Erasmus, P.W. and Visser, C.B. 2002. *Government Finance*. Kenwyn: Juta and Company Ltd.

Evans, S. 1969. *Management Committees in local government*. Cape Town: Juta and Company Ltd.

Farazmand, A. (ed) 1997. *Modern systems of government: Exploring the Role of Bureaucrats and Politicians*. Thousand Oaks, California: SAGE Publications Inc.

Financial viability and sustainability 2002. A discussion document submitted to the National General Council Meeting of SALGA, November.

Finer, S. E. 1978. *Comparative Government*. London: Penguin Books.

Fitzgerald, P. McLennan, A. and Munslow, B. (eds) 1995. *Managing Sustainable Development in South Africa*. Cape Town: Oxford University Press.

Flynn, N. 1997. *Public sector management*. London: Prentice Hall.

Forsyth, D.R. 1999. *Group Dynamics*. Third Edition. Belmont: Wadsworth Publishing Company.

Fourie, D. 1998. Achieving Service Excellence in Local Government, *SAIPA Journal of Public Administration*, Vol. 33, No 4.

Friedman, F. 2001. Partnerships with communities could prevent another Bredell: We're too worried about delivery, *Mail & Guardian*. July 20.

Fox, W. Meyer I. 1995. *Public Administration Dictionary*. Cape Town. Juta and Company Ltd.

Fox, W. Schwella, E. and Wissink, H. 1997. *Public Management*. Cape Town: Juta and Company Ltd.

Gildenhuis, J.S.H. 1993. *Public Financial Management*. Pretoria: J L Van Schaik.

Gildenhuis, J.S.H. 1997. *Restructuring your local government: A practical guide*. Pretoria: J L Van Schaik.

Goldsmith, M. 1984. *Politics, planning and the City*. London: Hutchinsons and Co (Publishers) Ltd.

Grobler, P.A. Warnich, S. Carrell, M.R. Elbert, N.F. and Hatfield, R.D. 2002. *Human Resource Management in South Africa*. Second Edition. London: Thomson Learning.

Gugler, I. (ed) 1997. *Cities in the developing world: Issues, Theory and Policy*. New York: Oxford University Press Inc.

Halachmi, A. Bouckaert, G. 1995. *The enduring challenges in public management: Surviving and excelling in a changing world*. San Francisco: Jossey-Bass Publishers.

Hanekom, S.X. Rowland, R.W. Bain, E.G. (eds) 1992. *Key aspects of Public Administration*. Revised Edition. Halfway House: Southern Book Publishers (Pty) Ltd.

Hanekom, S.X. Thornhill, C. 1993. *Public Administration in Contemporary Society: A South African Perspective*. Halfway House: Southern Book Publishers.

Hardiman, T.P. and Mulreany, M. 1991. *Efficiency and Effectiveness in the Public Domain*. Dublin: Institute of Public Administration.

Harrison, J. Holloway, M. Jenkins, T. Martin, F. and Mills, G. 1993. *Management and Strategy*. 1994 Edition, Paper 12. London: Certified Accountants Educational Projects.

Hellman, E. and Lever, H. (eds) 1979. *Conflict and progress*. Johannesburg: Macmillan.

Helriegel, D. Jackson, S.E. Slocum, J. Staude, G. and Associates. 2001. *Management*. South African Edition. Cape Town: Oxford University Press.

Hendricks, H. 2002. Municipal Manager of the Maletswai Local Municipality. Personal interview, 5 September, Aliwal North.

Hendricks, H. 2003. Municipal Manager of the Maletswai Local Municipality. Personal interview, 3 June, Aliwal North.

Hendricks, H. 2004. Municipal Manager of the Maletswai Local Municipality. Personal interview, 3 May, Aliwal North.

Heymans, C. and Totemeyer, G. 1988. *Government by the people*. Kenwyn: Juta and Company Ltd.

Heyneke, A.W. 1994. Die praktiese toepassing van konstitusionele hervorming op plaaslike regeringsvlak in

Transvaal, *Instituut van Stadsklerke van Suidelike Afrika. Referaat gelewer tydens die tweedaagse byeenkoms.* Oos-Londen. June.

Hill, D.M. 1974. *Democratic Theory and Local Government.* London: George Allen and Unwin Ltd.

Hilliard, V.G. and Msaseni, W.S. 2000. Strategies for improving service delivery in the South African public service, *Administratio Publica*, Vol. 10, No 1.

Horan, J.F. and Taylor, G.T. (Jr) 1977. *Experiments in Metropolitan Government.* New York: Praeger Publishers.

Houston, G. Humphries, R. Liebenberg, I. and Dichaba, W. 2000. Public participation in developmental local government in Pretoria, *Journal of Public Administration*, Vol. 35, No 1.

Huizendveld, H.H. 1998. *Vergezichten: Gemeentelijke revolutes in communicatie en diensverlening ann de burger.* Alphen aan den Rijn: Samson Bedrijfsinformatie.

Human, P. 1998. *Yenza: A blueprint for transformation.* Cape Town: Oxford University Press Southern Africa.

Humphries, R. and Shubane, K. 1989. A Tale of Two Squirrels, *Centre for Policy Studies, South Africa at the End of the Eighties, Policy Perspectives.* Johannesburg: University of the Witwatersrand.

Hunt, M. and O'Toole, B.J. (eds) 1998. *Reform, Ethics and Leadership in Public Service: A Festschrift in honour of Richard A. Chapman*. Aldershot: Ashgate Publishing Limited.

Huntington, S.P. 1968. *Political order in changing society*. London: Yale University Press.

Huntington, S.P. 1993. *The Third Wave: Democratization in the late twentieth century*. London: University of Oklahoma Press.

Huntington, S.P. 1993. The clash of civilization. *Foreign Affairs* Vol. 72, No 3.

Industry Commission 1997. *Performance Measures for Councils: improving local government performance indicators*. Melbourne: AGPS.

Ismail, N. Bayat, S. and Meyer, I. 1999. *Local government management*. Johannesburg: International Thomson Publishing Southern Africa (Pty) Ltd.

Ismail, N. and Mphaisha, C.J.J. 1997. *The Final Constitution of South Africa: Local Government Provisions and their Implications*. Johannesburg: Konrad-Adenauer Stiftung.

Johnson, D.W. and Johnson, F.P. 2003. *Joining Together: Group Theory and Group Skills*. Eighth Edition. Boston: Pearson Education Inc.

Johnson, R.A. and Walzer, N. (eds) 2000. *Local Government Innovation: Issues and trends in privatization and managed competition*. London: Quorum Books.

Josie, J. 2002. *Local government finance in South Africa: Key challenges*. Speech delivered by Deputy Chairperson of the Financial and Fiscal Commission at the National General Council Meeting of SALGA, Gallagher Estate Johannesburg. November.

Kemp, N. 1993. Affirmative Action and Managerial Expectations, *Human Resources Management*, Vol. 9, No 4.

Kester, I. Painter, C. and Barnes, C. (eds) 1997. *Management in the public sector: Challenge and change*. London: International Thomson Business Press.

Khosa, M. (ed), 2000. *Empowerment through Service Delivery*. Pretoria: Human Sciences Research Council.

Kickert, W.J.M. (ed) 1993. *Veranderingen in management en organisatie bij de Rijksoverheid*. Alphen a/d Rhojn: Tjeenk Willink.

King, M. 2002. *King Committee on Corporate Governance Report*. Parktown: Institute of Directors.

Kobrak, P. 1993. *The political environment of public management*. Michigan: Harper Collins College Publishers.

Kooiman, J. 1996. Research and theory about new public services management review and agenda for the future, *International Journal of Public Sector Management*, Vol. 9, Nos 5/6.

Kroon, J. (ed) 1997. *General Management*. Pretoria: Kagiso Tertiary.

Kroukamp, H. 1999. Accelerating the transformation of public service delivery in South Africa: Challenges in the new millennium, *Journal of Public Administration*, Vol. 34, No 4.

Kroukamp, H. 2000. Decentralisation or recentralisation: international lessons for South Africa, *Acta Academica*, Vol. 32, No 3.

Kroukamp, H. 2001. *Citizen participation in governance: Fact or fallacy*. Paper delivered at the 25th Congress of the International Institute of Administrative Sciences, Athens, Greece, July.

Leach, S. Davis, S. Game, C. and Skelcher, C. 1999. *After abolition: The operation of the post-1986 metropolitan government system in England*. Birmingham: PSI Publishing.

Leedy, P.D. 1993. *Practical Research: Planning and design*. New York: Macmillan Publishing Co.

Links, S.B. Daniels, P.I. and Bailey, H.A. 2004. An Analysis of the status of democracy in South Africa, with specific reference to local government, *Administratio Publica*, Vol. 12, No 1.

Lips, M. and Frissen, P.H.A. 1997. *Wiring government: Integrated public service delivery through ICT*. Alphen aan den Rijn: Samson Bedrijfsinformatie.

Loewen, J. 1997. *The power of strategy: A practical guide for South African managers*. Sandton: Zebra Press.

Louw, H. A. 1999. *Transformation in local government: Implications and challenges*. Paper delivered at the SAIMAS (Local Government Division) conference, Bellville, Cape Town, March.

Lungu, G.F. 1997. *Intergovernmental Relations*. Paper delivered at an Institute of South Africa: Training for Emerging Local Government Managers. Port Elizabeth Technikon, March 9-14.

Mafunisa, M.J. 2003. Separation of politics from the South African public service: Rhetoric or reality? *Journal of Public Administration*, Vol. 38, No 2.

Maganya, E. and Houghton, R. 1996. *Transformation in South Africa ? Policy Debates in the 1990's*. Johannesburg: Institute for African Alternatives.

Mamaila, K. 2001. Battle over hearts and minds of the poor in *The Star* 30 August.

Maletswai Local Municipality 2002. Annual Report of the Mayor of the Maletswai Local Municipality to the community.

Maletswai Municipality Integrated Development Plan: 10 April 2002.

Maletswai Local Municipality 2003. Letter from the Municipal Manager of the Maletswai Local Municipality to the MEC: Department of Housing, Local Government and Traditional Affairs on interference of councillors in the administration.

Maletswai Local Municipality 2003. Letter from the MEC: Department of Housing, Local Government and Traditional Affairs on interference of councillors in the administration.

Maletswai Local Municipality 2000. Minutes of a Local Consultative Forum meeting held on 8 March.

Maletswai Local Municipality 2000. Minutes of a Local Consultative Forum meeting held on 5 June.

Maletswai Local Municipality 2003. Minutes of a Special Council Meeting of the Maletswai Local Municipality held on 12 February.

Maletswai Local Municipality 2003. *Maletswai Outreach Report.*

Maletswai Local Municipality 2001. *Placement Policy Document.*

Maletswai Local Municipality *Undated Report.*

Mandungandaba, T. 1999. *Strategies towards economic survival within local government*. Paper delivered at the SAIMAS (Local Government Division) conference, Bellville, Cape Town, March.

Manuel, T. 2002. Speech delivered by the Minister of Finance at the National General Council Meeting of SALGA, Gallagher Estate, Johannesburg, November.

Manyindo, D. 2002. *Project Viability: Quo Vadis*. Paper delivered at the IMFO conference, in Cape Town, October.

Marais, D. 1993. *South Africa: Constitutional Development. A Multi-disciplinary Approach*. Revised Edition. Halfway House: Southern Book Publishers (Pty) Ltd.

Martel, L. 1986. *Mastering Change: the key to business success*. London: Grafton Books.

Masango, R. 2000. Towards efficiency and effectiveness in the public sector, *Journal of Public Administration*, Vol. 35, No 1.

Maseko, P. 1998. *Management of a growing, transforming and dynamic local government*. Johannesburg: Unpublished Paper.

Mawhood, P. (editor) 1993. *Local Government in the Third World: Experience of decentralization in tropical Africa*. Second Edition. Pretoria: Institute of South Africa.

Mbeki, T. 2001. Address to the National Council of Provinces on 13 November: Pretoria: The Presidency.

McDonald, D. and Pape, J. (editors) 2002. *Cost Recovery and the Crisis of Service Delivery in South Africa*. Pretoria: HSRC Publishers.

McDonald, D. and Pape, J. 2002. Cost recovery is not sustainable, *Mail & Guardian*: 30 August.

Meiring, M.H. and Parsons, C.R. 1994. *Fundamental Public Administration: A Guide for a Changing South Africa*. Port Elizabeth: University of Port Elizabeth.

Meyer, J. 1978. *Local Government Law. Vol 1: General principles*. Durban: Butterworths.

Meyer, M. and Botha, E. (eds) 2000. *Organisational Development and Transformation in South Africa*. Durban: Butterworths.

Migdal, J.S. 1987. Strong States, Weak States: Power and Accommodation in Weiner, M and Huntington, S.P. (eds). *Understanding political development*. New York: Harper Collins pp 391-434.

Miller, H.T. and Simmons, R. 1998. The irony of privatization, *Administration & Society*, Vol. 30 No 5. Virginia: Polytechnic Institute and State University.

Mkhatshwa, S. 2002. Chairperson's report to the National General Council Meeting of SALGA. Midrand: SALGA.

Mokate, R. 1999. Local economic development and the national anti-poverty strategy: Meeting the basic needs of people, *Journal of Public Administration* Vol. 34, No 3.

Monobe, R.J. 2001. *The use of information technology in initial teacher education in historically Black universities in the Northern Province*. Johannesburg: Rand Afrikaans University: Unpublished thesis.

Mouton, J. and Marais, H.C. 1988. *Metodologie van die Geesteswetenskappe. Basiese begrippe*. Pretoria: RGN.

Mufamadi, F.S. 2003. *Local Government service partnerships: The South African experience*. Pretoria: Department of Provincial and Local Government.

Naidoo, J. 1995. Setting the agenda, *Municipal & Public Works Services*, Vol. 15, No 5.

Naidoo, J. 1995. The essence of local government, *Municipal & Public Works Services*, Vol. 15, No 5.

National Health Bill 2003. Ministry of Health. Pretoria: Government Printers.

Newton, K. and Karran, J.J. 1985. *The Politics of Local Expenditure*. London: Macmillan.

Nonkonyana, M.G. and Tokwe, M. 2001. Report on the investigation conducted at Aliwal North Administrative Unit of Maletswai Municipality: 28 May to 26 June.

Nthai, S. (ed) 1994. *Local government: focus on rural local government*. Johannesburg: The Bookworks.

Nzimande, B. and Sikhosana, M. (eds) 1996. *Affirmative Action and Transformation*. Dalbridge, Durban: Indicator Press for the Education Policy Unit, University of Natal.

O'Connor, C.A. 1993. *The handbook for organizational change: Strategy and skill for trainers and developers*. London: McGraw-Hill Book Company.

Odendaal, M.J. 2000. The role of local government in local economic development, *Journal of Public Administration*, Vol.35, No 3.

Odendaal, M.J. 2003. Sustainable local communities: What is the role of South African metropolitan governments, *Journal of Public Administration*, Vol. 38, No 1.

O'Leary, B. 1987. Why was the GLC abolished? *International Journal of Urban and Regional Research*, Vol. 11, No 2.

Pauw, J.C. Woods, G. Van der Linde, G.J.A. Fourie, D. and Visser, C.B. 2002. *Managing public money: A system from the South*. Johannesburg: Heinemann Publishers (Pty) Ltd.

Penceliah, Y. and Moodley, S. 2002. Serving the public in the new millenium: A South African perspective, *Journal of Public Administration*, Vol. 37, No 1.

Pentz, O. 1998. *Social Research Methods*. New York: Ally and Bacon.

Performance Management and Development Guide. 1999. Ministry of Provincial Affairs and Local Government. Pretoria: Government Printers.

Pfiffner, P. and Shwayder, P. 1997. Promoting a more competitive government: A report to the General Assembly by the Commission on privatization. [http://www.state.co.us/government dir/gss/edo/priv/privtext.htm](http://www.state.co.us/government/dir/gss/edo/priv/privtext.htm).

Planact, 1992. *The Reorganisation of Local Government in South Africa*. Johannesburg: Planact.

Portfolio Committee on Provincial and Local Government National Assembly 2003. *Report on Study Tour of Municipalities*. Pretoria: Government Printers.

Project Viability 1998. Department of Provincial Affairs and Constitutional Development. Pretoria: Government Printers.

Reddy, P.S. 1993. Local government in transition for a democratic South Africa, *Politeia*, Vol. 12 No 1.

Reddy, P.S. (ed) 1996. *Readings in local government management and development: A South African perspective*. Kenwyn: Juta and Company Ltd.

Reddy, P.S. (ed) 1999. *Local Government Democratisation and Decentralisation: A Review of the Southern African Region*. Kenwyn. Juta and Company Ltd.

Reddy, P.S. Sing, D. and Moodley, S. 2003. *Local Government Financing and Development in Southern Africa*. Cape Town: Oxford University Press Southern Africa.

Robbins, S. P. 2001. *Organizational Behavior*. New Jersey: Prentice-Hall, Inc.

Roome, P. 1998. *Transformation of structures and systems: positioning local government for the next millenium*. Paper delivered at the IMFO conference, Worcester, September.

Roome, P. 1999. *Local Government Systems Bill*. Discussion paper for the ILGM conference, Bloemfontein, June.

Schütte, L.S. Schwella, E. and Fitzgerald, P. 1995. *Changing Public and Development Management: South African cases*. Kenwyn: Juta and Company Ltd.

Schwella, E. Fox, W and Wissink, H. 1990. *Public Management*. Kenwyn: Juta and Company Ltd.

Schwella, E. Burger, J. Fox, W. Müller, J.J. 1996. *Public Resource Management*. Kenwyn: Juta and Company Ltd.

Scott, A.J. 2002. *Financial policy environment*. Paper delivered at the SALGA conference, Johannesburg, October.

Sekoto, M. and Van Straaten, F. 1999. Focusing on the customer in the public sector, *Journal of Public Administration*, Vol. 34, No 2.

Sepotokele, T. 2001. Free water and electricity: Bringing millions out of the dark ages. *The Star* 9 July.

Shafritz, I.M. Russell, E.W. 1997. *Introducing Public Administration*. New York: Addison-Wesley Educational Publishers Inc.

Sharma, A. and Agnihotri, V.K. 2001. New developments in public administration: The citizen's charter: The Indian experience, *International Review of Administrative Sciences*, Vol. 67, No 1.

Smit, G.J. 1985. *Navorsingsmetodes in die gedragswetenskappe*. Pretoria: HAUM Opvoedkundige Uitgewers.

Smit, P.J. Cronje, G.J. de J. (eds) 1999. *Management Principles: A Contemporary Edition for Africa*. Second Edition. Kenwyn: Juta and Company Ltd.

South Africa (Republic) 1991. *Physical Planning Act* (Act 125 of 1991). Pretoria: Government Printers.

South Africa (Republic) 1993. *Regional Industrial Development Act* (Act 187 of 1993): Pretoria: Government Printers.

South Africa (Republic) 1995. *Development Facilitation Act* (Act 67 of 1995): Pretoria: Government Printers.

South Africa (Republic) 1996. *Constitution of the Republic of South Africa* (Act 108 of 1996): Pretoria: Government Printers.

South Africa (Republic) 1998. Developing a culture of good governance: *Report of the Presidential Review Commission on the reform and transformation of the public service in South Africa*. Pretoria: Government Printers.

South Africa (Republic) 2003. *Intergovernmental Fiscal Review*. Pretoria: Government Printers.

South Africa (Republic) 1998. *Local Government: Demarcation* (Act 27 of 1998). Pretoria: Government Printers.

South Africa (Republic) 1998. *Local Government: Municipal Structures Act* (Act 117 of 1998): Pretoria: Government Printers.

South Africa (Republic) 2000. *Local Government: Systems Act* (Act 32 of 2000): Pretoria: Government Printers.

South Africa (Republic) 2001. *National Housing Code*. Pretoria: Government Printers.

South Africa (Republic) 2004. *Property Rating Act* (Act 6 of 2004): Pretoria: Government Printers.

South Africa (Republic) 1950. *Population Registration Act* (Act 30 of 1950). Pretoria: Government Printers.

South Africa (Republic) 2000. *The White Paper on Municipal Service Partnerships*. Pretoria: Government Printers.

South Africa (Republic) 1997. *The White Paper on Transforming Public Service Delivery – Batho Pele-“People First”* Pretoria: Government Printers.

South Africa (Republic) 2003. Province of the Eastern Cape: Provincial Gazette 5 May. Pretoria: Government Printers.

South Africa (Republic) 1998. Framework for the restructuring of municipal service provision signed by SALGA and COSATU on 11 December issued by the Ministry for Provincial Affairs and Constitutional Development. Pretoria: Government Printers.

South Africa (Republic) 2001. *Free Basic Water Provision: Key Issues for Local Authorities*. Version 1 issued by the Department:

Water Affairs and Forestry on 21 March. Pretoria: Government Printers.

South Africa (Republic) 2003. Government Communications and Information System statement. 26 March. Government Printers.

South Africa (Republic) 1998. *The White Paper on Local Government*. Pretoria: Government Printers.

South African Local Government Association 2004. Circular on Conditions of Service, 7 January

Stanger, J. 1980. *Understanding local government*. Oxford: Martin Robertson.

Stedman, J. (ed) 1994. *South Africa: The Political Economy of Transformation*. Boulder & London: Lynne Rienner Publishers.

Stewart, R. and Stoker, G. (eds) 1995. *Local Government in the 1990s*. London: The Macmillan Press.

Stewart, R. and Stewart, J. 1994. *Management for the Public Domain: Enabling the Learning Society*. London: Macmillan Press.

Stofile, M.A. 2002. State of the Province Address delivered on 15 February by the Premier of the Province of the Eastern Cape.

Stoker, G. 1988. *The Politics of Local Government*. London: Macmillan Press.

Stone, S. and Harris, C. 1984. *Designing a user study. General research design*. Sheffield: University of Sheffield.

Sunter, C. 1997. *What it really takes to be world class*. Cape Town: Human and Rousseau (Pty) Ltd.

Swanepoel, B. Erasmus, B. Van Wyk, M. and Schenk, H. 2000. *South African Human Resource Management*. Kenwyn: Juta and Company Ltd.

Swart, R.E. 1994. *Die opleiding van die opvoedkundige sielkundige as reflektiewe praktisyn*. Johannesburg: Rand Afrikaans University: Unpublished D. Ed. Thesis.

Terreblanche, S. 1991. *The need for a transformation period towards a post-apartheid South Africa: Second Edition*. Stellenbosch: Stellenbosch Economic Project.

Theron, F. and Schwella, E. (eds) 2000. *The state of public and development management in South Africa: The Mount Grace II papers*. Stellenbosch: School of Public Management and Planning, University of Stellenbosch.

Theron, F. Van Rooyen, A. and Van Baalen, J. 2000. *Good governance for people: Policy and management*: Stellenbosch

School of Public Management and Planning, University of Stellenbosch.

Thornhill, C. and Hanekom, S.X. 1995. *The Public Sector Manager*. Durban: Butterworths Publishers (Pty) Ltd.

Toffler, M. 1991. *Power shift—knowledge, wealth and violence at the edge of the 21st century*. New York: Addison-Wesley Educational Publishers Inc.

Tomlinson, R. 2000. How to make our cities work. *Mail & Guardian* 5 May.

Ukhahlamba District Municipality 2000. Minutes of a Drakensberg Facilitation Committee meeting, 8 May, Barkly East.

Ukhahlamba District Municipality 2002. Agenda of the Eighth Corporate Services Standing Committee Meeting, 24 October, Barkly East.

Ukhahlamba District Municipality 2003. Economic Profile and Implementation Strategy. Barkly East, August.

USAID 2003. *The best of Hologram 2001-2003: Issues and practice in South African Local Government*. Cape Town: Nolwazi Publishers.

Van Creveld, M.L. 1991. *The transformation of war*. New York: Simon and Schuster.

Van der Waldt, G. and Du Toit, D.F.P.1997. *Managing for Excellence in the Public Sector*. Kenwyn: Juta and Company Ltd.

Van der Waldt, G. and Heimbold, R. 1996. *The Constitution and a new Public Administration*. Kenwyn: Juta & Company Ltd.

Van Niekerk, D. Van der Waldt, G. Jonker, A. 2001. *Governance, Politics, and Policy in South Africa*. Cape Town: Oxford. University Press.

Van Vuuren, D.J. Wiehahn, N.E. Lombard, J.A. and Rhodie, N.J. (eds) 1983. *Change in South Africa*. Durban: Butterworths Publishers (Pty) Ltd.

Van Zyl, J.J.L. 1994. *The art of purpose-directed Management in Local Government: The gateway to excellence*. Revised edition: Pretoria: Sigma Press (Pty) Ltd.

Venter, A. (ed) 2001. *Government and Politics in the new South Africa*: Pretoria: J L Van Schaik: .

Viljoen, A. (ed) 1991. *Die Stadsklerk*. Halfway House: Southern Book Publishers.

Viljoen, A. (ed) 1998. *SAIPA Journal of Public Administration*, Vol. 1 No 4.

Volksblad 2004. Inwoners wag lank in son om na Zuma te luister. 20 Maart.

Walmsley, G. L. Wolf, J.E. (eds) 1996. *Refounding Democratic Public Administration: Modern Paradoxes: Postmodern Challenges*. Thousand Oaks, California: SAGE Publications Inc.

Weitzel, W. 1987. How to improve performance through successful appraisals, *Personnel* Vol. 64, No 10.

Wickwar, W.H. 1970. *The Political Theory of Local Government*. Columbia, South Carolina: University of South Carolina.

Willemse, R. 1998. *Legislation flowing from the White Paper on Local Government*. Paper delivered at the Institute of Municipal Finance Officers conference: Worcester.

Wunsch, J.S. and Olowu, D.(eds) 1995. *The failure of the centralized state: institutions and self-governance in Africa*. San Francisco: ICS Press.

Zybrands, W. 1995. *A perspective on local government in the new South Africa*. Johannesburg: ABSA Bank Limited.

Zybrands, W. 1998. *Local Government: Structures Act* (No 117 of 1998). Unpublished notes: Johannesburg.

Zybrands, W. 1998. *The impact of the Executive Mayor on the municipal administrator and the municipality*. Unpublished paper: Johannesburg.

Zybrands, W. 2001. *The challenges facing the Municipal Manager*. Paper delivered at the conference of the Institute of Municipal Management, Nelspruit, June.

ANNEXURE A

P O Box 25
ALIWAL NORTH
9750

27 November 2003

Dear Sir/Madam

RESEARCH FOR THE PhD IN PUBLIC MANAGEMENT

The undersigned is conducting research for a PhD in Public Management at the University of the Free State. The topic is entitled: **The influence of the transformation of local government on service delivery in Category B municipalities in the Eastern Cape Province.** A questionnaire for completion is attached. Your valuable contribution to this research is appreciated.

You will note that the questionnaire is seeking information on service delivery by the Maletswai Local Municipality. The purpose of the questionnaire is to determine your view as to the level of service delivery by the municipality. This information will be treated on a confidential basis and no reference to views of individuals will be made in the thesis. The completion of the questionnaire will take approximately 20 minutes.

Your kind co-operation is appreciated.

Yours faithfully

E M RANKWANA
(PHD Student)

UNIVERSITY OF THE FREE STATE

DEPARTMENT PUBLIC MANAGEMENT

**QUESTIONNAIRE TO COUNCILLORS,
OFFICIALS AND THE COMMUNITY ON
SERVICE DELIVERY BY THE MALETSWAI
LOCAL MUNICIPALITY**

1. **HOW TO COMPLETE THE QUESTIONNAIRE**

- 1.1 Please read the following carefully before filling in the details on the questionnaire.
- 1.2 Where applicable, the questions should be answered by crossing the correct option.

Example 1

Question: Who decides on a development policy for your municipality?

Answer:

Municipal Manager	1
Municipal Treasurer	2
Councillors	3 X

In this case the respondent has indicated that councillors decide on a development policy.

- 1.3 Particular questions will require that you indicate, on a six points scale (marked 1 to 6), the extent to which you are satisfied or dissatisfied with service delivery.

1	2	3	4	5	6
---	---	---	---	---	---

The following meaning is attached to the figure:

- 1 = very satisfied
 2 = satisfied
 3 = neither satisfied nor dissatisfied
 4 = dissatisfied
 5 = very dissatisfied
 6 = refuse to answer

Example 2

Statement: Interest groups play a role in the initiation of a development policy.

Answer:

1	2 X	3	4	5	6
---	------------	---	---	---	---

In this case the respondent indicated that he/she is satisfied with the statement.

- 1.4 Your own view/opinion (based on your **practical** experience) will also be asked. In such cases, please write the required information in the space provided.

Example 3

What is the main reason for the existence of your town/city?

- 1.5 **PLEASE NOTE:** Questions in bold must only be answered by municipal officials and councillors.

2. **GENERAL QUESTIONS**

- 2.1 What office/post do you hold?

	1
	2

- 2.2 Your age

.....	Years
-------	-------

- 2.3 Sex

Male	1
Female	2

- 2.4 Department: (**officials only**) _____

- 2.5 **Years of service as a municipal official/councillor?**

Less than 5 years	1
5 to 10 years	2
11 to 15 years	3
16 to 20 years	4
More than 20 years	5

- 2.6 Home language

English	
Afrikaans	
English/Afrikaans	
Xhosa	
Other	

2.7 **Highest Qualifications**

2.7.1 My highest qualification is:

Standard 8	1
Matric	2
Diploma(s) Municipal Institutions	3
Diploma/Certificate(s) Technikon	4
Diploma/Certificate(s) University	5
Undergraduate Degree (University)	6
Postgraduate Degree (University)	7
Other	

3. **SERVICE DELIVERY**

3.1 **In your opinion:**

(a) **Has the demarcation of your municipality been done correctly/satisfactorily?**

Yes	No
-----	----

Please motivate your answer:

(b) **Are the Councillors clearly aware of their governing role?**

Yes	No
-----	----

Please motivate your answer:

(c) **Do the Councillors tend to interfere in the daily work of the municipal manager and his/her personnel?**

Yes	No
-----	----

Please motivate your answer:

- (d) **What influence does the Province have on the geographical, functional or institutional integrity of your municipality?**

Please motivate your answer:

4. Functions and authority of the municipal manager:

- (a) **Does the municipal manager perform the functions of the chief executive and administrative officer of the municipal council?**

Yes	No
-----	----

- (b) **Please name the three most important administrative functions of the municipal manager.**

1.
2.
3.

- (c) **Name the three most important executive functions of the municipal manager.**

1.
2.
3.

- (d) **Name the three most important accountability functions of the municipal manager.**

1.
2.
3.

- 5. Did the division of powers and functions have an influence on the ability of your municipality to render effective and efficient services to the community? If so, kindly specify.**

6. How satisfied are you with the following services in your community/suburb? First indicate if you have access to the service and then indicate the satisfaction level (Very satisfied (VS), satisfied (S), neither satisfied nor dissatisfied (NSD), dissatisfied (D), very dissatisfied (VD), refuse to answer (RA)).

	Access		VS	S	NSD	D	VD	RA
	Yes	No						
1. Water Supply	Y	N	1	2	3	4	5	6
2. Electricity Supply	Y	N	1	2	3	4	5	6
3. Street Lighting	Y	N	1	2	3	4	5	6
4. Roads	Y	N	1	2	3	4	5	6
5. Storm Water Drains	Y	N	1	3	3	4	5	6
6. Sign Posting of Roads	Y	N		2	3	4	5	6
7. Pavements	Y	N	1	2	3	5	5	6
8. Parks	Y	N	1	2	3	4	5	6
9. Sports Facilities	Y	N	1	2	3	4	5	6
10. Libraries	Y	N	1	2	3	4	5	6
11. Community Halls	Y	N	1	2	3	4	5	6
12. Noise Pollution Control	Y	N	1	2	3	4	5	6
13. Air Pollution Control	Y	N	1	2	3	4	5	6
14. Refuse Removal	Y	N	1	2	3	4	5	6
15. Sewage disposal	Y	N	1	2	3	4	5	6
16. Cemeteries	Y	N	1	2	3	4	5	6
17. Solid waste removal	Y	N	1	2	3	4	5	6
18. Pay points	Y	N	1	2	3	4	5	6
19. Billing system	Y	N	1	2	3	4	5	6
20. Building control	Y	N	1	2	3	4	5	6
21. Traffic and policing service	Y	N	1	2	3	4	5	6
22. Burial and cremation service	Y	N	1	2	3	4	5	6
23. Housing development service	Y	N	1	2	3	4	5	6

7. What are the most important services that you do not have in your community/suburb? (*Commence with the most important service*).

<i>SERVICE</i>
1.
2.
3.
4.
5.

8. Have you seen any improvement or deterioration of services in your community/suburb?

Improvement	1	Deterioration	2	Unchanged	3
-------------	---	---------------	---	-----------	---

9. Please specify any improvement or deterioration of any service e.g. roads, electricity etc.

10. In your opinion, do most people in this area pay rates and services charges?

Yes, I think that most people pay rates	1
No, I don't think that most people pay rates	2
I don't know	3

11. If not, what could be the reason?

Unavailability of services	1
Unsatisfactory level of services	2
Too few pay points	3
I don't know	4
Other (Specify)	

12. How satisfied are you with the manner in which you are received when visiting the municipality? (Inclusive of making payments or visiting clinics).

Very satisfied	1
Satisfied	2
Neither satisfied nor dissatisfied	3
Dissatisfied	4

13. Has your municipality determined standards for service delivery?

Yes	No
-----	----

If so, kindly specify.

14. Have you been informed by your Council as to what level and quality of municipal service you will receive?

Yes	No
-----	----

If so, please specify.

15.(a) Would you agree that it is the right thing to do to pay rates and service charges?

Yes, I agree that it is the right thing to do to pay the services	1
No, I don't agree that it is the right thing to do to pay for services	2

Please motivate your answer:

(b) In your opinion:

Is the equitable share allocation to your municipality adequate for providing free basic services?

Yes	No
-----	----

Please motivate your answer:

16. Please indicate your level of satisfaction as to how the Maletswai Local Municipality has been working towards the following goals since December 2000 in the community/suburbs in which you live (Very satisfied (VS), satisfied (S), neither satisfied nor dissatisfied (NSD), dissatisfied (D), very dissatisfied (VD)).

	VS	S	NSD	D	VD
1. The town is clean	1	2	3	4	5
2. The town has democratic and transparent Local Government	1	2	3	4	5
3. Your community has high levels of service	1	2	3	4	5
4. The town is development orientated	1	2	3	4	5
5. You can be proud of your town	1	2	3	4	5

- 17(a) A copy of your local municipality’s Integrated Development Plan (IDP), which describes future development, is available at the municipal offices.

Have you heard of the Integrated Development Plan (IDP) before?	Yes	No
Do you know the details of the Integrated Development Plan (IDP)	Yes	No

- (b) Please list projects emanating from the IDP that have been implemented by your municipality:

18. Do you follow reports regarding the Maletswai Local Municipality and developments in the local newspapers or on community radio stations?

Yes	No
-----	----

If yes, please specify why.

19. How optimistic are you that the Maletswai Local Municipality will become a leading tourist/holiday city?

Very optimistic	1	Positive	4
Mildly optimistic	2	Very Pessimistic	5
Uncertain	3		

20. **Kindly confirm if assets were deployed for service delivery purposes from one residential area to another as a result of the amalgamation process.**

If so, please specify.

21. **Does the municipality have a plan in place for handling disasters?**

Kindly specify.

22. How do your Councillors, community and officials liaise with municipal inhabitants?

Through interest groups	1
Provision of agenda and minutes	2
Informal discussions	3
Information tours, in the city or town	4
Information public meetings	5
Monthly newsletters	6
Public speeches	7
Press reports	8
Symposium	9
Visits to schools	10
Questionnaires	11
Others:	12

23. How do inhabitants communicate with Councillors?

Personal contact	1
Formal letters	2
Petitions	3
Meetings	4
Telephone messages	5
Others:	6

24. Contemporary municipal authorities have a developmental role.

(a) How do you see the developmental role of your council?

(b) Does your council experience any problems in the development of the municipality?

Yes	No
-----	----

Please motivate your answer:

25(a) Does your municipality have sufficient financial resources to comply with developmental requirements?

Yes	No
-----	----

Please motivate your answer:

(b) Name three of the main developmental objectives of your municipality.

1.
2.
3.

26. In your opinion, is local economic growth an essential requirement for municipal development?

Yes	No
-----	----

Please motivate your answer:

27. In your opinion:

(a) Will the attraction of foreign investors to the local economy secure the improvement of the local economy?

Yes	No
-----	----

(b) Will municipal authorities support to small business entrepreneurs improve the local economy?

Yes	No
-----	----

Please motivate your answer:

(c) Will the establishment of local business centers assist the local business fraternity with information, skills and marketing to improve local economy development?

Yes	No
-----	----

Please motivate your answer:

(d) Will training and placement services in collaboration with the Department of Labour promote local economic development?

Yes	No
-----	----

Please motivate your answer:

28. **Are the existing by-laws and regulations sufficiently revised, streamlined and made more user-friendly to comply with the changed developmental role of municipal authorities?**

Yes	No
-----	----

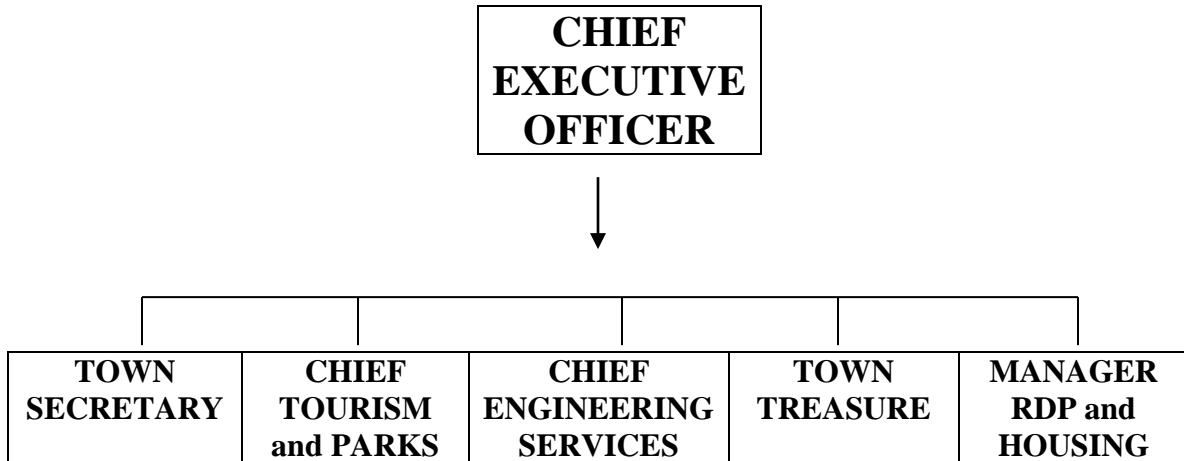
Please motivate your answer:

29. Have any important local issues been left out of the questionnaire?

THANK YOU FOR YOUR PARTICIPATION AND TIME.

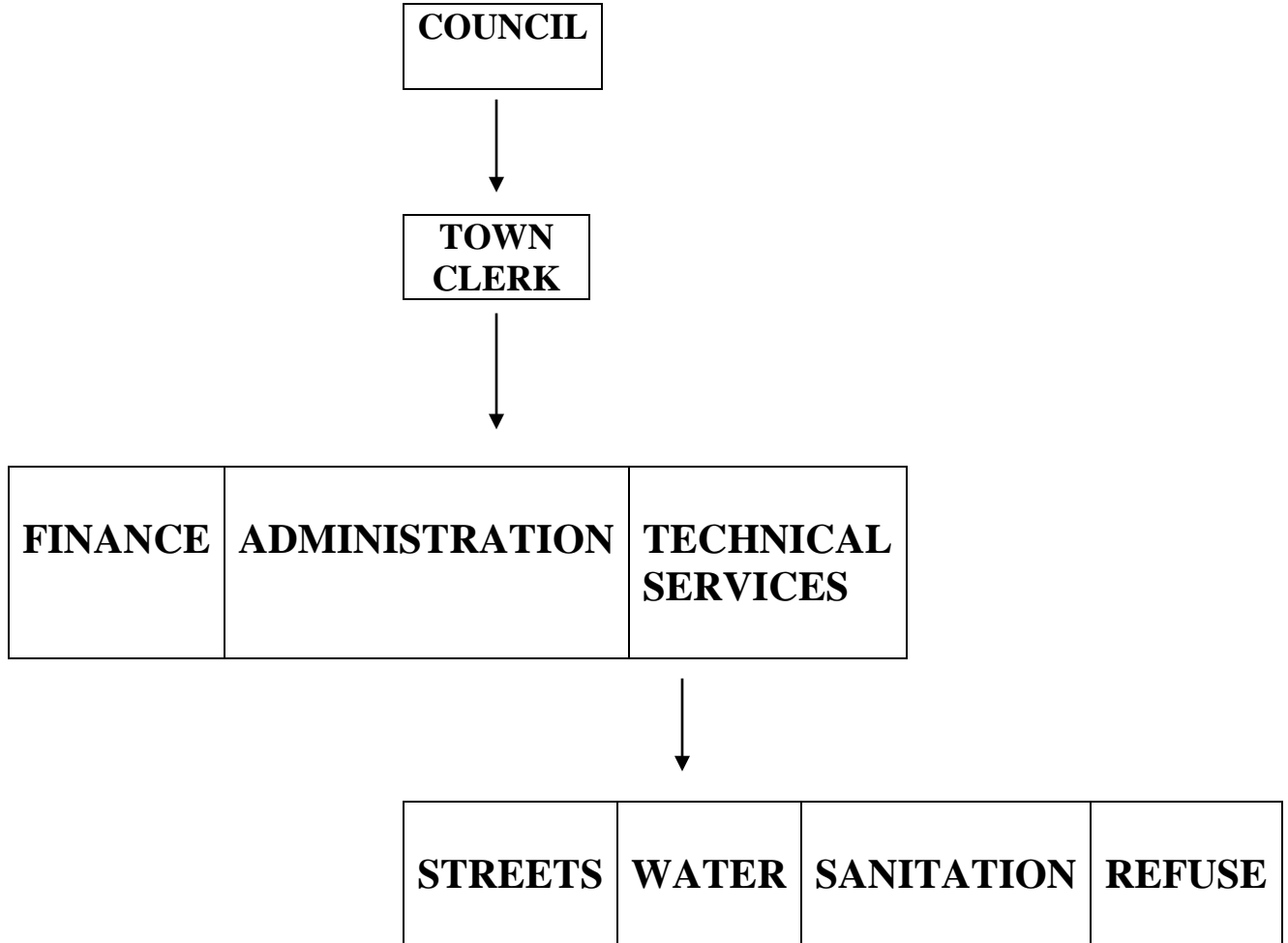
ANNEXURE B

ALIWAL NORTH TLC ORGANOGRAM



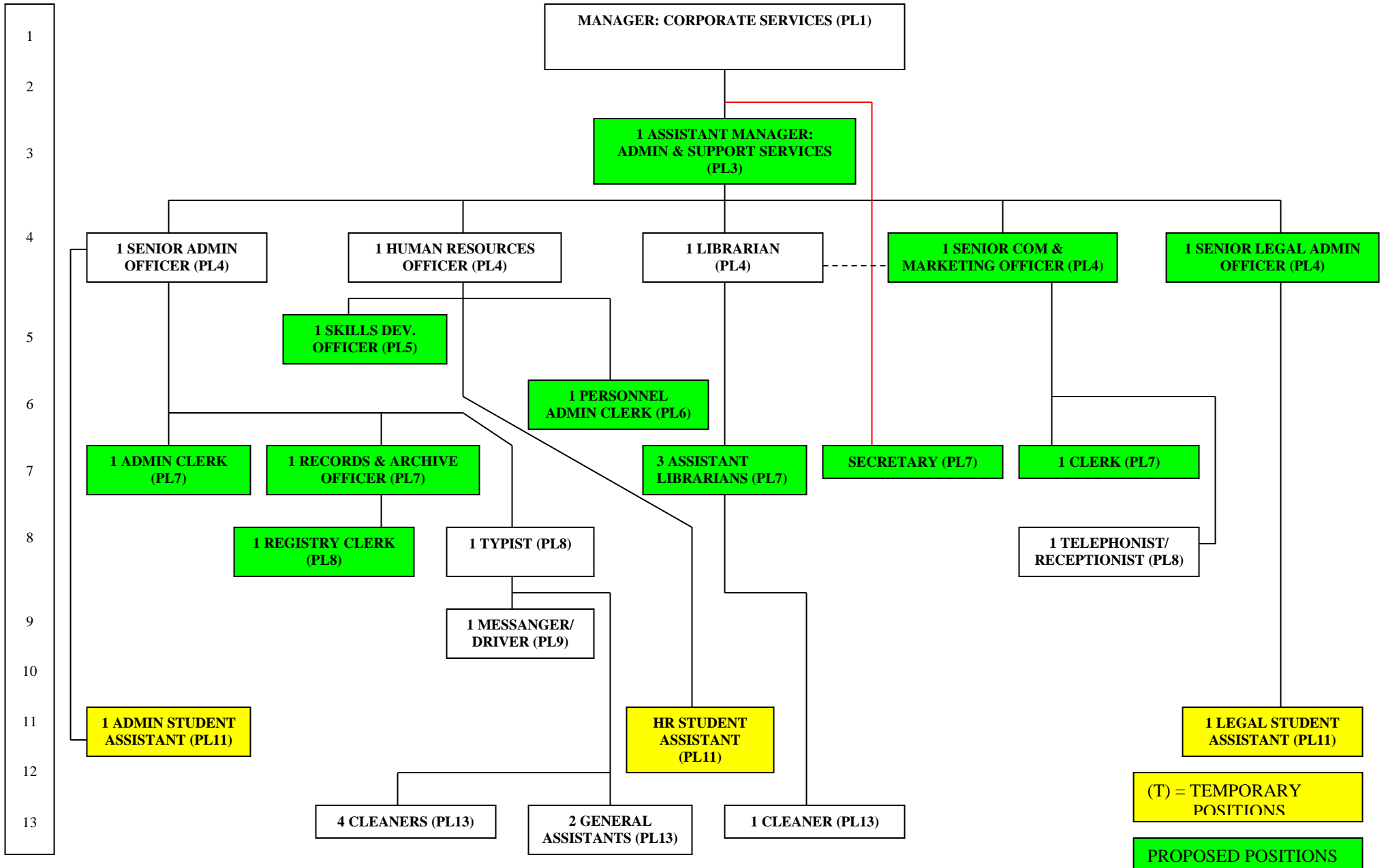
ANNEXURE C

JAMESTOWN TLC ORGANOGRAM



ANNEXURE D

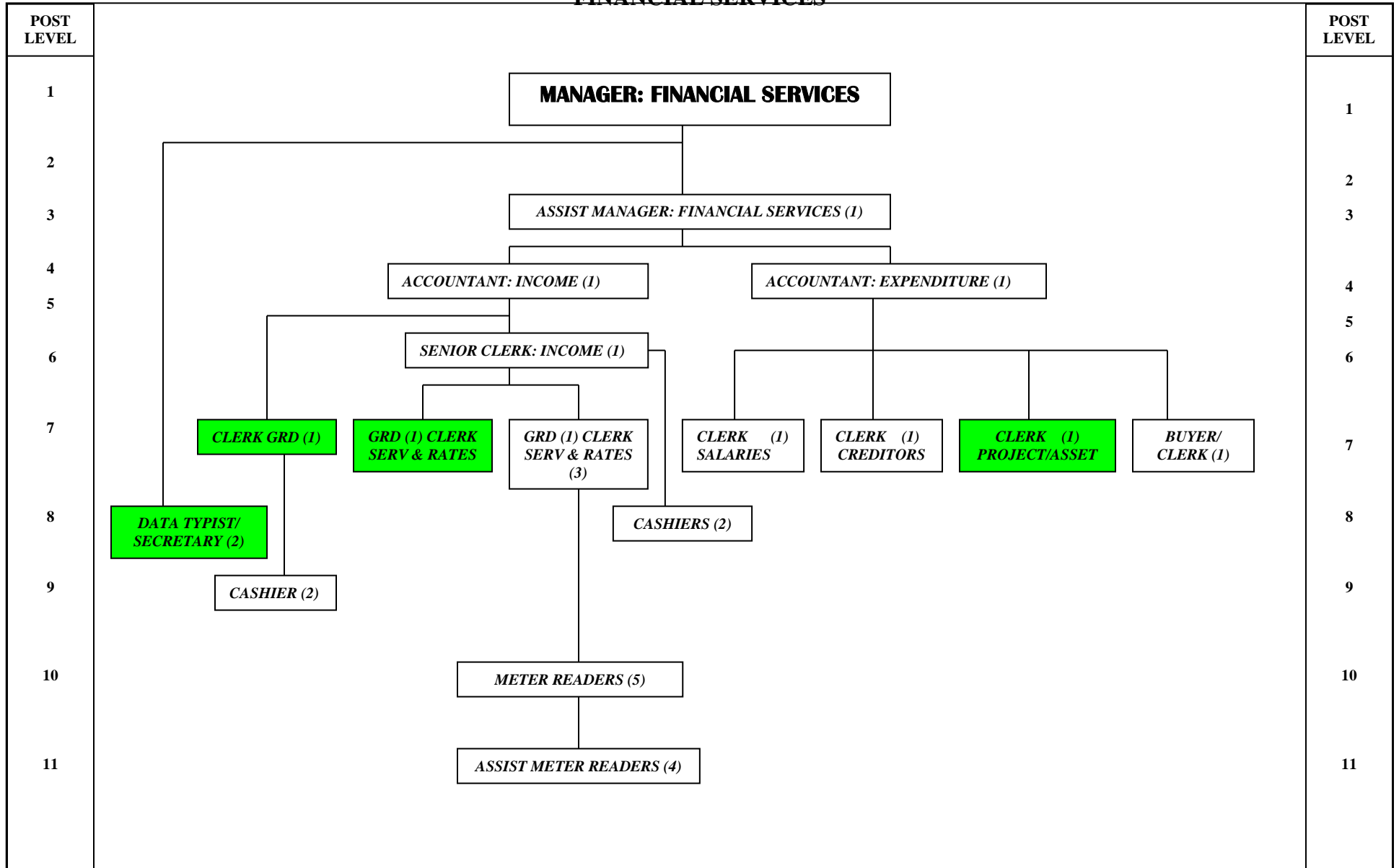
**MALETSWAI LOCAL MUNICIPALITY ORGANOGRAM
CORPORATE SERVICES DEPARTMENT
ORGANOGRAM HIERARCHICAL**



(T) = TEMPORARY POSITIONS

PROPOSED POSITIONS

**MALETSWAI LOCAL MUNICIPALITY
FINANCIAL SERVICES**



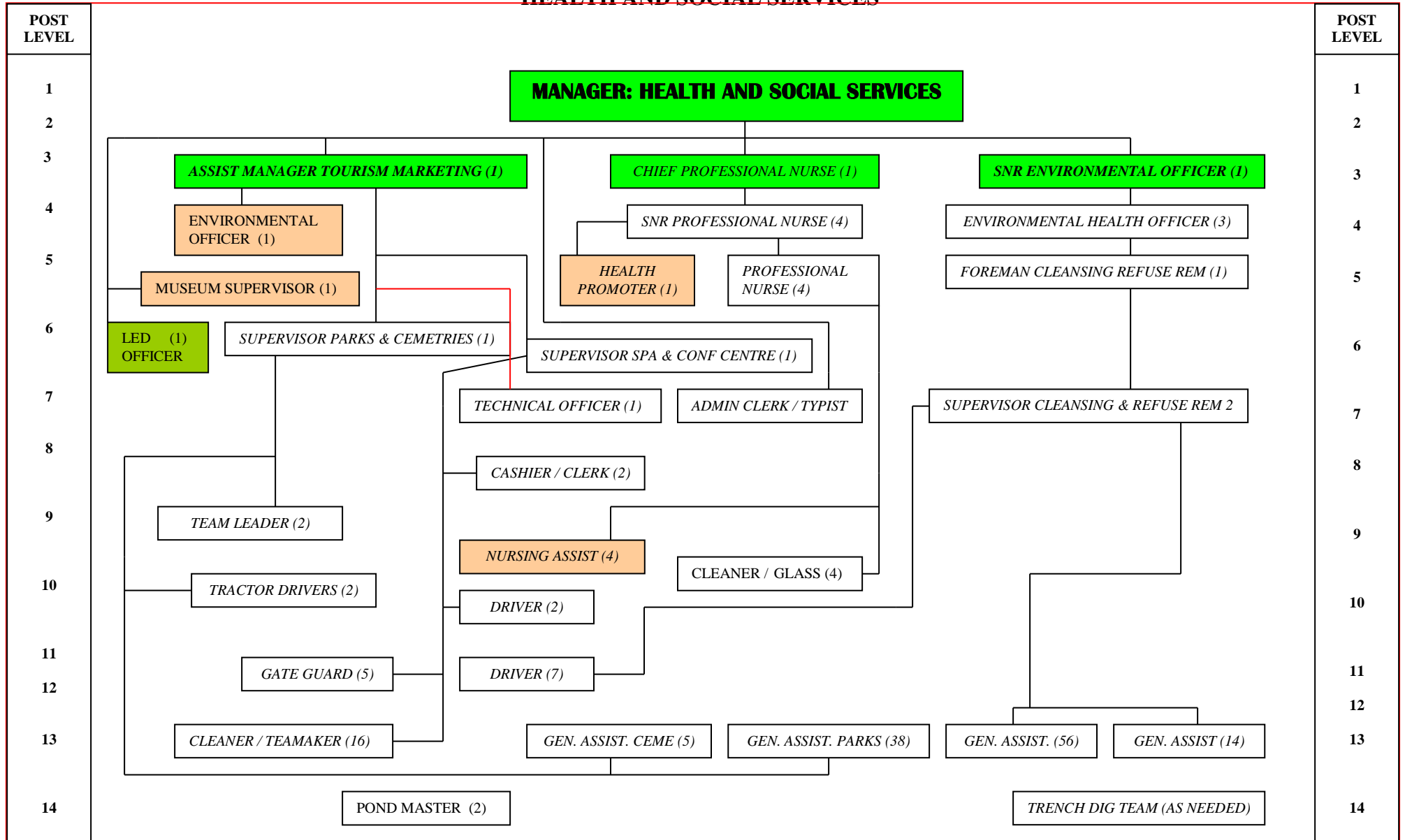
APPROVED BY _____

DATE _____

VACANT



**MALETSWAI LOCAL MUNICIPALITY
HEALTH AND SOCIAL SERVICES**



ee

APPROVED BY _____ DATE _____

PROPOSED
VACANT
CONTRACT