

INSTITUTE FOR LOCAL GOVERNMENT MANAGEMENT OF SOUTH AFRICA (iLGM)

SUBMISSION TO THE PARLIAMENTARY PUBLIC HEARINGS ON COORDINATED SERVICE DELIVERY

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1. INTRODUCTION

Service delivery as a function of local government has been the subject of numerous debates. Solutions to the challenges have, however, remained elusive, and despite all the effort not much has occurred to improve the quality of the services delivered, especially to disadvantaged people in rural centres. This is confirmed by the number of so-called dysfunctional municipalities in the country, which is purported to be upwards of 60%. Further statistics indicate that nearly 30% of local authorities depend on grants and the national fiscus for their revenue. The addition of the new mandate of “developmentalism” has not rendered the situation any better, because of the lack of a common understanding of the concept or an understanding of what a developmental local authority does in relation to local communities. If local government is at the coalface of service delivery, the protests that bedevilled the country towards the end of 2009, especially in the Mpumalanga province, can be safely regarded as a true barometer of the reaction of South Africans to the quality of the services rendered and a display of their dissatisfaction with the current state of affairs.

Such service delivery protests could have surfaced in any part of the country, as many local authorities throughout the country are in a situation similar to that of the local authorities in Mpumalanga. The Eastern Cape is a case in point. Here it is alleged that all 39 municipalities had qualified audit reports in their 2008/2009 financial year, with no human capacity to put systems in place to turn the situation around. Some municipalities in the Eastern Cape, for instance, are perpetually managed by an administrator because of some maladministration by either the management of the municipality and/or political leaders. This is true not only for municipalities in rural areas, but for some of the metropolitan municipalities as well.

Private organisations that have a stake in local government have speculated on the causes of the malaise and have attempted to offer plausible solutions and proposals for a turnaround strategy. One such stakeholder, in identifying possible answers, suggested that “efficiency and effectiveness of public service delivery are increasingly seen as key measures of public sector performance”. It was further alleged that this efficiency is perceptible in the speed and responsiveness of the institution to service delivery queries.

Expectations of service delivery from the different state organs have, however, been disproportionately high in comparison with the level of service provided and the stakes are also as high in view of the awkwardness of the timing of elections.

2. THE STATE OF LOCAL GOVERNMENT

A description of the state of local government in South Africa is fallacious in the manner in which it tends to ignore the underlying causes and contributory factors of the generally unpalatable state of affairs. M Monare in the *Cape Argus* (6 January 2010) succinctly summarises the causes of this malaise in local government when he portrays local government as including “insufficient human and financial capacity to deliver, municipalities failing to manage their powers and functions and related responsibilities and weak oversight, supervision, support and intervention mechanisms from other spheres, ... contestation between the political and administrative – between councillors and managers”, leading “to dysfunctionality and instability ... too many opportunities for fraud and corruption” and “a breakdown of local democracy, ... irregular and unprocedural suspensions, dismissals and disciplinary procedures within municipalities”.

Closer scrutiny of the problems and/or challenges as described by Monare in this paper situates the challenges in two distinct areas, namely **governance** – which is a dimension pivotal to the effectiveness and efficiency of an institution, whether public or private – and **institutional management**, which looks at people, processes and programmes as aspects of management and leadership.

3. GOVERNANCE

The Urban Management Programme (2000; 13) defines governance as “fundamentally about the nature, quality and purpose of the totality of relationships that link the various institutional spheres – local state, civil society and the private sector – in urban areas”. In terms of this definition, these relationships are informed by, inter alia, “the level of engagement flowing between the state, civil society and the private sector [as well as] reciprocity, trust and credibility” and are “...continuously deepened through collaborative action to achieve widely shared social goals and robust engagement on areas of disagreement to work out the most efficient way of achieving higher-order objectives”. The emphasis in the definition is on a “collaborative approach”, to drive home the point that without “buy-in” from locals there would be an inherent problem in the manner in which the local authority is operating in its area of jurisdiction.

This definition of governance fits well with the stated intentions and duties of a developmental local authority, which are, inter alia, to “structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community”. If one looks at local authorities in the country there is a definite dislocation between the *modus operandi* of the local authority and the community that is supposed to receive services from the local structure. This relationship is often ironic in that, according to section 4 of the Local Government: Municipal Systems Act, Act 32 of 2000, local authorities are by their very nature supposed “to govern in [their] own initiative the affairs of the local community” and to “exercise the municipality’s executive and legislative authority and use the resources of the municipality in the best interest of the community”.

As a consequence of this, local authorities are expected to “provide, without favour or prejudice, democratic and accountable government” to local communities. The irony of this imperative is that the very structures that are supposed to be custodians of this important legislation and sphere of government are the first to flout these processes. Because of this, local authorities invariably become the preserve of certain groupings that tend to manipulate the systems and information to their advantage, unfortunately at the expense of service delivery.

Generally, local authorities are characterised by municipal leaders who are not accountable or transparent to the citizenry vis-à-vis decisions affecting their lives. Moreover, administrative decisions and the implementation of public services are not equitable or efficient in nearly all the municipalities of the country for a myriad of reasons, ranging from political interference to human and financial incapacity. One of the areas in which this governance issue is conspicuous is the awarding of tenders and the appointment of service-providers. This is so perversely secretive and so patently manipulated and orchestrated that the ability to allocate tenders to a particular grouping becomes the sole objective considered in the appointment of staff in a municipality. Because legislation made it illegal for councillors to become members of tender boards, the involvement of some unscrupulous councillors in these structures occurs through their appointing the “right” people, who will invariably serve the interests of their masters. Decisions made by these structures are always kept under lock and key or are circulated to only a few of the trusted members of the “syndicate” that runs the scam.

4. ADMINISTRATION/MANAGEMENT

Most municipalities, including metropolitan municipalities, do not have the human capacity for strategic planning and “strategic visioning”, which

evolves out of a process of proper consultation with all major stakeholders. In many instances strategic visioning and planning becomes the preserve of the executive management team and senior leadership, who – in most cases – are clueless about the long-term goals of the institution, as they do not necessarily consult with their constituencies. While this clearly flouts the objectives of a developmental local authority, which demand that the basic needs of the community **must** be prioritised, it also hampers planning, because even the programmes chosen for implementation are carefully selected to benefit those charged with making decisions regarding such services. Such municipalities are always caught “flat-footed” on such issues as dealing with the consequences of the ever-increasing migration to urban centres and the absence of opportunities to drive the economy or absorb the swelling numbers. The usual reaction, which in most cases is referred to as “strategic management”, is to manage the organisation out of the crisis without taking into consideration the long-term implications of the shotgun approach to challenges of urban management.

The other “thorn in the flesh” in the administration of local authorities is that councils, in the absence of legislation that makes it unlawful for councils to appoint an official who is inadequately qualified to a key strategic position, appoint officials who do not have the requisite skills to manage institutions such as local authorities, which are by their very nature unique institutions. This often results in what Monare refers to as “insufficient human...capacity to deliver”. That very same council then becomes frustrated when the official in question cannot deliver the services, because the official has, in turn, appointed officials who are not necessarily skilled. As a consequence, a significant number of municipalities in the country are managed by acting officials, owing to senior managers being suspended or dismissed for incapacity.

Coupled with the above is the inability of many municipalities to collect due revenue because they do not have systems and processes in place nor the wherewithal either to determine the amount of services consumed or to collect what is due to the municipality. As a result, many municipalities do not have sufficient revenue to sustain the very services that municipalities are charged to provide.

The last item on management and/or administration refers to programmes. Many cases have been observed where municipalities embark on programmes irrelevant to the needs of the community. A recent case was when a municipality decided to send a soccer team to South America when the municipal area did not have potable water or basic infrastructure, for that matter. Obviously the program of sending soccer players to South America

would never have been generated from the Integrated Development Plan and definitely not from the community.

5. CHALLENGES IN THE CURRENT SYSTEM OF SERVICE DELIVERY

The observation by Pieterse (2008: 11) that the current system of local governance is characterised by “wanton neglect of the urban question, linked to short-sighted imperatives to maintain political control of ideas and spaces, amidst very limited financial resources and ineffectual civil society voices ... with no, or very limited, political accountability” summarises both the state of local government and one of the serious challenges facing local government in the country today. This and other challenges were identified as far back as 2001 by a Ministerial Advisory Committee on Local Government (2001; 27), which identified the need “to create institutions that ensure accountable government at a local level, as well as effective leadership and functional service delivery; to achieve and sustain financial and fiscal stability, building a long-term fiscal base...; to ensure municipal service delivery to all households, irrespective of income levels, and to all businesses...; to ensure continued provision of quality services to all consumers in order to promote local economic performance and payment for services;...[and] to establish effective local government in South Africa’s rural areas in the context of low revenues, weak institutions, poor service delivery and high levels of poverty” as critical to the successful transformation of local government in South Africa. Among the core critical challenges the advisory committee identified as contributing to the stagnation of the local government transformation agenda were capacity – or rather incapacity or “under-capacity” – skills shortages, poor financial structures and “unfunded mandates”.

These challenges have been compounded, as indicated in the introductory sections of this paper, by a flagrant disregard of the legislation meant to enable the delivery of services. The fundamental constitutional and legislative mandate of local authorities—to give priority to the basic needs of the community and to promote socio-economic development—has been breached by both political and administrative leaders alike in the quest for personal expedience. National and provincial government have also either failed or are hamstrung by legislation in assisting municipalities to deal with the developmental expectation of local government, as many, including the national department, are suffering from the same challenge of incapacity and inexperience.

Koster (1993: 5), in a report published by the Development Bank of Southern Africa, alleges that the “root cause of economic and social crisis in Africa has been the incapacity of governments to respond quickly and decisively to a rapidly changing global environment.” This is as applicable to our local

authorities as it to “African governments”. The local government environment, to borrow from the words of Koster, is “diffuse, unfocused, confused, and lacking in the commitment and capacity to give effect to the social, economic and constitutional demands. Remedial efforts being undertaken are often uncoordinated, *ad hoc* and fragmented” (Koster 1993: 5). This is symptomatic of an absence of strategic capacity to conjure up long-term solutions to identified institutional problems. If this strategic capacity was abundant, local government in the country would not be lurching from one crisis to another without a sense of direction or order. It is time that credence was given to the importance of strategy and policy and that capacity was generated for leaders to appreciate the importance of visioning and ‘strategising’.

6. PROPOSED SOLUTIONS

6.1 Knowledge Sharing and Learning

Coordination should not only focus on local government but should cut across the different departments and different sectors in all the various spheres of government, because there are pockets of excellence in the current public service sector from which lessons can be learnt. The Ministerial Advisory Committee of the Ministry of Provincial and Local Government, as one example, made a range of recommendations that, if implemented, could have gone a long way in addressing some of the challenges facing the sector. Regarding skills development, for example, the committee recommended “a package of policy and legislative reforms, fiscal support, and training” to ensure that the calibre of official appointed in senior positions meets the requirements for competence. Many developing countries, including India and Malaysia, have academies that train and produce middle-order management who are appointed immediately after qualifying to gain experience in the sector and to take over from senior managers as soon as they exit from the system. In these countries no official is appointed to a senior position unless he has come through these management institutions.

As a starting point, certain universities in the country could be accredited to create units to serve as such management training institutions. The University of the Western Cape, for instance, has a fully fledged institution that could be accredited immediately and could provide this training to aspiring middle managers. The University of the Western Cape could work with other institutions to customise this training and to standardise it across all accredited institutions, so that the quality and standard of training and evaluation are the same in all accredited institutions. Similarly, the University of KwaZulu-Natal has been a repository of municipal executive leadership development as it was involved in the training of municipal managers and aspirant municipal

managers in partnership with iLGM and the KwaZulu-Natal Local Government Association. As the said programme was taken over by the University of Pretoria in association with SALGA, much can still be done to strengthen synergistic partnerships towards the development of administrative leaders.

6.2 Human Capital

The quality of human capital is widely recognised as the primary source of excellence in any organisation, business or institution and it is thus regarded as critical that the following additional measures be considered for introduction in Local Government in an integrated manner:

- Revision / Improvement of training provider assessor mechanism in collaboration with COGTA, the CITIES NETWORK, LGSETA and iLGM to prevent opportunistic exploitation of municipalities by training service providers, improve quality standards and ensure practical value of programmes presented.
- Establishment of accredited National Skills Assessment Centres to supplement selection and appointment procedures at local level with particular reference to senior managerial positions. Local Government in general requires in the opinion urgent assistance with the application of selection criteria and skills assessment methodology to ensure that competent appointments are made. The implementation of a mandatory skills assessment mechanism to determine short listed candidates from which final appointments can be made would ensure skills and competence criteria are maintained nationally.

6.3 Information and Communication Technology

Viviane Reding, the EU Commissioner for Information Society and Media, stated at a Ministerial e-Government Conference in 2005 that "the Government will only come to fruition through major organisational change in administration, and by equipping civil servants with the right skills. This is a long road; it will take time, it will take persistence, and on this road there is a very important signpost. It reads, 'e-Government is not about technology, it is about people; it is about putting the citizen in the centre'." This statement by Reding is as true for the European Commission as it is for South Africa, because no one can deny the power of technology as an enabler in turning an institution around. The country is awash with examples and cases of municipalities that have successfully adopted e-governance as a platform for transformation and have, as a consequence, turned the tide. This e-governance strategy should focus on a customer-centric approach to service delivery guided by the Batho Pele principles.

Against this backdrop, the iLGM would also like to highlight the importance of technology in the maintenance of systems and processes. Research has shown that where systems are documented and managed electronically, it is much easier to identify gaps in the system and to coordinate practices.

6.4 Professionalisation

The Institute for Local Government Management of South Africa is proposing legislation that would seek to professionalise the sector, in the same way that doctors, nurses and engineers are regulated to ensure that whoever is appointed in a management position has met the stringent requirements desired of a manager in a local authority. This would facilitate the need for managers in municipalities to adhere to a code of conduct that promotes the implementation and maintenance of ethical standards in the sector, and all members would be sanctioned for non-compliance. Currently a senior manager can transgress in one local authority and be appointed to another local authority close by the day after being dismissed. The iLGM is in the process of formulating proposals in this regard that will be submitted to the Minister for Cooperative Governance and Traditional Affairs for consideration. Suffice to say iLGM seeks to play a pivotal role in this regard as it is best positioned to coordinate and harness the technical inputs towards finality of this long-outstanding and yet necessary strategic thrust of professionalization. Needless to say, iLGM would require state institutional support to enhance its capacity in order to play its rightful role in this regard.

6.5 Community Participation

The importance of community/public participation as a means of galvanising communities behind their municipalities cannot be over-emphasised. IDASA (2001: 2) further supports this view by claiming that “good governance dictates that government operations and decisions should be made openly and with the active participation of those influenced by them” because the “the public will be better able to hold the executive to account if they have information on its policies, practices and expenditure”. Whereas the National Framework on Public Participation which was produced by the Department of Cooperative Governance and Traditional Affairs is commendable, it still remains a matter of concern that many municipalities are yet to implement these guidelines hence their communities are not adequately participating in their municipal affairs. The implementation of the framework would ensure that residents are kept abreast of developments in their community, including participating in the drafting of performance management criteria as anticipated in the Local Government: Municipal Systems Act. It is obvious from the report of the National Indaba that poor communication has been

highlighted as one of the reasons for the upsurge in violent protests against certain local authority personnel.

iLGM proposes to partner with provincial Departments of Local Government in strengthening the roll-out of community participation by empowering municipal managers and community participation practitioners. In essence, a district-wide approach to community participation would be advocated and adopted for economies of scale and avoiding confusion at community level around issues of powers and functions between local and district municipalities.

6.6 Separation of Powers

It is recommended that there should be an adoption of the principle of the 'separation of powers' for local authorities, where executive authority vests in the mayoral committee/executive committee and legislative authority vests in the council. Political office bearers should be custodians of performance and governance, in the same way that this happens in the national and provincial spheres of government as well as in the private sector.

6.7 Integrated Development Plan

The importance of the Integrated Development Plan (IDP) as a strategic document has been downplayed if not frustrated or compromised by the introduction of other systems of planning such as the City Development Strategy (CDS). Many officials and consultants have also made the process so cumbersome that it became virtually impossible to implement as a strategy, especially in municipalities with no capacity. A policy decision has to be made on whether to use an IDP or a CDS and how either of these two planning documents can be simplified for purposes of implementation.

A serious drive for effective consultation of the major stakeholders such as business, community groups, educators, political parties and major institutions needs to be embarked upon to work out a common vision for municipal areas. The dearth of credible IDPs has been exacerbated by the failure of various national and provincial departments and state-owned enterprises to attend IDP forums and/or attendance thereof by junior officials who do not have decision making powers to commit their organisations. This state of affairs needs to be reversed through the participation of senior national and provincial officials in the IDP forums and clear commitments made by their departments/organisations through sector plans of IDPs.

6.8 Performance Management System

The introduction of a standard performance management system for both the leadership and management of a municipality is necessary, as are recommendations for corrective action in the case of non-performance. In this regard, a monitoring and evaluation unit must be established both in provincial departments and at national level to support all municipalities with the implementation of performance management systems and to monitor and evaluate the performance of each municipality. This and other units must be manned by staff who are well qualified and have the requisite experience of local government to be able to assist with the implementation of the system and the wall-to-wall monitoring of performance by each and every municipality in the country.

6.9 Abolition of Two-tier System

There needs to be a serious review of the two-tier system of district and local municipalities and a reconfiguration of smaller rural municipalities into larger rural municipalities. The advantage of this would be economies of scale and scope, as well as the ability to concentrate skills and resources in just a few municipalities. Decision-making processes would also be enhanced inasmuch as service delivery and support and monitoring by the provincial spheres of government would be heightened.

Empirical evidence has demonstrated that bigger municipalities tend to attract better skills required for service delivery. Even political parties tend to deploy their best skills to bigger municipalities. The net effect is that remote rural communities end up bearing the brunt of inefficient and ineffective service delivery institutions they contend with in their areas. There are a number of instances where in one district the district municipality has a credible IDP, implements a performance management system and receives unqualified audit opinions, whereas the converse is true as regards its local municipalities.

6.10 Skills Retention

Whereas there is merit in the system of appointing municipal managers on a fixed term contractual basis, there seems to be no credible rationale behind subjecting the managers that directly account to municipal managers to a similar arrangement. There is a need for amendment of the Municipal Systems Act, so that municipalities would be able to have their heads of department serving on a permanent basis like their national and provincial counterparts (the deputy directors-general). Furthermore, it would be prudent for iLGM to partner with the Department of Cooperative

Governance and Traditional Affairs and its provincial counterparts in the maintenance of a national database of municipal managers and senior local government practitioners who exit the municipal sector as many of whom are highly skilled and do not necessarily exit voluntarily but through the end of their employment contracts or through political considerations. Maintaining such a database would enable the municipal sector to continue utilising the skills of senior municipal practitioners beyond their contractual terms, thereby averting the municipal brain drain.

6.11 Asset Management

Asset management is one critical area that requires attention within the municipal sector. In essence, when a municipality does not have an updated asset register, it means the core business of that organisation is already compromised. Proper accountability cannot take place when the organisation is not in control of its assets. A concerted effort needs to be made to find credible service providers that will assist municipalities in this regard.

6.12 Coaching and Mentoring

The iLGM has commenced with a coaching and mentoring programme that is aimed at providing a platform for developing up-and-coming leaders within local government management. It is asserted that numerous challenges facing local government are rooted in poor leadership, both administratively and politically. iLGM seeks to be in the centre stage of seeking and providing solutions within the sector.

7. CONCLUSION

On the whole, the Local Government Turnaround Strategy as proposed by the Minister of Cooperative Governance and Traditional Affairs is commended and supported by iLGM. In this vein, the value proposition that is presented in this paper would be a contribution from the perspective of management of municipalities within the country. It is hoped that the views expressed herein would be supported for implementation.

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