

# **Role and functions of municipal councillors: guidelines for the training of newly elected councillors**

**by**

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**Submitted in fulfilment of  
the requirements of the degree**

**Doctor Administrationis (Public Administration)**

**In the Faculty of  
Economic and Management Sciences**

**University of Pretoria**

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**Pretoria  
October 2000**

In remembrance of my father, John Fourie, who taught me that personal success is only achieved through dedication, determination and a stern belief in one's own abilities.

15 October 1942 -15 November 1996

## **DEDICATED TO MY BELOVED WIFE**

A person of passion, integrity, gentleness and unquestionable loyalty. You are my beacon of hope, my pillar of strength, my anchor in love and my reason for living. Everyday I stare into the sunrise of your beautiful face, hear the sensual mountain echo of your perfect voice and admire the wisdom of your glorious thoughts. Then I pray to the Lord to grant me but only one wish...that everyday I can become just a little more like you.

## ACKNOWLEDGEMENTS

I prayed: "Lord bless me, Lord guide me and let no evil or grief descend on me." I thank the Lord for answering my prayers. I want to praise the Lord for every word written with me; for blessings, courage and opportunities that would never have been possible, if not for His divine intervention. I want to acknowledge that the Lord gave me wisdom and guidance when I felt lost and discouraged. I want to thank the Lord for my wonderful family, and I know now more than ever before that: "I have the strength to face all conditions by the power that Christ gives me".

I want to thank each and every person that has contributed and made the completion of this thesis possible. In particular I want to thank:

**My supervisor, prof. dr. Chris Thornhill.** I am thankful for your patience, guidance, support and positive contributions in the completion of my thesis. It was an honour to be a student of a doyen of South African Public Administration.

**My co-supervisor prof. dr. Petrus Brynard.** Thank you for your guidance, friendliness and support during the completion of this thesis.

**My beloved wife, Cathi.** Thank you for always loving me, for your support, patience, understanding, for believing in me and giving me two beautiful children, Lauren and Robert. I am nothing if not with you - you are my best friend, my lover, my soul mate.

**My parents-in-law, Bill and Marie Hurst.** Thank you for believing in me, for unconditionally loving me as your son and for being an important part of my life.

**My friends.** My best friend, Stephen du Plessis, thank you for your encouragement and life-time devoted friendship; Chris Lombard, thank you for your unconditional support and friendship and Valiant Clapper, for your friendship and teaching me humility. My cherished school friend, Tony Smith and his father Pikkie Smith, and good friends, Andre Roux, Gregg Weijks, Henry Beath, Johan de Jager, Leon Karstens, Robert Matthee; Jonny Cheminais and Nic Spiller.

**My Dean, prof. Maynard van der Merwe,** a true leader and motivator and **prof. Fires van Vuuren,** for channeling my growth both academically and personally.

I am also thankful to the **National Research Foundation (NRF)** for their financial support in the completion of my studies.

## SUMMARY

The objective of this study is the determination of the requirements for core modules and the relevant subject matter for the training of newly elected councillors. This was done by analysing what the responsibilities of councillors are in terms of their governing and representative functions. The training of councillors in South Africa has been uncoordinated and fragmented to the extent that the municipal training centres in the different former provinces had the monopoly in deciding the scope and content of training. The acceptance of a set of core training modules and the relevant subject matter for the training of municipal councillors by the South African Local Government Association (SALGA) and implementation thereof by the education and training boards in each province in conjunction with municipalities, will ensure a more coordinated approach to councillor training. As the need arises, advanced training can however be conducted on any of the identified core training modules. Given the disparity between the percentage of re-elected councillors versus the percentage newly elected councillors; the gap that exists in educational qualifications; and the balance of political power indicate that effective local government can only be brought about if councillors receive appropriate training. The development of a set of core training modules and relevant subject matter would provide councillors with a comparable knowledge base regarding their institutional and organisational roles.

In the determination of the requirements for a set of core training modules and relevant subject matter consideration was given to the priorities as identified by SALGA, surveys, interviews, observations, the internet, literature and information gathered from Gauteng Local Government Association (GALA) on the profile of 1043 councillors in the 51 municipalities in Gauteng. In deciding what requirements a set of core modules for the training of councillors should meet, the emphasis of this thesis is on equipping councillors with the required expertise to govern and represent their municipalities in an effective and efficient manner.

**Key terminology:** Accountability, administration, apartheid, bureaucracy, community, control, councillor, democracy, govern, local government, local government management, management, municipal administration, municipality, personnel administration, planning, policy-making, political decisions, represent, training.

## OPSOMMING

Die doel van hierdie studie is om die vereistes vir kernmodules en relevante inhoud vir die opleiding van nuut verkose raadslede te bepaal. Dit is gedoen deur die analisering van die verantwoordelikhede van raadslede volgens hulle regeer- en verteenwoordigingsfunksie. Die opleiding van raadslede in Suid-Afrika is ongekoördineerd en gefragmenteerd - tot so 'n mate dat munisipale opleidingsinstellings in die verskillende provinsies 'n monopolie het in besluite oor die bestek en inhoud van opleiding. Die aanvaarding van 'n stel kernmodules vir die opleiding van munisipale raadslede deur die **South African Local Government Association** (SALGA), en die implementering daarvan deur die opleidingsrade in elke provinsie, in samewerking met munisipale regerings, sal 'n meer gekoördineerde benadering tot raadslid opleiding verseker. Soos benodig, kan gevorderde opleiding oor enige van die kernmodules aangebied word. Gegewe die dispariteit tussen die persentasie herverkose raadslede en die persentasie nuutverkose raadslede; die gaping wat bestaan in opvoedkundige kwalifikasies; en die balans van politieke mag; dui aan dat effektiewe plaaslike regering slegs teweeggebring kan word indien raadslede paslike opleiding ontvang. Die ontwikkeling van 'n stel kernmodules sal raadslede met 'n vergelykbare kennisbasis toerus aangaande hul institutionele en organisatoriese verantwoordelikhede.

In die bepaling van die vereistes waaraan 'n stel kernmodules behoort te voldoen, is daar oorweging geskenk aan prioriteite soos geïdentifiseer deur SALGA, ondersoek, onderhoude, waarnemings, die internet, literatuur en inligting ingesamel vanaf die **Gauteng Local Government Association** (GALA), oor die profiel van 1043 raadslede in die 51 munisipaliteite in Gauteng. In die bepaling van wat 'n stel kernmodules vir die opleiding van raadslede moet insluit, is die klem van hierdie proefskrif om raadslede met die nodige kundigheid toe te rus om munisipaliteite op 'n effektiewe en doeltreffende manier te regeer en te verteenwoordig.

**Sleuteltermes:** Verantwoordelikheid, administrasie, apartheid, burokrasie, gemeenskap, beheer, raadslid, demokrasie, regeer, plaaslike regering, plaaslike regeringbestuur, bestuur, munisipale administrasie, munisipaliteit, personeeladministrasie, beplanning, beleidmaking, politieke besluite, verteenwoordiging, opleiding.



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INTRODUCTION

## INTRODUCTION AND PROBLEM STATEMENT

*“To empower people is a code-word not only for strengthening the capacity to act as individual people, but also for the empowering of groups of people....”*

*- Pres. Thabo Mbeki, 3 June 1998*

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### INTRODUCTION

In terms of section 151 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Local Government Transition Act, 1993 (Act 209 of 1993), and the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) local government has been elevated to a distinct sphere of government faced with the ambitious task of bringing government as close to the people as possible. According to section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) these challenges include meeting the development needs of the communities, building financial capacity, improving local-provincial intergovernmental relations, facilitating economic development, and ensuring effective service delivery. From this it can be deduced that municipalities have, therefore, become the center of service delivery and development in communities.

The responsibility for meeting these challenges and developing sustainable and autonomous municipalities in South Africa lies predominantly with the 843 demarcated local councils – this number will be reduced to approximately 285 after the December 2000 elections. (Solace International and CEPAD Report, 1998 : 1-2; Blake Mosley Report 1997 : 12; Green Paper on Local Government, 1997 (Government Gazette no. 18370 of 1997 : 113).

Councillors and officials are faced with challenges of integrating budgets, meeting the basic needs of communities, and managing scarce resources and finances. These challenges have to be met in the framework of democratic, accountable and developmental local government. If municipalities are to successfully fulfil their new mandate of development and delivery, a human resource development environment that will meet the capacity building needs of councillors and municipal officials in supervisory positions will have to be created and sustained (Solace International and CEPAD Report, 1998 : 2-3).

The research need is emphasised in regard to the challenges facing the development of human resources in general, and councillors specifically. The manifestations of these challenges will consequently lead to the definition of the problem statement and the formulation of a hypothesis. Finally, the research approach and methodology will be discussed. This approach will identify critical training areas in which newly elected councillors need to be skilled in order to effectively govern and represent the electorate.

The research for this thesis was conducted in the period 2 November 1995 (first fully democratic local elections in South Africa) to 5 December 2000. Where applicable, reference would be made to new legislation and white papers that would have a bearing on the governing and representative responsibilities of councillors after the December 2000 elections.

## **INSTITUTIONAL AND ORGANISATIONAL ROLES OF COUNCILLORS**

In terms of section 155 (6) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) councillors play many roles on a council, but a distinction can be drawn between the **institutional** roles derived from the election and their **organisational** roles, which relate to the way municipalities are structured to operate. In this regard a councillor is both an elected **representative** and a **political** person (Botes, 1997 : 3-4). These institutional roles are brought to a

council by election and they are the roles, which constitute a municipality as a political institution based on representative democracy (Stewart, 1998 : 145-146). Councillors are political persons whether or not they are elected as members of a political party, although during the 1995 municipal elections 97% of councillors elected in Gauteng were members of a registered political party (Local Elections, 1999 : Internet). They are political persons because they become members of a council through the political process of election, operate through political processes of debate and are subject to political processes of demand, pressure and protest (Hollis, 1994 : 5-6). It can be concluded that due to this fact, councillors will base their decisions predominantly on political considerations. The fact that they represent different political parties will in all probability lead to conflicting viewpoints during council deliberations. From a training perspective this will necessitate not only an understanding of the South African political environment and legislation, but also an ability to negotiate, a willingness to change and to resolve conflict.

Councillors are elected representatives and in this regard they represent the people who live in a particular geographical area. According to Stewart (1998 : 148-149) councillors are also representatives in another sense in that they represent the community beyond a municipality. Councillors thus bring a perspective from outside the municipal organisation (Botes, 1997 : 5). The nature of that perspective will vary from individual to individual; it will vary with the party and the area represented and it will vary too with the individual's experience (Van der Waldt and Helmbold, 1995 : 125). Apart from the fact that 34% of the 1043 councillors elected in the 1995 municipal elections in Gauteng indicated that they are full time councillors and have no other form of employment; 32% indicated that they were businessmen and –women; 9% were retired pensioners; 6% involved in education; whilst the balance of 19% were made up of amongst others medical professionals, accountants, petrol attendants, musicians, truck-drivers and clergymen (See Appendix A). A total of 550 questionnaires were distributed in the period November 1998 to February 1999 to 51 councils in the Gauteng Province,

with a response rate of 70% or 387 completed questionnaires. This high response rate can be attributed to the fact that 114 of the 387 completed questionnaires were obtained through personal interviews with councillors.) From this it can be deduced that councillors bring to council a varying degree of interests and attitudes. This implies that the composition is not determined by the municipal organisation, but is largely influenced from outside the municipal organisation. However, from the electorate's point of view a councillor is in principle chosen to represent them. It can be concluded that from a training perspective councillors should have an understanding of what representivity in the context of a municipality would entail.

The institutional roles are constituted outside the organisation of a council, but other organisational roles are created by the work of a council (De Beer and Lourens, 1995 : 43). According to Stewart (1998 : 147) a councillor can be called upon to play, or can play, various organisational roles. In this regard he/she could be the leader of a council, chairperson of a committee or a member of a committee. Apart from this a councillor could be a representative of the authority on outside organisations; a spokesman for the authority; an advocate for the area represented; or a caseworker.

Some of these roles are formally created by the municipal organisation, whether played in settings such as committees within the local authority or played outside the local authority. Some, such as those of advocate and caseworker, are roles developed by councillors themselves expressing aspects of their representative role, but which are recognised by the organisation to the extent that it responds to them (Botes, 1997 : 12-13). The institutional roles are inherent in the position of councillor – constituting the essential nature of that position (Hollis, 1994 : 32-33). A councillor remains an elected representative and a political person in all facets of the work of a council. These roles constitute the institutional contribution of a councillor to the work of a council.

Within the organisational roles the individual councillors can have role interpretations of the parts they play. According to Stewart (1998 : 148) a councillor can be a community leader; a policy-maker for the local authority or its services; an organisational guide; and a scrutinizer of ongoing business. A councillor could also be a performance monitor; a committee person dealing with the agenda; a constituency spokesman; a consumer advocate; a caseworker; and an opposition debater. In this regard councillors can, in effect, interpret their organisational roles in different ways. This is in part a product of their own abilities and inclinations but is necessarily influenced by their position on a council (Hall, 1996 : 12-13). The chairperson of a committee, for example, can play a greater role in policy-making than many other councillors (Hollis, 1994 : 43). Equally there is a difference between councillors in the majority party and those in an opposition party in the way they play their roles (Botes, 1997 : 11).

What has to be recognised is that there is no clear job definition for a councillor or even normally for the formal organisational roles such as chairperson of a committee. How the roles are played depend upon role interpretation (Stewart, 1998 : 152-153). A chairperson of a committee can interpret the role in a limited way, seeing it as little more than the formal task of chairing its meetings. At the other extreme a chairperson can interpret the role in quasi-ministerial terms as being in charge of a department. A chairperson may see the role as virtually a full-time job, or one requiring only an occasional meeting (Botes, 1997 : 9-10). It could be argued that once the role and function of a council has been defined in terms of the legislative framework (formal) and in terms of the needs, desires and demands of the electorate (informal) it provides a clear indication as to what kind of training is needed in order for councillors to function effectively, both as governor and representative.

## MEETING THE HUMAN RESOURCE DEVELOPMENTAL CHALLENGES WITHIN LOCAL GOVERNMENT

On 2 February 1990, former South African President, Frederick Willem De Klerk, announced the unbanning of the African National Congress (ANC), the South African Communist Party (SACP) and the release of all political prisoners, paving the way for negotiations towards a new democratic South Africa (Kendall and Louw, 1992 : 35). On 27 April 1994, the ANC obtained 62,65% of the national votes in the country's first non-racial elections to become the majority party in the Government of National Unity (GNU). South Africa's political transformation from an apartheid driven society to a democratic non-racial country had commenced (Craythorne, 1997 : 235-236; Bekker *et al.*, 1996 : 2-3; (The Financial Mail, 14 January 1996 : 7-8). The South African local government elections of November 1995 and July 1996 ushered in new, democratic municipalities faced with political, economic and social challenges. The majority of South Africans looked forward to experiencing democratic government in their communities (Gildenhuys, 1997 : 3-4; Ismail *et al.*, 1997 : 67-68).

The newly elected leaders of municipalities were faced with a novel task of resolving issues that developed over centuries. The majority of the 11 300 councillors were first time councillors presented with the challenge of transforming old administrative structures into centers of fully fledged democracies and development orientated structures (Green Paper on Local Government, 1997 [Government Gazette no. 18370 of 1997 : 113]).

The determination of objectives for this research project is based on the results of a number of surveys; interviews; observations; contemporary literature and information gathered from the Gauteng Local Government Association (GALA) on the 1043 councillors in the 51 councils in the Gauteng Province (Encarta, 1999 : Internet; See Appendix A). In this regard:



- a. 64% of the councillors were elected to office for the first time in the November 1995 elections;
- b. 28% of the councillors have not obtained a matriculation certificate;
- c. 37% of the councillors have tertiary qualifications;
- d. 34% are full-time councillors and do not have any other form of employment;
- e. 71% of the councillors were members of the African National Congress (ANC); 19% represented the New National Party (NNP) and the remaining 10% were made up by independents and parties such as the Freedom Front, the Democratic Party, and the Inkatha Freedom Party.
- f. 87% of the councillors are male; and
- g. the average age of a councillor in Gauteng is 44 years.

From this it can be deduced that councillors elected in the 1995 Gauteng municipal elections are predominantly male with a varying degree of expertise and qualifications. Training of councillors will therefore have to accommodate, not only people with tertiary qualifications, but also those without a matriculation qualification. Apart from this, the training of councillors will have to make provision for members that are seasoned councillors and for those that have been elected for the first time.

The human resource development and training needs that were the consequences of the transformation of local government were, and still are extensive (Ismail et al., 1997 : 66). The Green Paper on Local Government, 1997 (Government Gazette no. 18370 of 1997 : 87) states that: "*Developmental local government requires new skills and attitudes. Municipalities are therefore faced with an entirely*

*new human resources development challenge, and the training system should be restructured to meet this.”*

The Mosley Report on the *Review of the Local Government Training Sector* and the Solace International and CEPAD Report on *Proposals for the Future Organisation of Education, Training and Development in the Local Government Sector* forms the basis for discussions regarding the restructuring of training in local government. According to the Mosley and Solace Reports local government training in South Africa is uncoordinated, fragmented, and largely of poor quality (Mosley Report, 1997 : 17-18; Solace and CEPAD International Report, 1998 : 6-7). Outdated teaching methods have not been updated and most training is conducted in the absence of any effective system of monitoring and control. In addition to this, training has been underfunded and what funds have been available have been spent more on personnel and infrastructure than on the actual provision of training (Assistant Director in the Department of Provincial Affairs and Local Government, 1997 : Interview).

Training has been carried out unevenly with a focus on metropolitan areas and larger towns. For the most part rural areas have been neglected. This bears testimony to the lack of an overall strategy for local government training (Theron and Schwella (ed), 2000 : 111; Director Human Resource Development for the South African Local Government Association, 1997 : Interview).

It is imperative that a more coordinated strategy for municipal training is devised that is guided by a national vision and a set of priorities is worked out (Mosley Report, 1997 : 42). Such an approach will ensure that the human resource capacity of municipalities is raised in order to meet the needs, desires and demands of the electorate. Apart from this, 96% of the respondents to the questionnaire in Appendix A, stated that they felt that councillor training should be accredited by a tertiary institution. This will allow a councillor not only to receive appropriate training, but it will also provide a councillor with an accredited

qualification that can either be used to further his/her studies, or used in obtaining alternative employment.

Although the new structures for the coordination of municipal training have not yet been formally established, stakeholders such as the Local Government Training Board (LGTB), the Department of Provincial Affairs and Local Government, the Department of Labour, the Local Government Education and Training Board (LGETB), the Joint Committees of Ministers and Members of the Executive Committee (MINMEC), the South African Local Government Association (SALGA), the Development Bank of Southern Africa (DBSA), and the South African Mine Workers Union (SAMWU) do agree on the following as a basic departure point (Solace International and CEPAD Report, 1998 : 12-14):

- a. The establishment of a Local Government Sector Education and Training Authority (SETA) as the single co-ordinating body for municipal education and training.
- b. The SETA will be registered as an Education, Training and Quality Assurance Body (ETQA) for municipalities to undertake the quality assurance of training provision and should contribute to the standards generating and monitoring process through close co-operation with appropriate national standards bodies and standards generating bodies.
- c. The establishment of education and training boards in each province to undertake the co-ordination of training needs in conjunction with municipalities.
- d. The provision of training should be competitively tendered and municipalities and training centers that wish to be both purchasers and providers should establish clear organisational separation between the two roles.

The National Qualifications Framework (NQF) provides a set of principles and guidelines which provide a vision, a philosophical base and an organizational structure for construction of a qualifications system. It is a national effort aimed at integrating education and training into a unified structure of recognized qualifications. The notion of developing an integrated training strategy for councillors and officials through the local government SETA will result in a democratic, developmental and economically viable local government sector. In this context it is important that the training needs of councillors and officials be considered within the context of the Skills Development Act, 1998 (Act 97 of 1998) and the South African Qualifications Authority Act, 1995 (Act 58 of 1995) (Solace International and CEPAD Report, 1998 : 8-9). From this it can be deduced that training should ensure that both councillors and municipal officials are given the capacity to build and sustain democratic, developmental and accountable municipalities (Gildenhuys, 1997 : 45-46).

It is the responsibility of the local government SETA to ensure that training received by councillors and municipal officials will be accredited by tertiary institutions. Each training course attended becomes a stepping stone on a logical career path for each individual. This approach will raise the human resource capacity for municipalities.

It can be concluded that the South African Local Government Association (SALGA), through its representation on a SETA, should be fully responsible for the training of councillors and should play a pivotal role in building the capacity of municipal officials in supervisory positions. Such an approach could ensure a holistic integrated approach to training and capacity building that should lead to effective and efficient councils, building strong democratic and developmental local government (Director Human Resource Development for the South African Local Government Association, 1997 : Interview). In this regard SALGA could develop its own in-house capacity in order that it and the provincial associations are able to take full responsibility for the training of councillors as elected municipal

representatives (Assistant Director in the Department of Provincial Affairs and Local Government, 1997 : Interview). It will build the capacity of councillors to play an active role on all the structures where SALGA has representation, such as the Local Government Education and Training Board (LGETB); the Bargaining Council and its divisions; the National Council of Provinces; The Fiscal and Financial Commission and all other national or provincial structures where SALGA has representation.

Councillors are required on a daily basis to promote development despite financial and institutional crises (Ismail *et al.*, 1997 : 76-77; Gildenhuys, 1997:11-12). SALGA has identified some urgent short-term training needs that will provide councillors and municipal officials in supervisory positions with the capacity to make meaningful interventions in municipal budgets (Murphy, 1998 : 2-3). Such training topics are *inter alia*:

- a. integrated development planning;
- b. municipal budgeting and finance;
- c. local economic development;
- d. legislation impacting on local government;
- e. strategic planning and service delivery; and
- f. change management.

SALGA envisages developing a set of core training modules that every newly elected councillor should receive on being elected to office. The determination of a set of core training modules should include the following topics (Murphy, 1998 : 5-6):

- a. a comprehension of the structures, powers and functions of municipalities;
- b. a discernment for municipal finance and budgeting;
- c. an understanding of the ethical and procedural environment in which a council operates; and
- d. the development of basic management skills such as decision-making, conflict management, change management and negotiation skills.

However, the focus of this thesis is on the determination of the core modules and relevant subject matter for the training of newly elected councillors. This is done by analysing what the responsibilities of councillors are in terms of their governing and representative functions.

## PROBLEM STATEMENT AND HYPOTHESIS

The **problem** is that the training of councillors in South Africa has been uncoordinated and fragmented to the extent that the municipal training centers in the different former provinces had the monopoly in deciding the scope and content of training (Director Human Resource Development for the South African Local Government Association, 1997 : Interview; Director of the Institute for Local Government, 1995 : Interview). This means that councillors in South Africa do not have similar training exposure, which could impact on their ability to perform their representative and governing functions. It can be deduced that if a set of core training modules for the training of municipal councillors is accepted by SALGA and implemented by the education and training boards in each province in conjunction with municipalities, it will ensure a more coordinated approach to councillor training. Such an approach will ensure that the human resource

capacity of municipalities is raised in order to meet the needs, desires and demands of the electorate.

Given the disparity between the percentage of re-elected councillors versus the percentage newly elected councillors; the gap that exists in educational qualifications; and the balance of political power, it is the **hypothesis** of this thesis that effective local government can be brought about if councillors receive appropriate training. The development of a set of core training modules would provide councillors with a common knowledge base regarding their institutional and organisational roles.

## RESEARCH AIMS AND OBJECTIVES

In determining the research objectives for this thesis consideration has been given to the priorities as identified by SALGA, surveys, interviews, observations and information gathered from GALA on the profile of councillors in Gauteng. In deciding what a set of core modules for the training of councillors should entail, the emphasis of this thesis is on equipping councillors with the required expertise to govern and represent their municipalities in an effective and efficient manner.

As a departure point theory and practice regarding local government is considered in a logical composite. Given the fact that this research is aimed at determining what is expected of a councillor in terms of his or her representative and governing functions and on that basis to develop a set of core modules for the training of newly elected councillors, the study objectives are as follows:

- a. The **first** objective is to examine the institutional and organisational environment in which councillors function, with specific reference to their governing and representative roles. In this regard the pivotal role SALGA plays in being responsible for the training of councillors, is emphasised.

- b. The **second** objective is to establish the powers, functions and structure assigned to municipalities. It provides councillors with a discernment of their role in the administrative environment of a municipality.
- c. The **third** objective is to delineate the policy-making process in municipalities as well as the policy environment in which councils function, with specific reference to the role of stakeholders in the policy process and the forces that shape the various policies.
- d. The **fourth** objective is to examine municipal finances and the management there-of, the budgeting process, aspects relating to sound financial management and financial challenges confronting municipalities.
- e. The **fifth** objective is to consider the utilisation of human resources in municipalities in order to ensure that municipal officials are used in such a way that a municipality obtains the greatest possible benefit
- f. The **sixth** objective is to determine how control is exercised over municipal activities in order to ensure that they are accomplished as planned and that any significant deviations are corrected.

In achieving these six research objectives it is the aim of this thesis to identify critical functions expected of a councillor in terms of his or her representative and governing functions. These functional requirements would have to be included when determining guidelines for the training of newly elected councillors.

## **RESEARCH APPROACH AND METHODOLOGY**

The research theme will predominantly be approached from an empirical and problematic-critical perspective. Chapter 1 (Local Government and Administration) will be examined by means of historical-critical research explaining a councillors'



institutional and organisational role in municipalities; as well as providing a detailed discussion of the organisational design in terms of service rendering.

Chapter 2 (Policy-making in Local Government) will be explored from an empirical perspective in order to determine the policy framework within which councillors function; how policy decisions impact on the community and to determine under which circumstances policies change.

Chapter 3 (Utilisation of Resources) and Chapter 4 (Control) will be examined in terms of explanatory and empirical research in order to focus a councillors' attention on identifying and overcoming financial hindrances that impinge on the effectiveness of a council. The research is aimed at identifying the primary responsibilities associated with political control and responsibilities as well as focussing on critical skills that will enable a decision-maker to function more effectively. This research approach and methodology could identify the representative and governing responsibilities of councillors that would ultimately need to be included in the guidelines for the training of newly elected councillors.

## CLARIFICATION OF TERMINOLOGY

In order to master a particular field of study it is important to master the meanings, applications, definitions and interrelationship of concepts. Phenomena and issues pertaining to local government are continuously debated resulting in a specific technical meaning of words. Councillors should master these meanings in order to enhance communication and deliberation in their decision-making process. Failure to do so results in terminological confusion leading inevitably to ineffective decision-making. Lewis Carrol in **Alice Through the Looking Glass** asked the following: "*The question is*" said Alice, "*whether you can make words mean so many different things?*" "*The question is*" said

Humpty Dumpty, "*which is to be the master – that is all?*"

To eliminate the possibility of more than one meaning being attached to a specific word, a common source of reference should be provided that attributes an exact explanation to technical language.

## Accountability

Accountability is a duty or compulsion to render a full account of deeds and misdeeds. In this regard councils, as the representatives of their communities in terms of section 151 (2) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) have a duty to render full account to their electorate for all their actions and inactions. (Thornhill and Hanekom, 1995 : 119-120; Coopers and Lybrand, 1995 : 18-19; Fenwick, 1995 : 46-48; Fox and Meyer, 1995 : 1)

## Administration

The classical meaning given to the Latin verb **administration** had two distinct senses: to help, assist or serve and; to manage, direct or govern. Several nuances can be attributed to the English version of administration by identifying fifteen possible meanings of administration. According to Cloete (1989 : 12) administration "*... takes place when two or more persons work together to realise a goal*" and as consisting of six interrelated generic administrative functions, **inter alia** policy-making, work procedures, personnel, financing, organising and control. In this regard administration can be seen as an ever-present phenomenon encountered in any group activity and to be found in all organised actions aimed at achieving an objective (Botes, 1997 : 295; Toad, 1959 : 2; Pitt, 1993 : 142; Roux, 1971 : 79; Dunsire, 1973 : 228-229). The administration of a municipality is set within a political-administrative system and the role of elected councillors are to provide effective political leadership whilst officials are appointed to support the legitimate political process of a municipality. In this regard a council

should legislate and govern while officials are required to administer and give effect to decisions. Administration therefore embodies the municipality that delivers municipal services to local residents, and consists of officials who are employed by the municipal council.

## **Apartheid**

The foundation for the policy of separation or apartheid was rooted in the assumption of the common humanity, the common rights and therefore the common loyalties of all members of a complex society. It is based on the contention that differences of race and cultural inheritance are fundamental and antipathetic in association (Ballinger, 1969 : 15-16). This manifested in the Black (Urban Areas) Act, 1923 (Act 21 of 1923); the Black (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945); the Urban Black Councils Act, 1961 (Act 79 of 1961); the Black Affairs Administration Act, 1971 (Act 45 of 1971); the Community Councils Act, 1977 (Act 125 of 1977) and the Black Local Authorities Act, 1982 (Act 102 of 1982). Blacks were not regarded as permanent citizens of South Africa and their presence in the urban areas was linked to their contribution to the urban economy. Apartheid legislation led to racial segregation of settlements; racially-divided local authorities; and gross racial disparities in access to services and housing. Apartheid local government was based on the idea that towns and cities could be separated and administered by separate local authorities with their own fiscal, administrative, legal and representative systems (Cameron, 1991 : 12-13; Johnson, 1994 : 1-2).

## **Bureaucracy**

The word "*bureaucracy*" derives from the French word **bureau** or the writing table where officials worked. The suffix derived from the Greek work meaning to rule. Bureaucracy therefore means to rule by offices. According to Weber (1962 : 71-73) the bureaucratization of an administration always results in the specific

development of administrative tasks. In the local government context bureaucracy refers to a municipality that consists of appointed officials whose primary function is to implement the policies of the decision makers. In this regard a municipality is a rational system of organised structure designed to permit the efficient and effective execution of local policy. A bureaucracy or municipality operates in accordance with a fixed set of rules and procedures; has a clearly recognised chain of command through which responsibility flows from the council to municipal officials. The job of the bureaucracy or municipality is to apply policy guidelines to particular situations. It is a method of organisation that enables a municipality to operate with some uniformity and in a manner that is rational and subject to internal supervision and control (Roskin, et al. 1997 : 303-304).

## **Community**

A community is a group of people living in a demarcated geographical area where their needs are identified and addressed through interdependent relationships. It implies that inhabitants identify themselves with the geographic area concerned, and with one another, and have common interests and objectives and exhibit a distinct measure of co-operation (Kotze, 1986 : 49).

## **Control**

Control refers to the regulation of activities in such a way as to facilitate goal achievement (Griffin, 1993 : 474; Robbins and De Cenzo, 1998 : 110; Smit and Cronjé, 1997 : 397). According to Robbins and De Cenzo (1995 : 345), control may be defined as "... *the process of monitoring activities to ensure they are being accomplished as planned and of correcting any significant deviations*". According to Du Toit and Van der Waldt (1997 : 15), control in the municipal environment refers to the generic process of ensuring that all administrative and functional activities are carried out in such a manner as to achieve the efficient and effective

provision of goods and services to the community. Thornhill and Hanekom (1995 : 226) state further that "... *the exercising of control is only one of the functions that must be carried out in order to complete the joint actions required to achieve a common goal. Only if effective control measures are introduced will it be possible to ensure that the most advantageous results are achieved through the most economical utilisation of all the resources*". The control process involves informal communication and interaction, by means of, **inter alia**, memoranda, meetings, conversation, and even by such signals such as facial expressions. In addition to these informal activities, there are formal controls such as measuring, comparing and correcting (Anthony and Dearden, 1980 : 19).

Comm

## Councillor

Weld

In terms of section 1 of the Local Government : Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) councillor means a member of a municipal council. Councillors are elected delegates from a local community tasked with the responsibility to govern and represent a specific municipal area.

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## Democracy

The word "*democracy*" literally means "*the government of the people*". It is derived from the Greek word **demos** (the people or masses) and **kratos** (to govern). The concept developed first in the small Greek city-states, and the Athenian democracy (roughly between 450 B.C. and 350 B.C.) when Pericles, the great Athenian statesman stated: "*Our constitution is named a democracy, because it is in the hands not of the few but of the many. But our laws secure equal justice for all in their private disputes and our public opinion welcomes and honors talent in every branch of achievement ... on grounds of excellence alone ... Our citizens attend both to public and private duties and do not allow absorption in their various affairs to interfere with their knowledge of the city's ... We decide or debate, carefully and in person all matters of policy, holding ...*"

*that acts are foredoomed to failure when undertaken undiscussed.*" (Thucydides, 1951 : 111-112). From this definition stems a common conception that democracy ensures self-determination and self-government through popular consultation, popular participation, competition of ideas and policies, basic individual freedoms, equality before the law and access to opportunity to influence policy (Reddy, 1996 : 14; Venter, 1998 : 16-17; 205-206). Democracy is a political system wherein decision-making power, is distributed among members of the society (Lipson, 1970 : 300-301; Macridis, 1980 : 62-63). Democracy in local government stresses the potential ability of people to cooperatively identify and solve issues and problems they encounter collectively. Common problems cannot be effectively resolved without participation of those affected by the solution (Ready, 1967 : 100-102; Levine, 1982 : 53; Van Der Waldt and Helmbold, 1995 : 5-6). The objective of local government democracy is to create conditions under which each individual may achieve the greatest measure of welfare and prosperity. In order to achieve local government democracy, the machinery of local government should be organised in a manner allowing mutual deliberation and consultation. Local democracy is that form of government seeking to unite its citizenry as a community which constantly pursues the happiness of the largest number of its people

## **Govern**

The word **government** is derived from the Greek word **kubernetes**, which, if translated refers to the person guiding a sailing ship. According to Botes (1997 : 3-4) the word **kubern** refers "*... to the art or craft of balancing a sailing ship with its large sails against the pressure of the wind in order to achieve the maximum speed in the water while balancing the sailing ship*". Political theorists such as John Locke (1965 : 180) have viewed governments as devices to protect the rights and property of the people. Government represented an agreement between the rulers and the ruled, who would support those in power as long as the government served in their interests. According to Wit (1953 : 3-4)

government exists whenever an organised control, directed toward the attainment of an orderly community life, operates on a community-wide or territorial basis and involves the right to make itself effective through resort, if necessary, to physical coercion. In the municipal context to **govern** means that a councillor has the ability to communicate with its community and to control the flow of the administration in the direction of their needs, desires and demands. The council should consult with all relevant policy-makers in the process of formulating policy, *inter alia* officials, residents and interest groups. This will not only render comprehensive policy-relevant information, but will probably ensure the legitimacy of a council's decisions.

## Local government

In terms of section 151 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) local government refers to the local sphere of government that consists of municipalities which must be established for the whole of the territory of the Republic of South Africa.

## Local government management

Local government management refers to the process of completing activities with and through other people within a municipality for the explicit purpose of governing, serving the best interests of the community, and promoting the general level of quality of life of all citizens in the community (Ismail, *et al.*, 1997 : 3).

## Management

Management refers to the process of getting activities completed efficiently with and through other people. The process represents the functions or primary activities engaged in by managers. These functions are typically labeled planning, organising, leading and controlling. (Robbins and De Cenzo, 1995 : 4; Keeling

1972 : 32-33; Rapp and Patitucci, 1977 : 5; Thornhill and Hanekom, 1995 : 11-12).

## **Municipal administration**

In terms of section 1 of the Local Government : Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) municipal administration refers to the organisational structure (municipality) that delivers municipal services to local residents. It consists of officials who are employed by the municipal council.

## **Municipal council**

In terms of section 1 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998), the municipal council consists of politicians who are democratically elected by local residents. A council is responsible for representing and governing the local area.

## **Municipality**

A municipality is a political subdivision which is constituted in terms of sections 151 and 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. A municipality therefore refers to a local institution comprising elected representatives and appointed officials, which functions within a specific geographical area to provide services to its local community. Although a municipality has a right to govern and administer on its own initiative, it is in terms of section 156(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), subject to constitutional provisions as well as national and provincial legislation. Regarding its obligation to provide services to communities, to promote social and economic development, to promote a safe and healthy environment, and to encourage the involvement of communities in



local matters, a municipality may not in terms of section 156(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), enact by-laws that conflicts with national or provincial legislation.

### **Personnel administration**

Personnel administration is that part of management concerned with people at work and their relationships within an enterprise. Its aim is to bring together and develop into an effective organisation the men and women who make up an institution and, having regard for the well-being of the individual and of working groups, to enable them to make their best contribution to its success (Graham and Bennett, 1995 : 147)

### **Planning**

Planning is a contemplative activity that requires imagination, farsightedness and deductive reasoning in order to visualise a desired state of affairs in the future, and to determine the steps that should be taken to achieve this. The end result of planning is a plan, which consists of a carefully worked out programme or programmes of intended action. A plan will, however, remain a plan and in this regard is not a final guideline for action, because a council should first decide whether it is acceptable. After a council has deliberated the merits of the plan it will be accepted and translated into a policy (Dunn, 1994 : 341-342; Hilsman, 1971 : 122).

### **Political decisions**

The term "*politics*" is defined by Laswell (1958 : 1) as a conflict resolution process that determines "*who gets what, when, and how*". Dolbeare and Edelman (1974 : 8) define politics as "*the process by which power is employed to affect whether and how government will be used in any given area.*" A

“*decision*” is but a moment in an ongoing process, but the decision-making process could take some considerable time. Decisions are about choices that involve the objective consideration of available information and the analysis of various possibilities and preferences (Dahl, 1973 :128-129). According to Easton (1953 : 32) citizens’ needs, desires and demands are felt by the political decision makers, who process them into authoritative decisions and actions. These outputs make an impact on the social, economic and political environment that the citizens may or may not like. According to Hattingh ( 1998 : 158) political decisions involve the necessity for applying different skills in the utilisation of various facts and values, in order to finally make a deliberate choice between a number of alternatives. Political decisions can therefore be regarded as a norm or norms laid down by an authority, such as a municipal council, to engender actions for the realization of local objectives.

## **Policy-making**

Policy-making involves the thought processes and actions, which precede the statement of a goal. It implies the formulation of a strategy based on the deliberation a number of alternatives. The result of the local policy-making process is a policy or a desired course of action or interaction which is to serve as a guideline in the allocation of resources to realise local goals and objectives, decided upon and made publicly known to the community. (Hanekom, 1996 : 8-9; Halachmi, 1978 : 92-94; Keeling, 1972 : 35; Kotze, 1986 : 17; Hanekom and Thornhill, 1983 : 63).

## **Represent**

John Locke’s (1965 : 22-23) idea of representative government was based on the notion that political authority derives from people. The majority and its elected representatives can make all and any decisions. John Stuart Mill (1958 :41-43) did not subscribe to the “*one man, one vote*” principle. He feared that if

the mass of people were given the right to vote, then the many (the poor) would use their numerical strength to take care of their interests at the expense of the middle and upper classes. He favoured education and property as prerequisites for the right to vote and to be elected. Despite his fears representation and representative government gradually spread, and with it majoritarianism, the right for the majority to form a government and make decisions for all, gained legitimacy. To represent refers to the right to make binding decision on behalf of the body or person that is being represented. In this regard a council acts as the representative of the local community by enforcing decisions which are binding on the citizens within its area of jurisdiction (Kotze, 1986 : 200). This role is the result of the election process and constitute a municipality as a political institution based on representative democracy.

## **Training**

Training refers to all those planned and purposeful activities which improve the knowledge, skills, insight, attitudes, behaviour, values and working and thinking habits of learners in such a way that they are able to perform designated or intended tasks more efficiently (The Public Service Staff Code, Chapter C, Section 3.1 [g] ).

## **CONCLUSION**

South Africa's transition from being segregated racially based and undemocratic to becoming a non-racial, democratic state brings about various training challenges. The process of integrating budgets and amalgamating administrations, and the fact that the majority of the 11 300 elected councillors at the 1995 elections were first time councillors presented the challenge of transforming former administrative structures into centers of democracy and development, creating new training needs. Councillors elected in the 1995 Gauteng municipal elections were predominantly male with a varying degree of expertise and qualifications. Training

of councillors will therefore have to accommodate, not only people with tertiary qualifications, but also those without a matriculation or secondary school leaving qualification. Apart from this, the training of councillors will have to make provision for both people that are seasoned councillors and for those that have been elected for the first time. The restructuring of the local government training system therefore has to be pursued within the wider context of challenges facing municipalities to transform from its narrow service delivery orientated character, to one that is more development orientated, participatory and responsive to the needs of the community.

The South African Local Government Association will be fully responsible for the coordination of training of councillors and in this context envisages developing a core set of training modules that every newly elected councillor should receive on being elected to office. This research postulates that despite the fact that councillor training in South Africa has been uncoordinated and fragmented it is possible to develop a set of core modules applicable to the training of all newly elected municipal councillors.

In determining the research objectives for this research project, consideration was given to the priorities as identified by section 151 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Local Government Transition Act, 1993 (Act 209 of 1993); the White Paper on Local Government, 1998 (Government Gazette no. 18739 of 1998); the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998); and the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999). In deciding what a set of core modules for the training of newly elected councillors should entail, the emphasis of this research is on equipping councillors with the required expertise to govern and represent their municipalities in an effective and efficient manner. The fact that councillors represent different political parties will in all probability lead to conflicting viewpoints during council deliberations. From a training perspective this will necessitate not only an understanding of South African political environment

and legislation, but also an ability to negotiate, a willingness to change and resolve conflict.

In Chapter 1 the political environment in which councillors function, with specific reference to their governing and representative roles will be examined. This Chapter will depict the powers, functions and structure assigned to municipalities. It provides councillors with a discernment of their role in the administrative environment of a municipality.

## 1.1 INTRODUCTION

In terms of the new governance framework (Act 108 of 1998) municipalities are required to develop their own policies and programmes and to ensure that their policies and programmes are consistent with their respective provincial and national policies and programmes. In 1992, the first municipal elections in South Africa were held. The new South African government, with its emphasis on local government, provided a new legislative framework for local government. The new South African government, with its emphasis on local government, provided a new legislative framework for local government. The new South African government, with its emphasis on local government, provided a new legislative framework for local government. The new South African government, with its emphasis on local government, provided a new legislative framework for local government.

# CHAPTER 1

## LOCAL GOVERNMENT AND ADMINISTRATION

*“...even in democratised South Africa, the role of councillors needs to be defined; councillors still need an organisation to give practical effect to their policies; and the town, village or district must still be administered...”*

*- D. Craythorne, 1997 : 65*

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### 1.1 INTRODUCTION

In terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) political systems in local government are organised to ensure that municipal councils are accountable, transparent and respond to the needs of their constituencies by allowing the local community to participate effectively in the policy formulation process. The local political leadership is ultimately responsible to ensure that the needs of the community are translated into workable programmes. The Local Government Negotiating Forum (LGNF) was established in 1992 as the main negotiating forum on local government and assigned municipalities with powers and functions which were required to render services for the maintenance and promotion of the well-being of inhabitants of municipalities in South Africa (Reddy, 1996 : 57-58). The administration of a municipality is set within a political-administrative system and the role of elected councillors are to provide effective political leadership whilst officials are appointed to support the legitimate political process of a municipality. For example, in 1999 a R32-million Olievenhoutbosch housing project, planned to be the showpiece for the Centurion Town Council, was unsuccessful. The residents were caught in the political crossfire and intimidated into not moving into the houses. The Council

refused to let anyone move into the new township until they had settled their debts. However, approximately 90% of the residents are unemployed and are unable to pay the Council the R50 per month rental and levy charged for each stand (Minutes of Centurion Town Council Meeting, 2/1999 : 7; Pretoria News, 15 March 1999 : 8). In this regard the Council therefore made a legitimate decision and the municipal officials acted on the authority of the Council.

The aim of this chapter is to introduce the political and administrative environment of the local sphere of government, and to determine what the responsibilities of councillors are in terms of this environment. The structures, objectives and constitutional provisions that apply to municipalities are discussed. This is followed by an exposition of the different responsibilities councillors fulfil, with specific reference to their governing and representative responsibilities. In the final instance the administrative relationship will be addressed and deductions made regarding councillor training.

## 1.2 THE RIGHT TO EXISTENCE OF MUNICIPALITIES

According to Craythorne (1980 : 18) a person in modern society has basic needs, for example, water, power, sewerage removal and disposal, clinics, roads, and transport. In order to promote the physical and mental growth of people, facilities such as sports fields, swimming baths, parks, libraries, music, art, theatres, nature reserves and botanical gardens should be provided (Cloete, 1989 : 51-52; Cloete, 1989 : 14-15; Cloete, 1997 : 45-46).

Due to the extent of services to be provided and the spatial disposition of communities it would be contra productive for national government to be the provider of services to a variety of small communities with diverse needs. If national government did, however, endeavour to supply these services in every community it could be costly and may lead to an ineffective utilisation of national revenue. A municipality is in a more advantageous position to determine the

needs of the inhabitants in its area and to provide in the needs of a particular community (Reddy, 1996 : 58-59).

According to Craythorne (1997 : 9-10) a municipality deals primarily with such matters that concern the inhabitants of a particular geographical area. Such area is usually a part of a regional or subregional section of a state. According to Adlem et al., (1997 : 40) it is in this sphere that the community experiences government as being active or inactive, relevant or irrelevant, and democratic or authoritarian. The rights of existence of municipalities are based on at least two considerations, namely civic considerations and utilitarian considerations.

### 1.2.1. Civic considerations

It is the responsibility of a municipality to create opportunities for direct and representative participation for its inhabitants. Community participation takes place in terms of section 158 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) through a variety of means, *inter alia* the right of qualified voters to vote; to serve as community representatives; and the opportunity for the community to voice their opinions at public meetings where local issues are debated.

Thus, local inhabitants, whether they are voters, visitors or other inhabitants could play a role in making known their needs. Various mechanisms are available e.g. civic associations to ensure organised approaches.

### 1.2.2 Utilitarian considerations

Municipalities, have in terms of section 152 (1) (b) and 153 (b) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and clause 86 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) the responsibility to "... *give priority to the basic needs of the community, promote the*



*social and economic development of the community, and ensure that all residents and communities in a municipality have access to at least the minimum level of basic municipal services*". The fact that unlimited demands for services must be satisfied with limited resources implies that municipalities have to utilise a system of prioritisation. The establishment of realistic objectives is important in order to facilitate the realisation of the set priorities in a logical manner. The Greater Johannesburg Metropolitan Council budget priorities for 1999/2000 for example, included tackling basic needs, maintaining existing infrastructure, enhancing revenue collection, enforcing credit control measures, improving income generation and reducing emphasis on revenue absorption services (Chief Engineer for the Greater Johannesburg Metropolitan Council, 1999 : Interview; Business Day, 25 June 1999 : 3). This was made possible by reducing other expenses such as allocating only R400 million to infrastructure development whilst at least R800 million was requested initially for it. However, the chairman of the executive committee of the Greater Johannesburg Metropolitan Council, Collin Matjila, announced at a news conference in Johannesburg on 27 June 1999 that infrastructural development will be financed with money raised from disposing of assets such as the metropolitan bus company, the Johannesburg Zoo and the fresh produce market. In this regard the Council managed to finance infrastructural development and basic services by being innovative.

Citizens have a legitimate expectation to receive municipal services. A municipality is the sphere of government closest to the people and needs therefore to be orientated to optimise access to services for all citizens. To this end eight principles have been identified in the White Paper on Transforming Public Service Delivery, 1997 (Government Gazette no. 18340 of 1997) for transforming service delivery, **inter alia** consultation; service standards; access; courtesy; information; redress; value for money and; openness and transparency.

It could be deduced that councillors should have a discernment of the right of existence of municipalities and on that basis be able to determine what role a

council can play in effectively representing and governing the community and at the same time provide the community with the required services effectively and efficiently.

### 1.3 POWERS AND FUNCTIONS OF MUNICIPALITIES

In terms of section 160 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipal councils should ensure the provision of services to local communities. To deliver these services, a council has to appoint municipal officials and pay for services such as water and lighting. If a municipality does not have adequate income, it will not be able to afford to introduce or continue providing services. Municipalities, therefore, need financial resources and administrative systems in terms of Chapter 4 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) to collect revenue from rates, tax and service charges. These systems will ensure that service delivery is sustainable. Municipal councils should also promote the social and economic development of their local communities (Barton and Chappel, 1985 : 143). Municipalities are responsible for services that aim to make cities, towns and rural areas under their jurisdiction prosperous and suitable places to live and work in. For example, municipalities should develop plans for their local areas to ensure that residential homes are close to schools, clinics and shops. Municipal planning can enhance the economic potential of an area. For example, through ensuring that there is transport for people to travel from home to work. Municipalities can develop programmes to support the economic growth of the local area, such as small business development programmes. It can be concluded that councillors need to have an understanding of what powers and functions are allocated to a council to establish the nature and extent of the services that could be provided.

Municipal councils are responsible for governing the local area in a way that is democratic and accountable to the communities that elected them (Plunkett, 1993 : 67-69). Municipal councils take important decisions on behalf of the

communities they represent. For example, they should decide which services are most urgently needed and on what basis to allocate limited resources. Each municipal council should ensure that the decisions it takes are aimed at meeting the needs of the local community, and benefit the local area. It should account to local residents for the decisions that it takes, and for the way in which it spends public funds (Ismail, et al., 1997 : 76-77). Municipal councils should ensure that local residents have a say in decisions they take. In this regard they should encourage the involvement of communities and community organisations in governing the local area. It can be concluded that municipal councils should be organised in such a way that they can fulfil a broad range of obligations.

The powers and functions of municipalities are derived from a number of constitutional provisions. These provisions emphasise the necessity, as well as the objectives and characteristics of the local sphere of government. It is important for councillors to understand these provisions because it delineates its parameters of legitimate authority. These provisions are briefly discussed in the ensuing paragraphs.

In terms of sections 43(c) and 151(4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) local government is no longer a listed legislative competence of another sphere of government. The Constitution stipulates in sections 43(c) and 104 the extent of the legislative powers the national and provincial spheres of government have over the local sphere of government. Chapter 7 is not the only relevant part of the Constitution relating to local government affairs. Municipal affairs are affected by various sections of the Constitution, 1996 – ranging from equality in section 9 to the role of traditional leaders in section 212.

Co-operative government in terms of Chapter 3 of the Constitution, 1996 establishes local government as an independent sphere of government. In terms of Section 41(1)(g) national and provincial governments are not permitted to

exercise their powers and functions in a manner that encroaches on the geographical functional and institutional integrity of local government. A municipality has the right in terms of section 153(3) to govern on its own accord the local affairs of the community. Any other sphere of government can not compromise a municipality's ability and right to exercise its powers or perform its functions. Provincial governments have a responsibility to encourage the development of a municipality's ability to empower them to perform their functions and manage their own affairs. From this it can be deduced that councillors need to have sufficient understanding of the impact the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) has on the powers and functions of municipalities.

#### 1.4 OBJECTIVES OF LOCAL GOVERNMENT

In terms of section 152(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) the objectives of municipalities are to provide democratic and accountable government to local communities; to promote social and economic development; to encourage the involvement of communities and community organisations in the affairs of municipalities; to promote a safe and healthy environment; and to ensure the provision of services to communities in a sustainable manner. This implies that a municipality has to ensure that services are provided, which imply that alternative methods may be utilised in the rendering of services to the community.

Municipalities have a responsibility to meet the basic needs of communities and to promote the social and economic reconstruction and development of South African society. In terms of section 152 (1) (a) and 152 (2) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), it is the objective of municipalities to provide democratic and accountable government with restricted financial and administrative resources. Municipalities should ensure the provision of sustainable services and promote social and economic development in a safe

and healthy environment. In previously disadvantaged communities e.g. Soshanguve there may be a more urgent need for the provision of water, whereas in Mamelodi primary attention may have to be given to economic upliftment.

From a training point of view, councillors should have an understanding of the envisaged paradigm shift from mainly rendering and maintaining existing services to a developmental one. According to Fourie (1999 : 12-13) this could be achieved if the focus of municipalities contain the following:

- a. **Catalytic municipalities.** Municipalities take on the real role of steerer (governing) rather than rower by creating an enabling environment and bringing together various groupings in the community to enhance and stimulate economic innovation and job creation.
- b. **Community owned municipalities.** The empowerment of communities and the restriction of dependency through the promotion of ownership and control of public services by communities.
- c. **Competitive municipalities.** Competitive municipalities are created by introducing competition into service delivery. This should be done on a compulsory tendering basis with the private sector, creating opportunities to save costs and to teach a council and municipal officials the importance of, and skills involved in working more productively.
- d. **Mission driven municipalities.** Mission driven municipalities allows a council and municipal officials to be creative in the pursuit of a municipality's goals. Although municipalities can never be free from rules and regulations, opportunities should be created to seek for – and implement the most effective work methods within the framework of existing policies, which may be embedded in legislation or regulations.

- e. **Results orientated municipalities.** Performance should be based on outputs rather than inputs, for example not focussing on how many kilolitres of water were supplied, but rather on the utilisation of the water and whether the revenue derived reflect the cost of provision.
- f. **Customer orientated municipalities.** The needs of communities should be addressed through participation and not that of the bureaucracy.
- g. **Anticipatory municipalities.** Addressing problem areas in a pro-active manner, rather than letting it become a crisis, which necessitates the application of extreme measures.
- h. **Participatory management.** Participatory management is realised through decentralisation of decision-making, encouraging teamwork and the provision of the necessary training to ensure competent implementation of decisions.
- i. **Leveraging change through the market place.** This is done by using influence to structure the market sector to provide incentives to business and individuals to assist in meeting the needs of the community at large.

From the abovementioned classification it could be deduced that councillors should have a thorough understanding of the objectives of local government and the operation of municipalities, and should therefore be included in the training programme for newly elected councillors.

## 1.5 CHARACTERISTICS OF MUNICIPALITIES

According to Craythorne (1997 : 10-11) a number of principal characteristics of municipalities can be identified. Firstly, municipalities are corporate bodies which, when constituted, becomes a juristic person with specific powers and capacities. Secondly, municipalities have the distinction of perpetual succession independent

from the existence of their individual members. Thirdly, municipalities are under the direction and control of an elected council and form an independent sphere of government subject to the provisions of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). Fourthly, municipalities are limited to a specific area and deal with issues of mainly local interest. Fifthly, municipalities are democratic and accountable, and strive to be effective and efficient in the rendering of services; and finally are responsive to the needs, desires and demands of the community (Cloete, 1997 : 46-51).

It could be argued that municipalities possess distinct characteristics. These distinguish them from other public institutions and spheres of government operating in the regional or national sphere of government. In this regard it is important for councillors to understand their designated responsibilities.

The activities within the different categories of municipalities can be classified into four distinct categories i.e. the political, executive, administrative and operational. According to Cloete (1990 : 15-16) these four categories within the municipal structure are as follows:

- a. The **political** area embodies the elected political representatives who formulate policy (i.e. a council) and are directly accountable to the community for all decisions made in respect of that policy.
- b. The **executive** area embodies the senior local officials within municipalities which, include the CEO and the departmental heads who act as policy advisers to the political representatives and initiate new policy initiatives and propose changes to existing policies.
- c. The **administrative** area embodies those municipal officials who hold middle-management positions and are primarily responsible for the administrative functions. The CEO is the head of the administration – in this regard senior

local officials in a municipality assist him or her. These officials have the responsibility to monitor the results of the effects of existing policies and effect decisions with regard to the implementation of resolutions.

- d. The **operational** area embodies the officials at the lower levels of the hierarchy. These officials have the responsibility to give effect to the designated work in order to achieve the objectives and resolutions of the political representatives and executive officials.

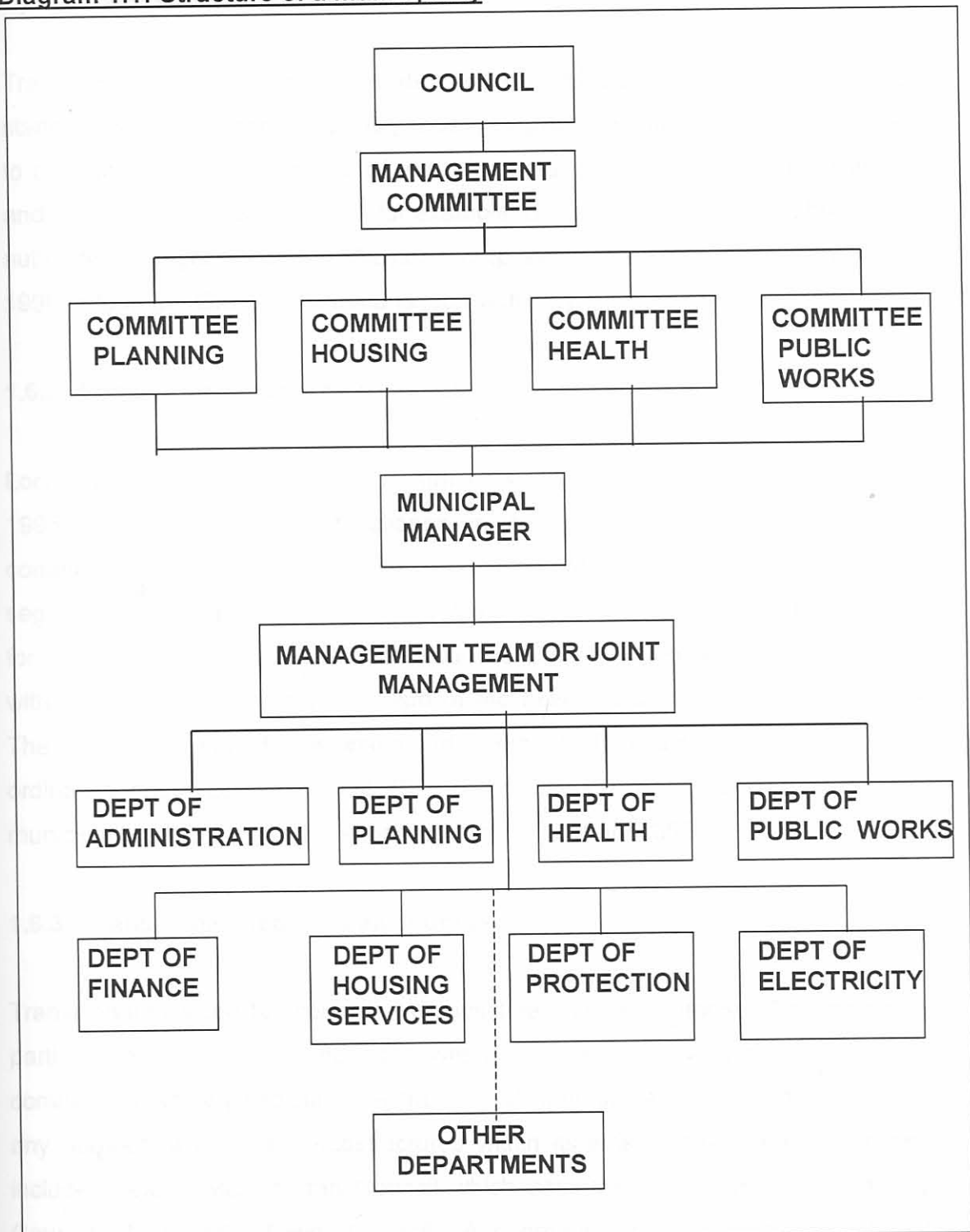
It can be concluded that a council assumes the directional role, the executive supervises the general trend of the services, and the administrative component has to guarantee that the administration would provide for efficient and effective service delivery. The operational officials are responsible for the activities through which the set policies have to be realised. In order to function effectively and efficiently in terms of their governing responsibility councillors should have a proper understanding of the responsibilities entrusted to the different role-players in a municipality. In diagram 1.1 the structure of a municipality is depicted in its most common form.

## 1.6 MUNICIPAL STRUCTURES

Municipalities in South Africa are in a state of transition and development in order to eradicate the inequalities based on race that was a characteristic of the dispensation before 27 April 1994 (Rossouw, 1999 : 22-23). In terms of section 155 (1) (a), (b) and (c) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); section 8 of the Local Government Transition Act, 1993 (Act 209 of 1993) and section A of the White Paper on Local Government (Government Gazette no. 18739 of 1998) provision is made for categories of metropolitan, urban and rural municipalities with differentiated powers, functions and structures according to considerations of demography, economy, physical and environmental conditions.



**Diagram 1.1: Structure of a municipality**



Source: Rossouw, 1999 : 231.

### **1.6.1 Transitional local councils**

Transitional local councils are established in municipal jurisdictions of so-called stand-alone towns where previously racially segregated municipalities have agreed to amalgamate under one council, e.g. Krugersdorp, Brits, Rustenburg, Witbank, and Westonaria. In Westonaria, for example, Bekkersdal (previously a black local authority) amalgamated with Westonaria (previously a white local authority) in 1996 to form the Greater Westonaria local authority.

### **1.6.2 Local government co-ordinating committees**

Local government co-ordinating committees were only valid until 1 November 1995. Such committees functioned in specific areas on the basis of a compromise. Their main function was to co-ordinate the activities of racially segregated municipalities in particular areas and to prepare these municipalities for integration into transitional local councils after 1 November 1995; in keeping with the policy aims of non-racialism of the newly elected national government. The racially segregated Westonaria and Bekkersdal for example, established a co-ordinating committee in August 1995 to co-ordinate the integration of the two municipalities into a transitional local council in February 1996.

### **1.6.3 Transitional metropolitan councils**

Transitional metropolitan councils were instituted with the purpose of co-ordinating particular activities of a number of towns and/or cities, which coincided with their common areas of jurisdiction. A transitional metropolitan council may comprise any number of municipal substructures within its jurisdictional area. Examples include Pretoria Metropolitan Council which comprises the former Pretoria City Council, Mamelodi Town Council, Atteridgeville Town Council, Eersterust Management Committee, Akasia-Soshanguve Town Council, Centurion Town Council, and Ladium Management Committee.

#### 1.6.4 Rural and district councils

Rural and district councils have been established in terms of the Local Government Transition Act, 1993 (Act 209 of 1993) to exercise powers and provide services in non-metropolitan areas, e.g. Coalville, Rашoop, Derby, Walkerville and Vandyksdrif. All the abovementioned municipal structures were established with the purpose of transforming apartheid based municipal structures into the structures implied and envisaged by non-racial and democratic local government. For this reason they are referred to as “transitional” structures. These structures will however be replaced and/or adjusted with the intended repeal of the Local Government Transition Act, 1993 (Act 209 of 1993) and its replacement with a new act.

#### 1.7 PROPOSED NEW MUNICIPAL STRUCTURES

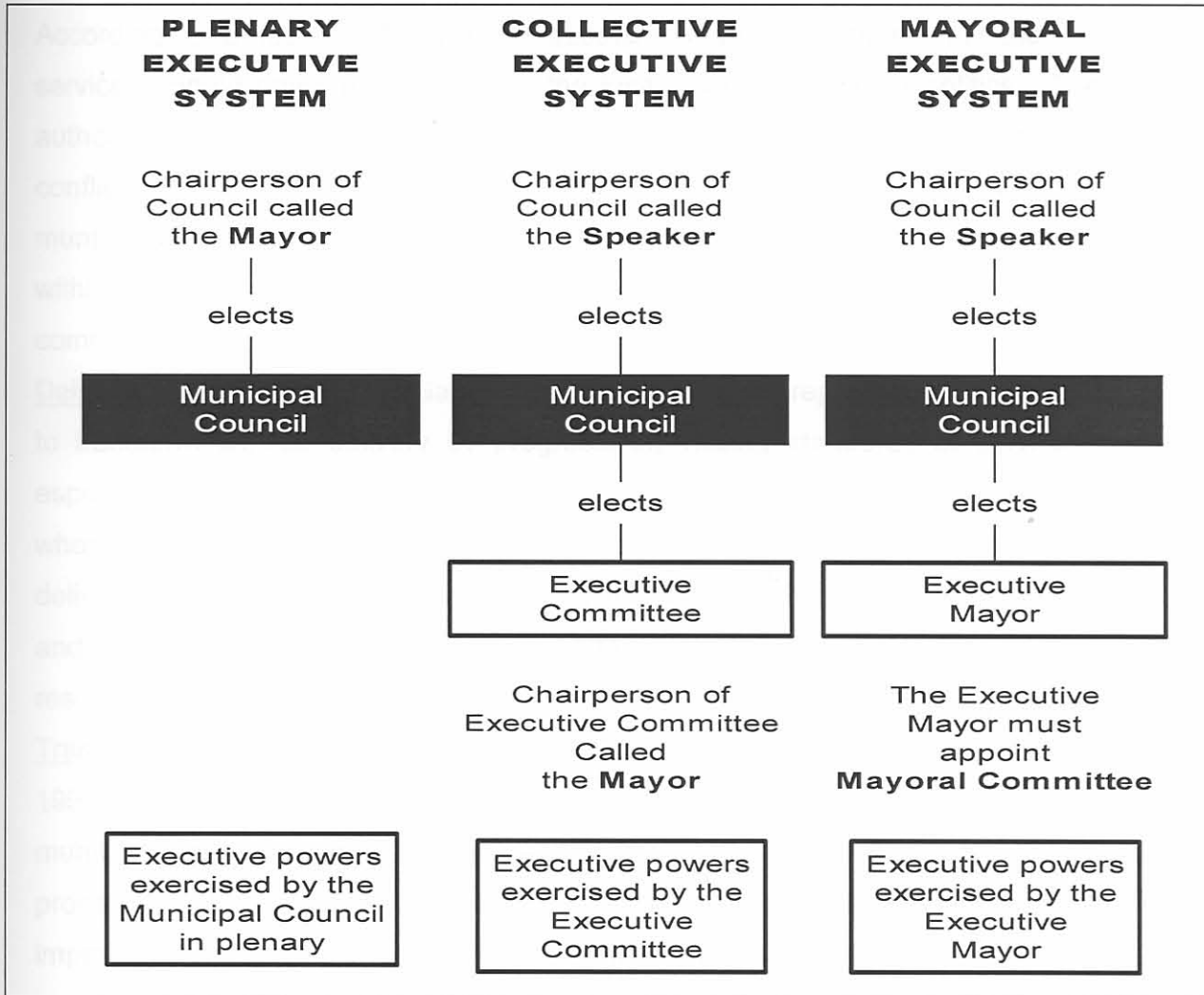
Sections 7, 8, 9 and 10 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) describes the different ways in which municipal councils could be organised to perform their powers and duties effectively and efficiently. The different types of municipalities defined, take into account that not all municipal councils are the same. The Act stipulates metropolitan wide administrations with centralised powers for densely populated urban areas. There are currently six metropolitan areas in South Africa, namely Greater Johannesburg, Pretoria, Khayalami and the Lekoa-Vaal region in Gauteng; the Cape metropolitan area and Greater Durban in KwaZulu-Natal. In terms of section 61 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) urban areas should be regarded as metropolitan areas if the region is characterised by high population density, an intense movement of people, goods and services, extensive development, multiple business and industrial districts and a complex, diverse economy.

In terms of section 7, 8, 9 and 10 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) new systems of municipal government or combinations of these systems, as illustrated in diagram 1.2, will come into place after the municipal elections in December 2000. These are, **inter alia** collective executive system, mayoral executive system, plenary executive system, subcouncil participatory system and ward participatory system. The Member of the Executive Committee (MEC) responsible for local government in each province will decide on the type of council, in consultation with a municipality concerned. In order for a council to function effectively and efficiently it is important for a council to have an understanding of the applicable municipal structures, and what impact the changes in structures will have on the governing and representative function of councillors.

It can be concluded that each council would propose its own policies within the framework prescribed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). However, every municipality will reveal common characteristics although they differ in size.

In the ensuing paragraphs the needs, desires and demands of the community will be addressed. These are discussed to establish the nature and the extent of services provided by a municipality. It is an indication to a council of the peculiar character of the municipal sphere of government.

Diagram 1.2 : Municipal systems



Source, Encarta, 1999 : Internet

## 1.8 THE NEEDS, DESIRES AND DEMANDS OF THE COMMUNITY

From an institutional and constitutional viewpoint local government is the third sphere in accordance with section 40(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). However, from the perspective of the residents, local government is regarded as the first or immediate form of government with which they come in contact with. The community experiences

municipalities as intensively personal and immediate – e.g. through the utilisation of the local sports ground, library, electricity, water, streets and pavements. According to Botes (1997 : 17) the question of which of these multitude of services should enjoy precedence in the local budget, is one of politics. The authoritative allocation of values is an attempt by human beings to resolve conflict regarding social issues (Strong, 1966 : 17). This implies that municipalities should endeavour to maintain and improve the living conditions within the local area to satisfy the needs or even expectations of the local community. In this regard the White Paper on Transforming Public Service Delivery, 1997 (Government Gazette no. 18340 of 1997), represents one attempt to transform service delivery by progressively raising standards of service – especially for those whose access to services have been limited in the past and whose needs are the greatest. It has far reaching implications for service delivery and for improving the conflicting relationships between public officials and the citizenry. In this regard it is important for municipalities to live within the resources the community can afford. A key part of the White Paper on Transforming Public Service Delivery, 1997 (Government Gazette no. 18340 of 1997), is a search for increased efficiency and the reduction of wastage in municipal government. Every rand wasted in cumbersome, inefficient processes, in delays and duplication, is money which could be invested in improving services. This indicates that a council should have the ability to identify and prioritise the most urgent needs within the community. It should be stated clearly that councillors should discern between party political objectives and the real interests of the community and which may differ significantly.

A municipality, according to Botes (1997 : 34), remains the most important means whereby the needs, desires and demands of the residents can be deliberated, allocated and resolved. Policies and budgetary allocations are implemented through the administrative arrangements within the area of jurisdiction in order to achieve local policy objectives. A municipality requires sound policies and strategies, demanding committed local officials to be

considered effective in its operations (Bateman and Zeithmal, 1993 : 23-25). Thus administrative decisions are effected to give practical application to the political issues. Botes (1997 : 35) states that “...*politics and administration cannot be separated and they can be seen as the two sides of a coin, separate but unified*”.

Within the democratic political system the residents of any municipality have specific political rights, such as the need to be represented, to determine their future within a particular constitutional arrangement in a free and fair manner. Apart from this, residents according to Cloete (1990 : 16-17) have specific *needs* (e.g. the need for water, electric power, streets, refuse disposal); *desires* (e.g. the provision and maintenance of streets, parks) and *demands* (e.g. demands for free trade areas, demands for lower taxes and tariffs, demands for environmental protection). A community's needs, desires and demands are communicated to a council by means of political campaigns prior to local elections; in the form of a memorandum or petition; or more militantly by means of protest marches, public meetings or passive resistance such as boycotts. The relevant personnel deal with these needs, desires and demands, within the prevailing political policies. For example, petitions regarding the establishment of a petrol service station in Willem Botha street in Centurion (Centurion, 17 July 1998 : 1) or boycott action against the payment of electricity and water tariffs in the 1980's (The Star, 12 October 1984).

Action plans are formulated after resources have been evaluated to determine if the implementation of such proposals are possible, such as the determination of human resources required, funds and infra-structure. Finally, an evaluation is made in order to determine whether the political needs, desires and demands of the community will be met. In the event of unforeseen needs, desires and demands a municipality may be able to provide the necessary resources to address them. This is reflected in the municipal council's annual budget that deals with matters within a period of 12 months. Furthermore, a long-term plan

is compiled to establish future personnel and financial requirements over a period of e.g. 5 years. These long-term requirements make provision for meeting needs, desires and demands as they arise such as the building of streets as traffic increases.

It could be argued that a council should be capable of accurately identifying and prioritising the community's most urgent needs, desires and demands; and be able to put action plans in place that would effectively deal with them. Apart from being aware of the needs, desires and demands of the community, a council is expected to address these needs, desires and demands in a specific manner. These expectations are addressed in the ensuing paragraphs.

## **1.9 COMMUNITY EXPECTATIONS**

According to a study conducted by the Institute for Local Government (INLOGOV) in 1996 and Stewart (1988 : 168-169) communities have particular expectations of the manner in which their representatives address their needs, desires and demands. These expectations are in terms of determining of the needs, desires and demands of the community; the collection and assimilation of information; initiating measures to the advantage of the community; objective judgement and decision-making; promoting local democracy; promoting efficiency; execution and control over personnel and projects.

### **1.9.1 Determining the needs, desires and demands of the community**

It is a council's responsibility to obtain information to determine the needs of the community for which it is responsible. Such information include *inter alia* age distribution of the community, level of employment, basic services required, the availability of land for development, stability and policy options subscribed to by the electorate. Each council's capacity to address the information requirements is dependent on its senior officials' ability to obtain and process the information.



The elected councillors have to make value choices and interpret the information.

### **1.9.2 The collection and assimilation of information**

A representative in council should obtain information regarding the needs, desires and demands of the community and assimilate it. This information should be collected by municipal officials and serve as the basis for matters to be discussed and considered when decisions are made by a council. For the purposes of identifying the requirements for a refuse dump site the Pretoria Metropolitan Council, as a case in point, had to obtain information regarding a possible site; composition of soil; accessibility; volume of refuse collected daily; expected increase in dumping annually; life span of dumping site; value judgements of community; and environmental impact (Transport Planner for the Pretoria Metropolitan Council, 1999 : Interview). On the basis of this information the Council could make an appropriate decision.

### **1.9.3 Initiating measures to the advantage of the community**

Councillors should pro-actively identify potential critical issues and implement measures to eliminate, alleviate or reconcile opposing or conflicting matters whenever possible. The issues should be investigated on behalf of the community and be placed on the agenda for discussion during a council meeting. Thus, in the case of determining the steps to be taken to alleviate the Pretoria Metropolitan Council's financial situation due to the non-payment of service charges the Council instructed municipal officials to determine the level of non-payment, establish the reasons for the non-payment of services and implement a community awareness programme in order to raise the level of payment. Apart from this the Council had to implement refined ways of collecting debt; identify alternative sources of income; and identify possible

savings in the current budget (Minutes of Pretoria Metropolitan Council Meeting, 3/99 : 4-5).

#### **1.9.4 Objective judgement and decision-making**

The representatives argue viewpoints through debate in order to reach consensus. Own interests should not prevail and efforts should be made to make decisions based on the most comprehensive data. It has to be borne in mind that policy judgements are usually based on facts and values. Usually it is relatively easy to establish relevant facts (Stewart, 1988 : 168). The reconciliation of divergent values is much more complex e.g. in establishing whether a tree should be removed to make way for visitors to the three tenors concert at the Union Buildings in 1999 the Pretoria City Council had to consider amongst other the historical value of the tree and its representation of a species against the fact that the tree had become an obstacle for a particular occasion (Pretoria News, 17 March 1999 : 4).

#### **1.9.5 Promoting local democracy**

In order to make local democratic government a reality there are, according to Van Niekerk (1994 : 41), different roles which councillors should fulfil. These are to firstly, represent their wards as advocates for and protectors of the interests of the community and the individual. Secondly, it implies a responsibility to represent political parties or interest groups and to be committed to serving the political and party principles or values of the groups they represent. Thirdly, to act as overseers who, in the final analysis, should be responsible for the decisions of a council and execution of the decision by the employees of such council.

Before the introduction of non-racial municipalities in 1995 the elected councils were normally composed of councillors who represented only one population

group. In most cases councillors were elected on a non-party political basis. All councillors were also elected on a ward basis. The 1995 local elections were held in terms of section 179 of the Constitution of the Republic of South Africa, 1993 (Act 200 of 1993) and councillors were elected partly on a proportional and partly on a ward basis. Since 1995 elections are mainly held on a party political basis, with independent councillors being the exception to the rule. Many of the newly elected councillors were not previously exposed to formal democratic elections. In the case of the Pretoria Metropolitan Council 69% were first time councillors (Director Human Resource Development for the South African Local Government Association, 1997 : Interview).

Councils had to devise ways and means to debate in a political paradigm different to a council's composition. Since 1995 councils consist of representatives with widely divergent needs, desires and demands. Thus, councils are compelled to reconcile the expectations and needs of areas with widely divergent characteristics. Councillors representing former disadvantaged groups could be inclined to focus on eradicating backlogs (e.g. in Atteridgeville only 46% of the households had electricity and water borne sewerage), whilst councillors from well-established areas on the other hand, may tend to focus on promoting culture and maintaining the level of services.

### **1.9.6 Promoting efficiency**

It is the responsibility of a council to ensure that sufficient mechanisms are in operation to achieve efficiency in the delivery of services to the inhabitants as well as other users of such services e.g. industries (Van Niekerk, 1994 : 342-343). The future economic development of a town or city largely depends on the perceived efficiency of its services. Industrialists, for example, will probably want to be assured of a regular supply of water, electricity and refuse removal before opening a factory. Similarly towns largely dependent on the tourist industry, such as Dullstroom and Pilgrims Rest, will require other indicators of efficiency. This

indicates that councillors should have the capacity to promote efficiency in terms of the expectancy of all sectors of its community.

### **1.9.7 Execution and control over personnel and projects**

It is the responsibility of councillors as members of an elected legislative body to implement measures to control the activities of the appointed personnel. A council has for example, a particular responsibility to exercise control over the expenditure and income of a municipality. Councillors are involved in compiling the budget of a municipality. As the budget is a monetary expression of actions to be undertaken it could also serve as a control measure. Thus councillors can use the budget as a mechanism to establish to what extent executive actions succeeded in achieving the set goals. It appears as though councillors seldom use the budget for this purpose. In the case of the Westonaria Town Council (in 1998) it was evident that quarterly reports on the progress of projects were either non-existent, incomplete or overdue. Where reports were submitted it tended to be verbal reports instead of documented proof of progress. Documented reports were only submitted once a project had been completed. The downside of this approach was that it does not allow for proper determination of the progress of a project and therefore effective adjustments can in all probability not be made (Personnel Officer for Westonaria Municipality, 1998 : Interview).

It could be argued that communities expect a council to be able to identify their needs, desires and demands; consider relevant information and embark on measures to address their needs, desires and demands. In doing this the community expects a council to be objective in its decision-making, to promote democracy and to control the utilisation of municipal resources (Personnel Officer for the Greater Johannesburg Metropolitan Council, Interview : 1999).

## 1.10 REQUIREMENTS AND DISQUALIFICATIONS FOR COUNCILLORS

A councillor is an important role-player in a municipality and fulfils numerous functions in this regard. There are however, particular requirements to be complied with in order to be eligible to be elected as a councillor. In terms of section 21 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) every citizen who is qualified to vote for a local government is eligible to be a member of that council, except a person who in terms of section 158 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) is appointed or in the service of a municipality and receives remuneration for that appointment or service; or is appointed or in the service of another municipality or sphere of government; or is an unrehabilitated insolvent. A councillor will be disqualified from his/her position if he/she is declared to be of unsound mind by a court of law; or is convicted of an offence and sentenced to more than twelve months imprisonment without the option of a fine; or owes money to a municipality concerned for longer than three months. In order to avoid the possibility of dismissal, councillors should have an understanding of what could lead to their disqualification.

Since the 1995 municipal elections a number of reasons were put forward for the dismissal of councillors in the Greater Johannesburg Metropolitan Council. In this regard four councillors were disqualified for owing the Council money for longer than three months - two of whose businesses went bankrupt; two councillors were appointed as Members of the Executive Council (MEC) in the Gauteng Provincial Government; one councillor was convicted of fraud; and one councillor was disqualified for not attending 5 council meetings without a written apology (Chairman of Executive Committee for the Greater Johannesburg Metropolitan Council, 1999 : Interview).

It could be argued that councillors have to be fully aware of the requirements to remain in office. Thus, awareness regarding what type of actions or behaviours

could lead to disqualification should be included in the training of newly elected councillors.

### 1.11 MOTIVATION TO BECOME A COUNCILLOR

According to Reddy (1996 : 61) the role that councillors play after their election is influenced by their motivation as to why they made themselves available for election. In this regard a number of motivational factors exist.

- a. The need to influence a policy relating to a specific service, for example a councillor who has a special interest in influencing environmental policies such as pollution control or conservation.
- b. He/she might strive to support individual community members through their interaction with a municipality, for example, providing support to small-scale farmers within the geographical boundary of a municipality.
- c. The need to find an alternative means of self-actualization, i.e. a retired resident who has a desire to make an active contribution to society by being elected as a councillor. In the Greater Johannesburg Metropolitan Council, for example, 8 retired residents had been elected as councillors; 15 councillors were unemployed at the stage of their election and the remainder were economically active (Personnel Officer for Westonaria Municipality, 1998 : Interview).
- d. He/she could have a need to make his/her expertise and knowledge available for the benefit of the community, for example a skilled social worker whose presence in council ensures a special emphasis on the right of children and women in the formulation of local policy. The professions represented in the Greater Johannesburg Metropolitan Council in 1998 were diverse, ranging from 7% with a background in education, 11% in health services, 64%

involved in commercial activities and 18% ex-public servants (Chief Engineer for the Greater Johannesburg Metropolitan Council, 1999 : Interview).

e. A demand from a specific segment in the community, for example lobbying by small businessmen to ensure that they are represented by someone who will look after their interests in council (64% of councillors in the Greater Johannesburg Metropolitan Council are active in the formal business sector).

f. He/she might have a need for status and prestige.

g. The need for possible financial advantages. According to the World Fact Book (1999 : Internet) the average allowance of a councillor in Gauteng in 1999 amounted to R3850 per month, which is marginally lower than the average income of South Africans which is R4025 per month.

From this it can be deduced that there are a number of reasons as to why people make themselves available to be elected as councillors. It is however important that councillors are made aware of implications of their governing and representation function.

## 1.12 DUTIES ENTRUSTED TO A LOCAL COUNCIL

In terms of sections 157 and 158 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and sections 21 and 22 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) the system of local government in South Africa empowers residents, who comply with the legal requirements to become registered voters, to make their needs, desires and demands known through the election of an independent candidate or party which according to them would elect councillors to meet their needs through proportional representation. Through ward elections individuals are elected according to their perceived abilities to promote an area's needs. Local politics

deals largely with local matters, such as water supply, street construction and maintenance, sewerage disposal, health clinics, electrification, traffic arrangements, property taxation, and street lighting (Ismail *et al.*, 1997 : 2-3). The residents within a local community are normally divided on many of these issues which inherently could lead to conflict. Once elected a council assumes its representative and government functions and is expected to reconcile divergent views in an effort to satisfy the needs, desires and demands of the community it serves and to address their expectations.

Stewart (1998 : 15-18) identifies a number of functions of local government representatives. Councillors are representatives and as such should represent the interests of the electorate and should, through consultation with the representative body, consider the interests of their voters in comparison to the interests of the local community as a whole. Councillors should serve and ensure the welfare of their community in order to promote the interests of residents; and make responsible decisions which can act as guidelines for officials to execute.

Ismail *et al.*, (1997 : 73-74) state that the task of a representative is one of governor and policy-maker and not that of an executive official or administrator. According to Schumann (1984 : 45-46) the municipal representative as an individual is powerless. A council is the authority and fulfills the real functions while the task of a representative should be seen within the group context. The basic task of a representative is to participate in the deliberation of council in a decision-making capacity and not in an executive capacity. In terms of section 156 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) the authority of a councillor thus lies in the corporate body regarding authorizing a municipal council to make decisions, employ personnel, pass laws, whilst section 160(3) requires a majority of councillors to be present before a vote may be taken on any matter. In a similar manner section 160(4) requires that members should be given sufficient notice before a by-law is passed. No



provision is made in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) for an individual councillor to act independently, although it is common practice for municipal councils to delegate specific responsibilities to an individual councillor or to mandate an individual councillor to act on its behalf. In terms of section 160(2) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), a municipal council may not delegate the passing of by-laws; the approval of budgets; the imposition of rates and other taxes, levies and duties; and the raising of loans.

In addition to the abovementioned restrictions, municipal councils may not delegate the approval of, or amendment to, their integrated development plans (IDP'S). **Integrated development planning**, in terms of Chapter 5 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999), means that municipalities should have clear plans and strategies for all its areas of operation, and that these should link together so that they are mutually reinforcing. A municipality should allocate its resources, and set its budget, according to this integrated development plan. This can be achieved by prioritising needs according to the limited resources available and by making the necessary choices. Integrated development planning is a way for municipalities to identify strengths and weaknesses, threats and opportunities, so that only the most important and relevant actions are taken. It is important for municipalities to be familiar with the environmental conditions they are dealing with and ensure that they have the capabilities to cope with these conditions. It can be concluded that councillors should be able to determine development priorities, operational strategies and a financial plan to give effect to the objectives of an integrated development plan.

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) the municipal council has to promote development and move progressively towards social and economic upliftment of communities, and ensure access to quality services. In terms of clause 23 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) the newly elected

municipal councils will have to, within the first 12 months following the December 2000 elections, adopt a single, inclusive plan for the development of a municipality. The priorities and objectives of the integrated development plan should reflect a municipality's most critical development needs for each priority identified, integrate activities and resources to achieve these objectives and specify time-frames. Municipal councils have to provide accountable leadership and direction by facilitating the participation of the community in its own government; promote communication and cooperation between community and government; ensure integrated development and management of the municipal area; provide infrastructural, household and community services; facilitate housing and township establishment; engage in development planning and local economic development and; ensure local safety and security.

A municipal council is expected to address its responsibilities to the greatest extent possible within the constraints of available resources and abilities. This implies that municipal councils cannot satisfy all the needs, desires and demands of their communities, and have to prioritise its responsibilities in terms of available resources.

In terms of clause 28 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999), the operational strategies would have to ensure that a municipality, either alone or through service delivery agreements, has the institutional and organisational capacity to realise its development objectives. A copy of the development plan will have to be submitted to the MEC for local government in the relevant province. A municipal council should give priority to the basic needs of the community, promote the social and economic development of the community, and ensure that all residents and communities have access to at least basic municipal services.

The Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) outlines a **code of conduct** for municipal officials, who will be prevented from

using their positions and access to information to gain contracts or benefits. They will be obliged to disclose if their spouse, partner, business associate or close family stand to benefit from any municipal contract. They will not be allowed to influence a council, its structures and councillors to obtain any appointment, promotion, privilege, advantage or benefit for a family member, friend or associate, or be involved in a business venture with a councillor without prior consent of the council. From this it can be deduced that councillors will need to have a proper understanding of the implications of the code of conduct.

Councillors should have a comprehensive understanding of a council's powers in terms of sections 151 through to 164 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) as well as the Local Government Transition Act, 1993 (Act 209 of 1993); Local Government : Municipal Structures Act, 1998 (Act 117 of 1998); and the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999).

According to Schwella and Van Rooyen (1992 : 6) government and representivity are value concepts. According to Craythorne (1997:10) **to govern** means the exercising of authority. This, in terms of the Constitution of the Republic of South Africa, 1996, (Act 108 of 1996) implies local government's competency to make decisions which can influence the rights of other people, either positively or negatively [section 152(1) (a), (b),(c),(d), and (e)]; deliver services, limit services, discontinue services (e.g. as a result of non-payment of charges) or not to deliver services [section 152(1)(b)]; allocate resources and determine priorities [sections 152 (2) and 153(a)]; enforce by-laws and regulations [section 156(2)]; appoint personnel and direct their activities [section 160 (1) (d)]; and impose taxes [section 160(2)(c)]. From this it can be deduced that councillors should have an understanding of what the governing function of their responsibilities entail.

In order to represent, Craythorne (1997:10-11) and; Schwella and Van Rooyen (1992:7) list a number of competencies in terms of the Constitution of the

Republic of South Africa, 1996 (Act 108 of 1996). It includes being sensitive to public opinion [section 152(1)(e)]; reacting to the needs of the community [section 153(a)]; the right to govern, subject to national and provincial government legislation [section 151(3)]; exercise its powers without undue impediments by national or provincial government [section 151(4)]; making balanced decisions based on the principles of fairness and justice for everybody and not specific individuals, and determining policy based on feedback from the community. These indicate that councillors should have a thorough understanding of what the representative function of their responsibilities entail.

Botes (1997 : 6) provides a more comprehensive account of the functions entrusted to councillors, *inter alia*:

- a. **Legislative function.** A council has the power to enact, alter or revoke by-laws. In this regard councillors have to participate in committee meetings, such as the executive committee, in order to effectively deliberate the details of the legislative process as well as the financial and executive details of proposed policies.
- b. **Adjudicative function.** A local council sometimes has to act as if it is a court of law, for example at disciplinary meetings, appeals to the full council and adjudicate cases of petitions. The highly technical nature of the law necessitates that the adjudication function should always be performed after consultation with law advisors.
- c. **Political function.** Due to the political nature of their positions councillors have to defend or criticise political objectives and policies in order to shape the direction of a municipality. In the case of the Pretoria Metropolitan Council the composition is as follows – 62% African National Congress (ANC), 26% New National Party (NNP), 7% Democratic Party (DP), 3% independent candidates and 2% Freedom Front. (DCD Library, 1999 :

Internet) It should be obvious that each political party could express views and propose policy options to promote its political ideals. It can be assumed that it would be fairly easy for the ANC to obtain a majority in this particular council should the issue require a party political standpoint.

d. **Representative function.** It is the responsibility of councillors to take active steps in determining the needs, desires and demands of the community in order to convert them into policy frameworks, provide financial support and executive programmes. In a survey conducted by the Institute for Democracy in South Africa (IDASA), in June 1999, to determine the extent of local communities satisfaction with their local councils, it was established that 57% of residents in the Greater Johannesburg Metropolitan Council region were dissatisfied with the Council's overall performance, 12% were neutral and 31% were satisfied with the Council's achievements. It is evident that provision would have to be made in training programmes to capacitate councillors in how to take active steps in determining community needs, desires and demands in order to obtain a satisfied corps of inhabitants.

e. **Deliberation function.** Councillors are public speakers, who have the responsibility to oppose proposals not acceptable to them in council meetings and submit constructive proposals to solve policy issues. During the period 1995 to 1999, 234 motions were debated in the Pretoria Metropolitan Council. In these deliberations the ANC members contributed 47% to deliberations, the NNP 32%, the Freedom Front 11% and the Residents Associations 10% (DCD Library, 1999 : Internet). The fact that the Pretoria Metropolitan Council is made up of 62% ANC members, but only contributed 47% to deliberations indicate that contributions are not necessarily related to representation.

f. **Public relations function.** The mayor has to attend public functions, such as opening of shopping complexes, laying of cornerstones, inauguration of

officebearers, and making public speeches. It is the responsibility of a council to reflect a positive image of the municipality they represent. By implication councillors have to defend council decisions and improve the image of their municipality. It is therefore the duty of a council to motivate and inspire the local community to participate in e.g. the Masakhane project, to pay their rent and service charges.

- g. Control function.** It is the responsibility of a council to monitor the performance of municipal officials and give account of the revenue and expenditure in terms of the approved budget. This is usually done through questions or remarks. In 1999, 62% of questions asked in the Greater Johannesburg Metropolitan Council related to financial issues; 21% related to the performance of municipal officials and 17% related to other issues (Minutes of Greater Johannesburg Metropolitan Council, 1999 : no.1 –14). This seems to indicate that councillors predominantly focus their attention on issues pertaining to finance and personnel matters.

In terms of Chapter 2 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) municipal councils have to organise their administrations in a manner that is responsive to the needs of the residents, that facilitates a culture of public service among personnel and that is performance-orientated. Municipal councils will be obliged to provide, without favour or prejudice, democratic and accountable government for residents and communities and encourage the involvement of residents, communities and other stakeholders in the affairs of a municipality. They will be required to develop a culture of municipal government that shifts from strict representative government to participatory government, and should establish appropriate mechanisms, processes and procedures to enable residents, communities and stakeholders in a municipality to participate in local affairs in a municipality.

A council should promote and deal with aspects relating to citizen participation, specifically petitions, complaints and objections by residents and communities, public meetings, public hearings by councils and their committees, and surveys among residents. Councils will have to build the capacity of residents and communities to participate in the affairs of a municipality. They will have to give public notice of the time, date and venue of every meeting, and meetings of a council and its committees may not exclude the public and the media, except for executive meetings. This indicates that councillors have a governing and the representative function.

### 1.12.1 Responsibility to govern

The exercise of legitimate power, is the exercise of political legitimacy. According to Mitchell (1979 : 13-14) "*...the legitimacy of authority is ultimately a matter of belief in the rightfulness of the institutional system through which power is allocated and authority exercised as well as perceptions regarding the rightfulness of the exerciser's incumbency in authoritative positions and of the commands themselves*". In terms of section 156 (1), (2), and (4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities have the power to legislate (adopt by-laws); to govern by resolution (to close a street due to maintenance work in the area) and; to administer (to issue licenses or permits).

The different political viewpoints of for example, the ANC in Atteridgeville; the NNP in Akasia-Soshanguve; and the Inkatha Freedom Party (IFP) in Ulundi are all part of the politics of local government. In the case of the Greater Johannesburg Metropolitan Council the parties are represented as follows – ANC 68%, NNP 16%, DP 12%, Freedom Front 2% and individual candidates 2% (DCD Library, 1999 : Internet) . The issues that received the most frequent attention in the Council during 1998 and 1999 were policy announcements regarding development and the implementation of a financial restructuring plan (Egoli 2002) for the

Greater Johannesburg Metropolitan area. Politics can differ between branches of the same ruling political party in different municipalities. For example, in the Akasia-Soshanguve Municipality the main policy concern of the ANC pertains to infra-structural development while in the Groblersdal-municipality the main policy concern of the ANC pertains to economic upliftment (Minutes of Akasia-Soshanguve Town Council Meeting, 8/1998 : 7-8; Minutes of Groblersdal Council Meeting, 2/1999 : 3). Coalitions are entered into to obtain support for policies e.g. in Nigel a coalition exists between the ANC and the NNP on the combating of juvenile delinquency. Although the ANC has the majority vote in Atteridgeville and Akasia-Soshanguve their approach to governing varies on the basis of the perceived disparity in needs, desires and demands e.g. the ANC in Atteridgeville argue that their residents have a greater need for the expansion of the business district in their municipal area whilst the ANC in Akasia-Soshanguve argue that their residents have a greater need for electrification, sewerage removal and the upgrading of the municipal roads (Minutes of Akasia-Soshanguve Town Council Meeting, 3/1999 : 14-15; Minutes of Atteridgeville Town Council Meeting, 2/1999 : 5). Thus the needs, desires and demands differ from one community to the next, and that it is a council's responsibility to ensure that they have mechanisms in place that can effectively identify the community's priorities.

Political transformation in South Africa culminated in new unified non-racial, democratic local government with an equitable redistribution of resources among communities. The rejection of the apartheid system, local economic pressures, imminent societal changes, the uncertainty regarding expenditure increases and growing disillusionment with previously accepted racial solutions led to a new assertive style in local politics. Debates in councils are more focussed on eradicating disparities of the past and improving the living conditions of all inhabitants of a city or town. A council may debate the housing shortage in their municipal area in order to devise plans to alleviate the problem by means of, for example, promoting the national government's low-cost housing scheme; or to



attract foreign capital; or to convince the business sector to invest in their housing plan.

In the transformation process of local government in South Africa broad trends can be identified that has an impact on the governing role of councillors.

#### a. Growth of party control

The 1995 local government elections resulted in 97% of municipalities having a majority party in control - of these 68% are governed by the ANC (Encarta, 1999 : Internet). The other 3% of the councils have no direct majority which necessitated the forming of coalitions between the political parties in order to effect decision-making. This means that the majority party can, without having to go into protracted negotiations, control the direction of policy in a municipality. In terms of section 4 of schedule 1 to the Local Government Transition Act, 1993, (Act 209 of 1993) a quorum for a council meeting is at least half the total number of members of a council. Matters pertaining to the budget of a municipality must be decided by a resolution of a council sanctioned by a majority of at least two thirds of all its members. If a council consists of 16 members at least 11 councillors are required to approve the decision. If there are less than 16 councillors at a council meeting, 11 votes are still necessary for the approval of a budgetary decision. The ANC has a two-thirds majority in 29% of municipalities which means that in these municipalities the ANC would be able to pass budgetary decisions if members of the party vote loyal to the party, without requiring to make any compromises with opposition parties (DCD Library, 1999 : Internet). In terms of section 16(5)(a) of the Local Government Transition Act, 1993 (Act 209 of 1993) matters relating to town planning must be decided by a resolution of a council sanctioned by at least a majority of all its members. If a council consists of 16 members the support of at least 9 councillors are required to approve the decision. If 8 councillors vote for a decision, 7 vote against and one abstain the decision does is not carried because an absolute majority of all councillors is not attained. It could thus be argued that

councillors should have a proper understanding of the requirements that apply in making legitimate council decisions. Thus reference to these requirements should be included in training programmes.

#### **b. Differences between the parties over policy**

The issues, which divided the major political parties - the National Party (NP) and the Conservative Party (CP) - in apartheid South Africa, were minimal. In this regard the differences between the parties regarding expenditure policy, segregation, decentralisation, and other services were marginal. This, however, has changed after the 1995 local government elections which resulted in a more developmental focus by the ANC in an attempt to address the imbalances brought about by the apartheid system through the implementation of social-welfare programmes (Venter, 1998 : 3-10; 229). Opposition parties such as the New National Party (NNP), Democratic Party (DP) and Inkatha Freedom Party (IFP) focus more on the safeguarding and expansion of the business sector; effective and efficient service delivery; and the reduction of crime. Thus, it is obvious that a greater division exists between political parties than had existed before 1995 and that compromises would have to be made to a certain extent. This will necessitate that councillors have an ability to manage conflict and negotiate.

#### **c. Newly elected councillors**

In November 1995, 67% of the elected 11 118 councillors for all municipalities in South Africa were newly elected and predominantly from the ANC. Only 13% of ANC councillors had either served in the traditional Black municipalities or were members of other political parties before the elections, which means that 87% of its members had never served in any formal municipal structure (Local Elections, 1999 : Internet). Due to the nature of the political struggle towards the creation of a new democratic order it may be expected that the majority of councillors could have a more assertive political style, associated with a determination to secure

control over the working of a municipality in order to achieve their developmental policy aims. This is borne out by the fact that 84% of debates in the Greater Johannesburg Metropolitan Council in 1999 resulted in a vote being taken. Only 16% of decisions have been taken on a consensus basis during 1999 (Minutes of Greater Johannesburg Council Meetings, 1999 : no 1-14).

#### **d. Challenge to established patterns of working**

A more assertive political style has affected not merely policy issues, but patterns of working relationships between councillors and municipal officials. According to a survey done by Rossouw (1999 : 11-12) municipal officials listed interference from councillors in administrative matters as the second highest demotivator in their work environment. This greater involvement in administrative issues reflects the emergence on the political agenda of issues concerning the functioning of a municipality e.g. decentralisation; value for money; contracting out; and responsiveness in service delivery. Local politicians have an inclination to focus not only on policy, but also on the way it is carried out. This is not in line with the requirement that politicians should govern and appointed officials should administer and give effect to policy. Thus, a situation is created for politicians to transgress. As party-politics intensifies, councillors and municipal officials in supervisory positions realise that new means of communication have to be found between the administrative and political structure. According to the Rossouw survey (1999 : 4) the attendance of senior administrative officials at executive council meetings to provide specialist administrative input has become an accepted practice. In the case of Benoni it has become custom that apart from the chief executive officer (CEO) (to be renamed the municipal manager after the December 2000 elections) and the heads of departments, at least two officials from each department attend council meetings on a regular basis (Minutes of Benoni Town Council Meeting, 2/1998 : 5). In Westonaria officials are only allowed to attend council meetings by invitation (Personnel Officer for Westonaria Municipality, 1998 : Interview). In the previous local government system only the

CEO and heads of department attended meetings on a regular basis.

#### **e. Political appointments**

The appointment of municipal officials in supervisory positions, such as the CEO, has become a politicised issue. In this regard CEO's have been requested to leave or resign and 103 new CEO's have been appointed in the 843 municipalities since 1995 (The Star, 12 November 1999 : 3). This results in diffusing the political and administrative functions. In such a working environment councillors are in a situation to influence or to dictate the internal functioning of a municipality although they may lack administrative or managerial expertise. It has to be emphasised that a council should legislate and govern while officials are required to administer and give effect to decisions.

The responsibility to govern is a complex task. It is essential for councillors to receive proper instruction in governing and the distinction between governing and administering.

#### **1.12.2 Responsibility to represent**

The representative responsibility councillors fulfil, is influenced by the attitude councillors have toward local points of view, interest groups, their geographical focus and attitude as well as their involvement in politics. This is borne out by the focus of arguments during council debates on, for example, the expansion of the business sector in Atteridgeville due the large number of local businessmen that serve on the Council (Minutes of Atteridgeville Council Meetings, 2/1997 : 13-14; 5/1997 : 3; 10/1997 :6-8). An important focus point, in respect of the roles they play, is a councillor's association with and attitude towards his/her ward, and the extent of autonomy they allow themselves in relation to the viewpoints of the local community and the general framework provided by the party regarding proportional representation. To a greater or lesser extent all councillors should

honour the representative role placed on them. The manner in which councillors choose to meet the expectations of their wards or in reconciling party political rhetoric and local conditions can be identified as one of the characteristics of being a representative.

Newton (1976 : 22) differentiates between the **trustee**, **delegate** and **politico** roles which indicate the degree to which councillors act as independent agents who exercise their own judgement, as opposed to the strict prescribed viewpoints of their voters, political party or other groups which require their allegiance. Representatives as trustees act on behalf of their voters by giving attention to their claims and needs by using their own judgement to promote the needs of the voters (Du Toit, 1985 : 23). In contrast, as delegates, councillors act as agents and messengers in their wards and convey the wishes of the people. The politically or **politico**-orientated councillor combines the two above-mentioned roles as representative and delegate. According to Magstadt and Schotten councillors (1984 : 86) “...are political representatives who fight for the approval of bread and butter legislation favoured by their constituents, while taking forceful, independent stands on issues that do not directly engage the pocketbook interests of those constituents.” It could therefore be argued that politically orientated councillors should act on any set of issues as a mirror image of their wards and/or their party political policy framework. In regard to other matters, however, own initiative, insight and experience are used concerning independent decisions affecting the community. Such representatives should use their judgement to decide whether they will act as trustees or delegates.

Councillors should, on a regular basis, investigate the manner in which they represent their respective communities and monitor how effective the results are. This monitoring function can only take place if there is effective communication between a councillor and the voters. According to the Local Government Board (1993b : 6) a councillor has to concentrate on three representative roles. A

councillor as a representative is a listener; an advocate; and a mediator between the community and a municipality.

Interaction with the community varies amongst councils. In Atteridgeville councillors co-ordinate community meetings with residents at least twice a month. In Eersterust councillors are allocated a specific geographical area (which basically amounts to a number of street blocks) and community meetings are held once a month. In Johannesburg councillors have an **ad-hoc** approach to community meetings (Questionnaire : Appendix A). Of the 387 councillors that filled in the questionnaire in Appendix A, 17 admitted to never meeting with the electorate while on the other extreme some have weekly community meetings. It can be argued that those councillors who have regular contact with residents could have a better understanding of the residents' needs, desires and demands and therefore enjoy a stronger support base.

Thus, it could be argued that regular contact with the community is essential to keep contact with the needs, desires and demands of the residents, and should therefore be encouraged. Councillors should be made aware of the importance of meetings with the community; how to set up such meetings and how to conduct themselves at these meetings.

#### a. **Councillor as a listener**

The ability to listen to residents forms part of the functions of a councillor and requires listening skills. The manner in which a councillor listens or gives attention to people compromises more than simply waiting for the community to come forward with questions, inquiries and complaints. The argument is that a councillor should pro-actively establish the relevant issues that require the attention of council. According to Craythorne (1997 : 73), and Gyford (1991 : 80-105) specific methods can be used by councillors to communicate with the voters and improve their abilities to establish issues that require attention either directly

by council or indirectly. These are to attend meetings of service users and ratepayers associations as often as possible; to consult with the community in connection with issues about which a council should make decisions, for example planning applications; to receive telephone calls and letters from concerned residents; and to investigate formal complaints.

The ability to communicate include having discussions with voters and give advice; to use opinion polls and market research such as determining the residents' opinion regarding the granting of a license to businessman wishing to open a brothel in a relatively conservative community; to receive or initiating letters of complaint; and to appoint as a council special committees where community representatives can air their views. Finally, councillors could communicate with the community by publishing an invitation in the local newspapers, aimed at interest groups and individuals, to submit written proposals to a council in order to test the community's perception regarding a specific issue. The Warmbaths Town Council, for example, published an invitation to its residents to respond to their proposed plan to grant a license to a businessman to open a hotel with gambling rights (The Star, 15 October 1999 : 3). Thus councillors should receive training in the need to communicate, the methods and the skills required.

#### **b. Councillor as an advocate**

A councillor is in a position to act as an advocate for the local community by virtue of his or her position. According to Botha (1996 : 13-19) this is required for a number of reasons. In this regard feedback can be given to a council regarding service standards, which are based on the public opinion and; problems and complaints heard while acting as mediator can be forwarded to a council for a decision. It is expected of councillors to ensure that results are achieved, by for example handling complaints and queries; collecting information and providing feedback; creating channels whereby voters can access a

municipality; enabling individuals to receive fair and just treatment from a municipality; and by helping residents to receive certain services. It implies supporting voters by representing their view points and needs to officials, committee chairpersons or a council itself; and debating about service standards and public complaints about poor performance is central to the role of advocate.

Within a council itself where decisions are made regarding service planning and service specifications, is where a councillor - as a mouthpiece of the voter - should act. A councillor can offer expert opinion concerning the needs and issues of the community because a councillor has personally consulted with the voter. A councillor can be the avenue whereby persons not satisfied with services and who are claiming compensation, or improved services can be heard in a council. A councillor can utilise various means to support the community in the public interaction with a municipality. These are to write or make a telephone call on behalf a person; to act as mediator or convener at a meeting between interested parties; to deliver letters of complaint to a council, committee or officials; to request a report regarding specific issues; to propose a motion in council; and to direct questions at a council or committee (Rossouw, 1999 : 93-95).

Council meetings are the only legitimate forum councillors, as a collectivity, can utilise to provide direction to a municipality by means of its policy decisions. In terms of Annexure to Schedule 1 of the Local Government Transition Act, 1993 (Act 209 of 1993) and specific requirements in Schedule 5 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) councillors have a number of responsibilities regarding council meetings.

- a. Councillors are obliged to attend monthly council meetings. If councillors are absent without leave for three or more consecutive council meetings without an apology they can be removed from the office (para 3 and 4 in Schedule 5 of the Municipal Structures Act, 1998 [Act 117 of 1998]). In the case of the



Pretoria Metropolitan Council 3 councillors were disqualified in 1997 for not attending three consecutive council meetings without a written apology (The Star, 29 November 1997 : 2).

- b. A councillor who chairs or forms part of a committee must attend these committee meeting and make an effective contribution (section 9 in Annexure to Schedule 1 of the Local Government Transition Act, 1993.
- c. Councillors may not vote in matters in which their own financial interests are involved or when they have received gifts from the concerned parties (para 6 in Schedule 5 of the Municipal Structures Act, 1998 [Act 117 of 1998]).
- d. Individual councillors can initiate policy proposals, but a council has to make decisions concerning local affairs as a collective entity (section 4 in Annexure to Schedule 1 of the Local Government Transition Act, 1993.
- e. Councillors should at all times put the general interest of the community ahead of individual interest (para 2 in Schedule 5 of the Municipal Structures Act, 1998 [Act 117 of 1998]).

It can be concluded that councillors should have a proper understanding of Annexure to Schedule 1 of the Local Government Transition Act, 1993 (Act 209 of 1993) and Schedule 5 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998)

According to Meyer (1985 : 37-38), Craythorne (1997 : 169-170) and Stewart (1988 : 62-64) a councillor, in his or her capacity as committee chairperson, has a number of responsibilities. A committee chairperson may cast the decisive vote in cases where the prescribed regulations allow such casting vote; should ensure that the instructions and decisions of a council are carried out by the committee; should ensure that the committee considers all matters entrusted to it

by a council; is responsible to ensure that a council is advised by the committee and that recommendations are made to a council; and may be required to give feedback on committee affairs at monthly council meetings. A committee chairperson is responsible for acting as the convener of the meeting and to ensure that the meeting takes place punctually; signs the approved minutes of committee meetings; determines the sequence of speakers, receives and listens to motions, determines if these motions fall within the framework of the committee, and presents these motions to the meeting for discussion; and should prevent irrelevant debate taking place. Furthermore, a committee chairperson should ensure that the committee votes on an issue after it has been thoroughly discussed; should at all times be impartial; exercise control and order in the meeting and; may make decisions about procedural arrangements and insist that members adhere to these decisions. Finally, a committee chairperson must dismiss a meeting where a quorum is not present or in cases where the meeting becomes chaotic and cannot be restored in an orderly fashion; may introduce urgent matters for discussion; and should ensure that the prescribed regulations and procedures are adhered to and that debate is conducted in a constructive manner. It could therefore be argued that the chairperson has extensive authority at meetings. As such it could be argued that a chairperson should be trained to be able to fulfil these extensive functions.

### c. Councillor as a mediator

A councillor can act as mediator by helping individuals to convey their points of view. This implies empowering individuals so that they can speak for themselves, listen and come to conclusions. The motivation to have a councillor in the role of mediator is based on a number of arguments. Firstly, the participation of informed communities in local affairs is best promoted by the voters who are able to take the responsibility upon themselves and rely on the support of councillors as opposed to relying on councillors to do everything for them. Secondly, the community is often in a better position than a councillor to

articulate their points of view. This could, for example, take place at a joint meeting with a council, committee or officials. Thirdly, councillors do not always have sufficient time to listen to the viewpoints of all stakeholders and to mediate on behalf of all concerned. From the above it can be deduced that the role of a councillor, and more specifically the representative role, can be carried out in various ways. The role of representative requires particular human skills. These skills include the following: communication, influencing, public speaking, dealing with the media, and dealing with local issues. Considering the composition of councils immediately after the elections of 1995 with 67% (699 out of 1043 councillors) first time elected councillors in the Gauteng Province it could be argued that the majority of councillors had to be trained for their governing and representative roles (Encarta, 1999 : Internet; Appendix A).

#### **d. The responsibilities of a mayor**

According to Craythorne (1997 : 165 - 167) a mayor has a number of functions to fulfil in a municipality. The mayor is the chairperson of council meetings and executive meetings; convenes special council meetings; is expected to act in a dignified manner, regardless of party political considerations; signs the minutes of council meetings; ratifies certain documentation; receives an auditors report from the CEO and; may terminate the services of a worker if there is a reasonable suspicion that an offence has been committed which justifies dismissal. Furthermore the mayor is a member and chairperson of the voters' role revision court. The mayor should not become involved in the detail of administrative or political activities and any intervention in these activities should be limited to emergency situations and then only in a non-controversial manner. It is expected of a mayor to lead any delegation to political office-bearers of the provincial or national government. The mayor is provided with a ceremonial gown and chain which is worn during ceremonial gatherings; and as the first citizen of a municipality, holds a representative and ceremonial role. The mayor often promotes a specific cause in the interests of a municipality. The mayor

can, for example, play an important co-ordinating role in the establishment of a disaster fund to provide assistance to the victims of a disaster.

In the case of Springs the mayor opened a SANLAM shopping centre in June 1999 and a pre-natal clinic in August 1999 (Minutes of Springs Town Council Meeting, 10/1999 : 17); in Delmas the mayor received President Nelson Mandela in February 1999 and granted him the freedom of the town on behalf of the Council (Minutes of Delmas Town Council Meeting, 2/1999 : 2-3); in Warmbaths the mayor convened a special council meeting in June 1999 to discuss the fact that there was insufficient funds available in the bank account to pay the municipal personnel their salaries (Minutes of Warmbaths Town Council Meeting, 6/1999 : 4); in January 1999 the mayor of Centurion organised a disaster relief fund for more than 240 residents of Olievenhoutbosch whose houses burnt down (The Centurion, 24 January 1999 : 1-2); and in October 1996 the mayor of Westonaria led a delegation to the provincial government to request its assistance in the organisational restructuring of the municipal authority 1999 (Minutes of Westonaria Town Council Meeting, 11/1996 : 3-5).

In terms of section 54(1) of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) only municipalities of types mentioned in sections 8(e), (f), (g) and (h), 9 (c) and (d) and 10 (b) may have an executive mayor after the elections in December 2000. An executive mayor will in terms of sections 55 and 56 receive reports from committees of the municipal council; identify, review, evaluate the needs of a municipality and recommend the best way to deliver programmes and strategies to the maximum benefit of the community; monitor the management of a municipality's administration; perform a ceremonial role; and report to the municipal council on decisions taken by the executive mayor.

It can be concluded that in terms of sections 55 and 56 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) a council may elect a mayor with executive powers, and it therefore becomes necessary to provide council

with an adequate knowledge base regarding the advantages and disadvantages of an executive mayoral system.

### 1.12.3. ADMINISTRATION OF MUNICIPALITIES

According to Stewart (1988 : 4) the administration of a municipality is carried out within a political system and accordingly the administration or processes tend to support the political process as well as meeting the requirements of political controls. Councillors often identify priorities and determine as a corporate body the strategy that should be followed to meet the objectives of a municipality. Councillors, as mediators, convey information concerning the needs, desires and demands of the community to a municipality and then represent a municipality in those same communities. Elected representatives should ensure that decisions are carried out by the executive of a municipality.

The political and administrative processes cannot be separated because, effective administration of a municipality should be based on the objectives and intentions of a municipality. The political process determines the objectives and intentions of a municipality. To view the political process as a restriction on the administration of a municipality and to try and administer and manage a municipality as if it were not a political institution will, according to Stewart (1990 : 26), probably lead to frustration and conflict between councillors and officials. The political process promotes effective administration because the political process defines and determines effectiveness. The administration of a municipality should be based on the acceptance that a municipality is the embodiment of a political system wherein political and administrative processes are interwoven.

According to Pitt (1993 : 2) a council links the political and administrative processes. The objective is the effective administration of a municipality according to the political objectives and to this end a councillor should play a

role. A councillor could, for example, complain that officials do not implement political policy or that they are ineffective administrators. Criticism can lead to a councillor becoming closely involved in administration which can result in officials complaining that councillors are trying to fill the roles of officials and are undermining effective administration (Stewart 1990 : 26). It can be argued that if officials are insensitive to politics, they are likely to draft reports or put issues before councillors in ways that may even indicate hostility.

#### **1.12.3.1. Communication in the political-administrative setting**

According to Craythorne (1997 : 73-74) councillors and officials meet and discuss municipal issues, yet they do not necessarily communicate effectively across the councillor-official divide. However, they are required to be skilled. These skills include report writing, and presentation at committee meetings. During 1998 the Westonaria Town Council considered 43 reports submitted by councillors and listened to 58 submissions (Personnel Officer for Westonaria Municipality, 1998 : Interview). There are special requirements for communication in a political-administrative setting. If communication is to cross the divide, there should be an understanding amongst officials of the set of beliefs and assumptions through which a councillor interprets communication. There should be understanding of the working environment of councillors, the pressures to which they are subjected and to which they have to respond. Although it differs significantly according to the area represented (in the case of ward councillors), they are all subjected to demands by a community or the more comprehensive society.

Although a committee is normally the setting in which councillors receive reports and advice; councils tend to explore issues wider than the formal constraints of a committee agenda. In this regard the utilisation of official-councillor working groups have become common practice. In the case of the Westonaria municipality each councillor sets up a working group in accordance with their allocated portfolio with officials (Personnel Officer for Westonaria Municipality, 1998 : Interview).

These working groups (i.e. working groups for housing; finances; education; sport and recreation; and small business development) keeps a councillor in contact with the community and the internal functioning of a municipality and provides a councillor with relevant information needed for effective decision-making.

The appointed official has to acquire the ability to work in a new political environment and to develop new approaches to handling political pressure in an informal arrangement. However in a formal committee or council meeting different rules apply. The official has to distinguish clearly between the different situations and act accordingly.

It could be argued that if the local administration is to support and respond to the political process, new approaches are required. The budgetary process of a municipality does not necessarily make it easy to establish political priorities, nor do the information systems in a municipality make it easy to monitor their achievement. Administration in a political setting should consider how reports can expose who gains and who loses or whether budgetary presentations can show how the authority's resources are distributed amongst different geographical areas or client groups and how they reflect a council's priorities.

According to Botes, **et al.**, (1996 : 219) it is the responsibility of councillors to make choices amongst priorities. A municipality's administrative officials should assist councillors to face those choices and challenges and take decisions that reflect the reality as well as value judgements of the particular community. In this regard municipal officials should discuss the potential for conflict between professional attitudes and local political choice; be politically sensitive; build up knowledge of political choices and values; cope with the dilemmas implicit in councillor-official relations; communicate with councillors with divergent political views; develop administrative approaches to support and respond to the political process; and study political material, including manifestos, and analysing their management implications including green papers, white papers and draft bills.

It can be concluded that councillors should have an understanding of the role municipal officials play to effectively communicate across the councillor-official divide.

### 1.12.3.2 Administrative role-players

According to Botes (1997 : 222-223) the chief executive officer and heads of department are key role-players in the administration of a municipality. According to Craythorne (1997 : 307-335) the CEO is the chief administrative and executive officer of a municipality. The CEO is the link between the policy-makers and the executives or administrators who carry out the decisions as promulgated by a council. It is therefore important that the CEO does not function as the head of any department so as to ensure unbiased communication between a council and the departments of a municipality, between a council and the community and between a municipality and the community (Botes *et al.*, 1996 : 235-236).

In order to effectively provide a wide array of services to its community, a municipality has to establish a number of departments. In the case of Vereninging, the departments are as follows: administration, health, public works, planning, electricity, protection, finance and housing services (Minutes of Vereninging Town Council Meeting, 5/1998 : 1). Smaller municipalities with limited resources and responsibilities will naturally require less departments. These departments are the executive and administrative arms of a council. They are further subdivided into divisions and sections, which are staffed by municipal employees who perform the functional work of a municipality. These divisions and sections are headed by heads of department such as the town secretary, town treasurer and principal officials such as the traffic chief, fire-brigade chief, medical health officer, electro-technical engineer, librarian, personnel manager, civil engineer and horticulturist.

Due to the fact that a council is reliant on the support of municipal officials in



carrying out their representative and governing responsibilities, it can be concluded that councillors should have an understanding of the roles and responsibilities of municipal officials in the administration of a municipality.

### 1.13 CONCLUSION

In terms of the Constitution of the Republic South Africa, 1996 (Act 108 of 1996), the Local Government Transition Act, 1993 (Act 209 of 1993) and the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) local government is an independent sphere of government with the responsibility to govern and represent the inhabitants of a specified geographical area. For this reason municipalities have been assigned powers in order to perform specified functions and services to the benefit of its community.

This chapter introduces the institutional framework that applies to local government in South Africa. In this regard the constitutional provisions that apply to municipalities were described. Apart from this the objectives and characteristics of municipalities were explained. This was followed by an exposition of the structure of a municipality. In the final instance the role-players in a municipality were identified with specific emphasis on the roles and functions of councillors.

A number of areas that would need to be included in the guidelines for the training of newly elected municipal councillors have been identified. The determination of guidelines for the training of newly elected councillors should include an understanding of the powers and functions that are assigned or delegated to a council and how to identify alternative sources of income and ways of providing new and better services with less resources. Councillors should comprehend the objectives of local government as well as the new structures and responsibilities as required in terms of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998).

Councillors should be able to identify and prioritise a community's most urgent needs, desires and demands; and be able to put action plans in place that would effectively deal with them. A training programme for newly elected councillors should provide an understanding of the implications of the code of conduct; how to promote and deal with aspects relating to citizen participation; basic communicative skills; as well as a comprehension of the roles and responsibilities of municipal officials in the administration of a municipality.

In chapter 2 an analysis of policy-making in local government will be made in order to determine what information base is required by councillors to effectively pursue their role as policy-makers in a municipality.

## CHAPTER 2

### POLICY-MAKING IN LOCAL GOVERNMENT

*"We succeed more often in finding the right answers to the wrong problems; than finding the wrong answers to the right problems"*

*-Russell Ackoff (1974 : 43)*

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#### 2.1 INTRODUCTION

As a result of increasing needs, desires and demands placed on contemporary South African local government, municipalities are expected to continuously render goods and services to communities within the constraints of limited public funds and scarce resources. In terms of the Municipal Structures Amendment Act, 1999 (Act 58 of 1999) municipalities have developed unique structures and corresponding infrastructure to render functions and services to the communities in the first full democracy, many of which are facing the brink of bankruptcy. The national average payment level for services stood at 71% in March 2000. Municipalities were owed a total of R9.7 billion in outstanding payments (Business Day, 12 April 2000 : 3).

The administration of a municipality takes place in a political milieu and it is only after the legislator (council) has made a decision, that specific administrative action should take place. According to Cloete (1996 : 12) at least six main groupings of interdependent, mutually exclusive administrative functions can be identified, **inter alia** policy-making, organising, financing, staffing, determining work procedures and controlling. These enabling functions are prerequisites for goal achievement in any municipality. In terms of section 152 of the Constitution

of the Republic of South Africa, 1996 (Act 108 of 1996) the primary responsibility of a local council is to formulate policy, to marshal the financial and human resources and to administer control over the administration of a municipality.

In the execution of a particular administrative function, elements of the other administrative functions will be encountered (Botes, 1997 : 306-307). For example, in order to regulate the personnel function a policy will have to be formulated for personnel matters such as selection, appointments, promotions, disciplining and retirement. In the same manner, organisational arrangements will have to be made in a municipality for personnel matters by providing for a personnel section with its own hierarchy of appointed personnel practitioners. (Cloete, 1994 : 43-44). The maintenance of the personnel function requires funds, therefore financial policies will have to be in place; procedures for the appointment, promotion and dismissal of personnel should be formulated; and control measures to monitor the performance of the personnel function should be put into operation (Anderson, 1979 : 213; Thornhill and Hanekom, 1995 : 20, 22).

This chapter deals with the very essence of policy-making in a municipality and its policy environment. It focuses on the role of stakeholders in the policy process and the forces that shape the various policies.

## 2.2 THE NATURE OF LOCAL POLICY

According to Dunn (1994 : 14) local policies are what municipalities actually do or don't do, which means that policies could either be concerned with change or with the preservation of the **status quo**. The Greater Johannesburg Southern Council for example, was put under pressure to put traffic calming measures on roads perceived to be dangerous.irate residents from Elandspark, South Hill, Glenanda North, Kibler Park, Oakdane, Mulbarton and Soweto insisted that the Council erect speed humps on potential hazardous roads to curb road fatalities.

Residents have written to the Council and held demonstrations to register their grievances. Residents in Soweto dug trenches across some roads perceived as dangerous, because of the Council's reluctance to act (The Star, 19 April 1999 : 5). Depending on their resources available, a council could either decide to address the situation or accept the **status quo**.

Local policies seem to have no apparent beginning or end and are usually the result of consensus and compromise between contending groups such as a council, ratepayers associations, businessmen, unions and individuals. All local policies are future orientated, usually aimed at the promotion of the general welfare of the whole community, rather than a societal group, and take place within the framework of legally instituted local bodies such as council or departments of a municipality (Hanekom, 1987 : 8; Woll, 1974 : 132-133). Furthermore, local policies are not eternal truths, but rather hypotheses subject to alteration and to devising better policies until these in turn are proved unsatisfactory. For example, some Johannesburg residents, dissatisfied with the noise caused by taxis hooting to attract commuters, petitioned the Highlands North Council to stop the noise pollution. Residents living along Louis Botha Avenue in Orange Grove and Highlands North felt that their constitutional rights to a peaceful existence were violated and property rights along the route dropped resulting in the Council losing out on increased rates. The Council implemented a system of colour-coded cards. Commuters would purchase a pack of colour-coded cards for R30 and would simply flash the card bearing the colour of the route on which they wished to be transported (Minutes of Greater Johannesburg Metropolitan Council, 5/1999 : 12; The Star, 17 May 1999 : 12). In this case the Council came up with an innovative idea to address the community's complaints and to eliminate unnecessary stops by taxis, confusing hand signals by commuters and hooting.

The nature of local policies can therefore be related to the opinions of individuals or groups in a local community. The local community will regard local policies as

either adequate or inadequate (Botes, 1997 : 308-309). It can be argued that some people will regard a council's attempts to attract new business ventures into the local community as adequate; whilst the unemployed would regard a council's attempts as inadequate.

The output of the local political process culminates in by-laws, which is nothing but a written public statement of policy by a council pertaining to a particular local matter, indicating the course of action that is desired or preferred. The desired course of action, or policy, serves as an input to the comprehensive local administrative process, which translates it into action programmes (Lineberry, 1977 : 167). Hanekom (1996 : 1) states the "*...although the administrative functions are regarded as being equal in all respects, it is obvious that policy-making, because of the policy input derived from the political process, can be regarded as the first among a group of equals and is indeed the enabling function, because it provides a framework and is an instrument for action*".

The political process transforms the values, needs, desires and demands of the local community into policy decisions (Anderson, 1979 : 215). For example, a petition to the Alberton Town Council by residents of the Rus-Ten-Vrede old age home to reduce the noise pollution in Meyer street, caused by speeding motorists, led a decision by the Council to reduce the speed limit in Meyer street and the construction of speed-bumps in the street. The Council's decision resulted in the implementation thereof by the engineering and traffic departments (Minutes of Alberton Town Council, 3/2000 : 3).

The needs, desires and demands of the local community are constantly changing; and it is a council's responsibility to reflect those changes in its decision-making. Rapid social change, political developments, economic stagnation and an increase in the needs, desires and demands of the local community require sound and dynamic local policies in order to ensure political, economic and social stability and development (Botes, 1997 : 309-310; De

Villiers, 1981 : 78-80). It can be argued that a council should not adopt an attitude of muddling through. Local policies made on a crisis-to-crisis basis will not suffice in meeting the challenges of democratic South Africa. The changing needs, desires and demands of local communities in South Africa - i.e. a need for economic growth by attracting businesses into the jurisdiction of a municipality in order to stimulate job creation; a desire for the expansion of local services such as the provisioning of water and electrification; and a demand for the upgrading of existing infra-structure in housing, education and health - requires rational and effective policy-making by council (Brynard, 1995 : 7-9). It can be concluded that a council's decisions will reflect changes in the local policy environment.

When a council has decided on a specific policy it implies that a council has clarity on its intended action, which in turn means that information on the resources it intends to employ and the effects of the intended actions, are available. This implies that local policies are about the intentions of a council towards the community; the direction in which a council wants to steer the community and about the utilisation of local resources. From this it can be deduced that local policy is two-dimensional, i.e. it has a **political** and an **administrative** dimension. The political dimension refers to the extent to which a council is involved in deciding on the activities and resources necessary to attain local objectives. The administrative dimension refers to actions taken by executive local departments to realise the goals envisaged by council within the ambits of a council's decision and the resources allocated (Hanekom, 1996 : 22-23; Woll, 1974 : 136-137; Dunn, 1994 : 351). It can be concluded that policy-making is an inherent part of a councillor's task and should therefore be included in any training programme for councillors.

### 2.3 CHARACTERISTICS OF LOCAL POLICY

According to Botes (1997 : 309) local policies have distinctive characteristics

which distinguishes it from administrative decisions, *inter alia* authoritative, enforceable, flexible and adaptable, feasible, clear and public. A council, as the decision-maker in a municipality, should have an understanding of the characteristics of local policies in order to effectively formulate them.

### 2.3.1 Authoritative

Local policy is determined by a local council, or a representative such as a head of department (Hanekom, 1996 : 51). According to Botes (1997 : 309) “...speculations and opinions are not regarded as being policies, which means that a policy must be defined explicitly and all interested parties must be informed in writing”. In the case of the Braamfontein Hawkers’ Front (BHF) this did not happen. More than 200 members of the BHF took part in a public demonstration on 17 September 1999 before handing over two memoranda outlining their objection against being removed from trading sites in the city centre. Their complaint stipulated that they were unhappy that the Council made a decision without consulting the BHF. The BHF felt that they had a constitutional right to be economically active and that the Council was responsible for the high unemployment rate and poverty in the city (The Star, 18 September 1999 : 5). It can be concluded that although a decision made by council is authoritative, it needs to ensure that its decision is perceived as legitimate and should therefore consult all relevant stakeholders affected by a decision.

### 2.3.2 Enforceable

A by-law or a policy declaration as contained in a circular letter, departmental directive, official mandate or official letter should be regarded as being enforceable (Hilsman, 1971 : 127). More than 100 shopowners in central Krugersdorp, for example, objected to the Council’s decision to turn one of the town’s main streets into a pedestrian precinct. Of the 119 shopkeepers in the



central area, 107 were dissatisfied with the closure of the road because it affected the shopping habits of residents. Their letter of objection was rejected by the Council (Minutes of Krugersdorp Town Council Meeting, 9/1998 : 7-8; The Star, 12 October 1998 : 2). In another example, the Emfuleni Local Council passed a by-law prohibiting the selling of goods by residents from their private residences. The Council made the decision after they received a number of complaints from legitimate small businesses that these practices were negatively affecting them. Residents running shops from home felt that they had the right to be economically active and that they would defy the Council's resolution (Minutes of Emfuleni Local Council Meeting, 3/1999 : 12; Vaalweekblad, 23 April 1999 : 8). It can be argued that a council's decision will not always be favourably accepted by all segments of their community. However, if a council deems a decision to be in the interest of the community, it would enforce the decision.

### 2.3.3 Flexible and adaptable

The goals a council pursues should be regarded as firm, while policy on the other hand allows for changing circumstances. According to Botes (1997 : 309) the "...rigid and inexorable implementation of an unsuitable or obsolete policy is worse than applying no policy at all." For example, disgruntled factory owners in the industrial area of Marlboro, Sandton, who rented their premises out to residential tenants lashed out at the remaining owners and Greater Eastern Johannesburg's Eastern Council for trying to stop them. About 59 of the factories in Marlboro were used as residential units. The South African National Civics Organisation (SANCO) collected the rent and managed the buildings for the owners. It was estimated that the owners receive about R400 000 a month from rentals. SANCO acted as a facilitator between tenants and owners to ensure buildings were being kept clean and that services were paid for. The remaining businesses were dissatisfied and blamed the Council for failing to prevent their illegal use. Buildings were being vandalised and stripped on a daily basis. The Council conceded that these buildings were not demarcated for

residential purposes, but removing tenants would only result in squatters occupying buildings, causing the area to deteriorate further. The Council decided that in the context of a housing shortage in the Marlboro area, it would allow these factories to be used for residential purposes. (Minutes of Sandton Town Council Meeting, 4/1999 : 4-6; The Star, 19 April 1999 : 5). It can be argued that it is necessary for a council to be flexible in its decision-making and to allow for changing circumstances – with the provision that it is in the interest of the community.

#### **2.3.4 Feasible**

A local council should ensure the feasibility of policies before it is approved. In this regard a council should take the realities of the environment into consideration when policy is formulated (Carson, 1982 : 42). The Greater Johannesburg Eastern Council, for example, determined that the 750 flats it owned in Alexandra were no longer feasible, and decided to sell it. The four blocks of flats, which housed more than 4000 people, were maintained through the use of public funds. Rent boycotts and many problems associated with the taking of transfer of ownership by people who purchased the flats, resulted in only an 8% payment level. This left the Council with an annual deficit of about R1.2 million. Although the Council received negative reaction from the community, it justified its decision in terms of the feasibility of maintaining the flats (Minutes of Greater Johannesburg Eastern Council Meeting, 5/1999 : 17-18; The Star, 5 July 1999 : 7).

It could be argued that one of the primary reasons for the current financial crisis municipalities are experiencing, is the non-payment for municipal services. The accounting systems of at least 10 municipalities in Gauteng were in such a shambles that the provincial auditor-general, Ratha Nayager, was not able to express an audit opinion. This was due to uncertainties arising from unverified records, deficient accounting systems, incomplete records, lack of supporting

vouchers and the failure to submit financial statements (Gauteng Provincial Auditor-General, 1999 : Interview; The Star, 24 March 1999 : 2). The ability of the municipalities of Boksburg, Greater Johannesburg, Greater Nigel, Krugersdorp, Pretoria City Council, Vereniging, Midrand, Northern Pretoria, Randfontein and Western Vaal to function as public-service institutions is attributable mainly to intergovernmental grants, bank overdrafts, utilisation of investments and assistance from financial institutions (Gauteng Provincial Auditor-General, 1999 : Interview). It can be argued that councils are required to make use of alternative measures to generate the required revenue due to non-payment of services.

### **2.3.5 Clearly formulated**

In order for policies to be correctly interpreted it is important that circulars and policy directives are semantically and syntactically properly set out (Hanekom, 1996 : 52). Councillors should be equipped with the necessary skills to enable them, with the assistance of municipal officials in supervisory positions, to formulate policies clearly.

### **2.3.6 Public**

It is expected of the local community to adhere to policy as adopted by a council, which makes it necessary for the implications of policy decisions to be publicised as widely and clearly as possible (Botes, 1997 : 313). In order to make the public aware of a three year project, called Egoli 2002, to specifically regenerate the inner city through service delivery (roads, water, sanitation, traffic lights) and, by law enforcement (street trading, building control, environmental health) the Greater Johannesburg Metropolitan Council (GJMC) embarked on an intensive awareness programme which included press releases, television adverts, newspaper editorials, brochures and community meetings over a period of four months. (Spokesman for the Democratic Party, 1999 : Interview; Greater Johannesburg Metropolitan Council Minutes, 2/1999 : 9-10). It can be concluded that councils

can utilise a number of different news media to make the community aware of their plans of action. From this it can be deduced that local policy has a number of distinctive characteristics, and that council's policy should reflect these characteristics.

## 2.4 MANIFESTATIONS OF LOCAL POLICY

Local policy manifests itself in a number of different ways, *inter alia*, policy as a demand, policy as a decision, policy as a statement, policy as a process, policy as an output, policy as an outcome and policy as a programme (Wissink, 1990 : 1-5; Dror, 1984 : 196-202; Dye, 1987 : 1-3; Hogwood and Gunn, 1984 : 14-24; Fox and Meyer, 1995 : 32-33; Ismail *et al.*, 1997 : 149-150).

### 2.4.1 Policy demands

According to Anderson (1979 : 14-15) policy demands are appeals made upon a council by role-players in the local policy environment to take action regarding a perceived need or problem. These demands could be made by any of a number of different role-players and the type of need or problem could take various forms (Wissink, 1990 : 2). For example, a demand from the ratepayers association in Brakpan for improvements to be made to the Municipality's dilapidated town-hall (Beeld, 12 January 2000 : 4); or a demand from the Lethabile school in Attridgeville to close down a street for traffic at particular times of the day to ensure the safety of the children (The Citizen, 4 April 2000 : 7); or a demand from the South African Municipal Workers' Union (SAMWU) in Sandton for a salary increase (The Star, 17 April 2000 : 2). In another example, the increase in crimes such as rape, car-hijacking, murder, burglary and child abuse led to 200 residents in Etwatwa, Benoni to march on the local police station and hand over an assortment of dangerous weapons, including pistols and revolvers from alleged criminals. In a memorandum, handed over to the police by councillor Simon Sintu, the marchers demanded that the police work with the community;

no person be allowed to discharge a firearm in public; no firecrackers be allowed; shebeen-owners operate only until 21h00; and residents stop buying stolen goods from criminals (Councillor for the Benoni Town Council, 1999 : Interview; Sowetan, 19 October 1999 : 3).

It can be argued that such demands require councils to deliberate and decide on some course of action. Councillors should be made aware of the different sources of policy demands and how to effectively deal with them.

#### **2.4.2 Policy decisions**

Policy decisions are regarded as the interpretation of policies by municipal officials in order to give meaning and content to local policies (Dunn, 1994 : 135-136; Dror, 1986 : 23-26). For example, after the Marlboro Local Council decided to allocate more land for parks and recreation purposes, it became the responsibility of town planning officials to give content to the policy by deciding how much land was available for the development of a park, which area would be designated for the development of a new park; and what recreational attractions would be placed in the park (Marlboro Local Council Minutes, 7/1999 : 3). It is therefore the responsibility of the officials to provide the answers to the **who, what, when, where, and how** questions. It can be concluded that a council should ensure that the intent of the legislature is reflected in the implementation of its policies by municipal officials.

#### **2.4.3 Policy statements**

According to Anderson (1979 : 245) policy statements are formal expressions of local policies. A local council will make its policies formally known through the minutes of council meetings, public speeches, media statements or through the release of policy documents. The Akasia-Soshanguve Town Council, for example, released a media statement announcing the Council's decision to

embark on a campaign to combat juvenile delinquency in its area of jurisdiction (Minutes of Akasia-Soshanguve Town Council Meeting, 3/1999 : 8; Pretoria News, 16 September 1999 : 4).

#### **2.4.4 Policy as an output**

According to Fox and Meyer (1995 : 34-35) policy output refers to things that a council does as opposed to what it says it is going to do. Unemployed Soshanguve residents, for example, dumped garbage outside the premises of the Council in an effort to get the Council to respond to their pleas for jobs. The residents claimed that the Council promised to create 3000 new jobs for the unemployed in 1998/99 by attracting new business ventures into its area of jurisdiction, but only managed to create approximately 430 new jobs (The Star, 14 November 1999 : 1-2). The Council therefore delivered 14% of their stated objective. The Council was however, sympathetic to the cause of the unemployed residents, but responded that there was a structured process for job applications and that residents could not just demand jobs (Director of Municipal Services for the Pretoria Metropolitan Council, 1999 : Interview). It can be argued that unfulfilled promises lead to a dissatisfied community which in turn could work against councillors in municipal elections.

#### **2.4.5 Policy as an outcome**

According to Ismail et al., (1997 : 149) policy outcomes refer to the implications of a policy on a community. The outcome of the policy may have either positive or negative implications for society – or a combination of positive and negative implications. For example, the Delmas Town Council's decision to grant a business license to an entrepreneur to open a brothel was in line with a council's attempts to attract business into its area of jurisdiction (positive), but the decision was regarded as immoral by segments of its inhabitants (negative) (Minutes of Delmas Town Council Meeting, 7/1998 : 3). The Council decided that the

positive implications outweighed the negative implications and granted the business license. It can be concluded that the outcome of a policy can have both a positive and negative impact on the community.

#### 2.4.6 Policy as a programme

In the final analysis, policies result in programmes and projects. In a sense, the services that a municipality provides to its communities, are delivered in a programmatic manner (Wissink, 1990 : 3). Thus the services and activities of municipalities are provided through programmes and projects (Hanekom, 1996 : 53). According to Ismail *et al.*, (1997 : 150) these programmes “...are *sometimes seen as the policy of a council.*” Thus it could be argued that a policy of council is implemented through a programme or programmes. The Greater Johannesburg's Eastern Council, for example, approved a project for a new refuse removal system in Alexandra at a budget of R5.4 million in terms of their environmental policy, in an attempt to clean up the area plagued by overcrowding. The Council determined that the new waste management system was necessary to upgrade civic pride and public morale to maintain environmental sensitivity and integrity and empower the community.

From this it can be deduced that policy manifests itself in a number of different ways and it is required of councillors to be able to identify these manifestations.

### 2.5 POLICY-MAKING LEVELS

According to Ismail *et al.*, (1997 : 157-159) and Dunn (1994 : 143), the policy-making process is a complex process, with no apparent beginning or end. For the purpose of analysis the policy-making process can be divided into a number of policy levels, *inter alia*: major, secondary, functional and minor policy levels.

### 2.5.1 Major policy level

A council comprises a number of councillors who normally represent the interests of a particular political party. On this level a council, or one of its committees, considers all policy recommendations for amendment, approval or reflection (Aaker, 1990 : 12-14). It includes by-laws, regulations, approving the budget, matters of organisation design or redesign, or any other matter that is of significance to the effective and efficient functioning of a municipality (Botes, 1997 : 311-312). The fact that councillors often belong to particular political parties normally results in the debate taking place along political lines. For example, the decision of the Cape Town Municipality to support the Olympic 2004 Bid was taken at the major policy level and it determined the framework for the officials of that particular municipality (Ismail et al., 1997 : 213).

According to Botes (1997 : 311) political idealism of a council should be transformed into workable realities, and it is the responsibility of the departments in a municipality to implement policy programmes. A council will specify fixed policy principles, for example, its intention to be a catalyst in economic growth and job creation, but it will be the responsibility of the senior officials in a municipality to devise an innovative plan to attract trade and industry into its jurisdiction (Bayat and Meyer, 1994 : 12; Spanier, 1978 : 45-46) In this regard the Mdotjana council, for example, identified economic growth and job creation as a major policy issue and has in this regard succeeded in attracting private concerns, such as Sun International, into its area of jurisdiction by lowering land prices on demarcated business sites (Personnel Officer for Mdotjana Local Council, 1998 : Interview).

### 2.5.2 Secondary policy level

On the administrative level, the chief executive officer (CEO) (to be renamed the municipal manager after the December 2000 elections) acts as an adviser to a



council. The CEO is the accounting officer, and held responsible for the overall performance of a municipality (Ismail *et al.*, 1997 : 158; Bekker, 1985 : 32-34). At this level the policies of a council are translated into practical programmes and projects. The CEO will therefore be responsible for amongst other, setting programme priorities, defining target groups and beneficiaries (Botes, 1997 : 225, 235-236). For example, Ketso Gordhan, City Manager for the Greater Johannesburg Metropolitan Council, informed the Council on 28 June 1999 that the lack of a comprehensive economic and social data base in the Johannesburg metropolitan area was the main constraint in identifying growth and job-creation policies. The Council in turn requested the World Bank to carry out an economic survey that would inform the Council about the nature of economic activity in the Johannesburg area. The data-base would assist the Council to determine intervention plans for local economic development. The survey was conducted in collaboration with the South African Chamber of Commerce and the National Business Initiative among 500 large businesses, 900 small, medium and macro enterprises, and 2000 households in townships and the inner city. The results of this economic survey formed the foundation for the Council's Egoli 2002 plan. (Minutes of Greater Johannesburg Metropolitan Council, 6/1999 : 8-9; Business Day, 29 June 1999 : 2). It can be argued that a council is reliant on the CEO to ensure the overall performance of a municipality and provide a council of advice where necessary.

### 2.5.3 Functional policy level

The functional policy level is represented by the different heads of departments, *inter alia*: Health, Housing, Corporate Services, Community Services, Financial, Engineering and; the Planning and Environmental Services Departments. At this level officials are responsible for the formulation of departmental or functional policies with specific emphasis on matters such as budgeting, finance and procurement (Ismail *et al.*, 1997 : 158; Caldwell and Gyles, 1966 : 45-46). For example, in accordance with a Tembisa Town Council's decision the head of the

Department of Engineering and other chief officials were given the delegated responsibility to formulate a plan to provide electricity to rural communities that was capable of execution, both functionally and administratively (Minutes of Tembisa Town Council Meeting, 4/1998 : 5). In another example, 50 of Johannesburg's fleet of 98 fire engines had awaited repairs due to financial constraints. Thus, equipment and engines were shared and continuously rotated around the city. On this basis, a number of fire engines could be deployed from different areas in the city at any time to handle a major crisis in a particular area (Disaster Management Executive Officer for the Greater Johannesburg Metropolitan Council, 1999 : Interview; Business Day, 18 March 1999 : 7). It can be argued that a council is dependent on different heads of department to ensure effective and efficient service delivery to the community.

#### 2.5.4 Minor policy level

According to Ismail *et al.*, (1997 : 154-155) this level is represented by all supervisors and operational personnel members in a municipality. These officials deal directly with the community and with the physical implementation of projects. At this level various policy instruments are used, *inter alia*: operational policies, job descriptions, procedure manuals, rules and regulations.

## 2.6 POLICY-MAKERS IN A MUNICIPALITY

According to Ismail *et al.*, (1997 : 159-161) and Botes (1997 : 310) a number of different policy-makers can be identified, *inter alia*: a council, officials, residents and interest groups. In terms of section 160 (8) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) it can be argued that a council should consult with all the relevant policy-makers in the process of formulating policy. This will not only render comprehensive policy-relevant information, but will probably ensure the legitimacy of a council's decisions.

### 2.6.1 A council

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) local councils have to provide democratic and accountable government to local communities. It includes a responsibility to provide municipal services in a sustainable manner and to promote social and economic development. Apart from this, councils have to promote a safe and healthy environment and encourage the involvement of the community in local matters.

According to Ismail **et al.**, (1997 : 159) councils should deliberate policy recommendations, adopt new policies and oversee the implementation thereof. It can be argued that councillors should have the ability to formulate by-laws and effectively negotiate and deliberate at council meetings. An individual councillor has no policy-making powers, but a council can delegate specific policy matters to an individual councillor (Craythorne, 1997 : 189). The full council will, however, need to ratify the policy decision. In terms of section 160(2) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) specific functions may not be delegated by a council, **inter alia** the passing of by-laws; approval of budgets; the imposition of rates and other taxes, levies and duties; and the raising of loans. Thus, a council is required to make decisions on the basis of the inputs of all parties and interests groups concerned; and comprehend their delegated powers as well as those aspects that can not be delegated.

According to Rossouw (1999 : 26-27) policy recommendations are deliberated at monthly council meetings. For this purpose councillors should prepare themselves thoroughly in order to make constructive policy inputs. All policy recommendations should be thoroughly debated before voting takes place (Carson, 1982 : 67-68). It can be argued that councillors should be well equipped to be able to bring their points of view across at council meetings. It implies an understanding of meeting procedures and an ability to negotiate and

possibly resolve conflict. In this regard 62% of the 387 councillors that returned completed questionnaires (Annexure 1), listed lengthy, and unstructured meetings as the single most cumbersome aspect of their responsibilities. This was attributed mainly to the inability of councillors to express themselves effectively and the inability of the chairperson to conduct the meeting in an orderly fashion.

The result of the local political process is local policy, and it is therefore inseparable from politics and more specifically the political ideology of the majority party in council. Hanekom (1987 : 69) aptly states that an analysis of policy should not only take into account the costs and benefits of existing policies or of alternative courses of action, but the official should bear in mind what the policy-maker envisaged when the request for policy inputs was originally made and the party-political implications of a particular policy. It could be argued that an official ignoring this will in all probability come up with information that is not useful to a council.

## 2.6.2 Officials as policymakers

In terms of section 160 (1) (d) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) councils can employ personnel to ensure the effective performance of a municipality. These officials should be appointed on the basis of their technical, functional or administrative expertise. In their daily interaction with the community, officials regularly receive requests and complaints that they have to deal with. In this regard officials fulfil a number of policy roles, *inter alia*: advisory, initiating, formulating, innovating, implementing and monitoring (Anderson, 1979 : 256). For example, the Delmas Town Council took the final decision regarding the provision of a storm-water drainage system, which was based on probably 90% of the advice of the technical report from the civil engineer (Minutes of Delmas Town Council Meeting, 9/1999 : 5).

### 2.6.3 Citizens

Citizens, especially those within a particular municipality, are directly affected by policy outputs of that municipality, which require them to play a pivotal role in the policy-making process. In terms of section 152 (1)(e) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) councils should encourage the involvement of communities within the municipal area in local matters. Due to their personal involvement in municipal activities, citizens would be in a better position to identify policy weaknesses (Starling, 1979 : 91-93). It could be argued that the involvement of citizens in the policy process should be encouraged because it would increase the responsiveness of local councils, and it improves the quality of policy decisions.

Citizen participation in the policy-making process include the writing of letters to a municipality, or a councillor, or the editor of a local newspaper, attending council meetings, taking part in protest meetings, phoning officials with a request or complaint, visiting a municipality's offices, voting in the local elections and joining voters' or civic organisations (Ismail et al., 1997 : 160-161). For example, about 500 Atteridgeville residents marched on the local town offices on 17 March 1999 to protest against electricity and water cuts. Amongst their grievances were requests for the scrapping of all municipal service accounts that were in arrears; an investigation into the administration of the city treasurer's department; installation of prepaid meter boxes in extension 7 informal settlement; an immediate end to electricity and water cuts; and a meeting of the Council and Atteridgeville-Saulsville Concerned Residents' Association (Minutes of Atteridgeville Town Council Meeting, 5/1999 : 7; Sowetan, 18 March 1999 : 5). If a council does not promote citizen participation, an understanding of the needs, desires and demands of the community are sacrificed and this could lead to opposition to decisions of a council, protests and even civil disobedience. In this regard Johannesburg's Southern Metropolitan Council declared that the Council was aware that they were not getting 100% value from their personnel,

because the Council regularly received complaints from the public that personnel were loitering and not doing their work. As a result of a meeting between the Council and ASCORA a task team had been set up, consisting of councillors, municipal officials, ASCORA-members and community leaders, to investigate ASCORA's grievances and to report back to the Council regarding their findings (Councillor for the Johannesburg Southern Metropolitan Council, 1999 : Interview; Saturday Star, 27 March 1999 :8).

In one case the Greater Johannesburg's Northern Council was accused of deliberately ignoring residents by applying for exemption from the requirements of the Environment Conservation Act, 1989 (Act 73 of 1989) and the National Environmental Management Act, 1998 (Act 107 of 1998) for a piece of land in Zandspruit without informing them. The Council had purchased a piece of land near the Zandspruit informal settlement area to accommodate homeless people. The Council was in negotiations with residents living north of Witkoppen Road and an advisory panel between residents and the Council had been set up, when a notice appeared in the local newspapers asking for exemption from the Act. The residents' negative reaction can be understood because council was acting contrary to agreements of full public participation. They felt that the issue had to be resolved by the advisory panel before any action could be taken by the Council. In this regard the Council withdrew its application for exemption from the Act and continued negotiating with the advisory panel (The Star, 25 January 1999 : 6).

#### 2.6.4 Interest groups

According to Dror (1968 : 25-27) interest groups are informal, voluntary organisations that are formed in order to promote the common interest of its members. In their meetings with officials or councillors pressure groups normally rely on tactics of persuasion to present their case. Interest groups have the capacity to generate strong community support to pressure a local council into some kind of action (Caiden, 1971 : 56-58). The promotion of policy issues in this

manner assists a council not in just determining the local policy agenda, but it is helpful in the prioritisation of policy issues (Spanier, 1978 : 48).

Supporters of the Daveyton Peace Civic Organisation (DPCO) stopped buying goods in shops in the Greater Benoni area in November 1998 to protest against the Council's methods of ensuring payment for municipal services. The DPCO's demands included the return of belongings removed from people's homes, the scrapping of the system of attaching property, and an immediate halt to electricity and water cuts in the area. The Council's reaction was that they would take legal action against people or attach possessions only in extreme cases. The Council complied with their promise and only acted against people who had not made arrangements to pay outstanding debt (The Star, 10 November 1998 : 2).

It can be deduced that a council is not the only party involved in formulating policy. It can be argued that a council should consult with all the relevant policy-makers in the process of formulating policy. This will not only render comprehensive policy-relevant information, but will probably ensure the legitimacy of a council's decisions

## 2.7 THE POLICY PROCESS

Botes (1997 : 311) argues that policy is a "...product of a primary process in setting any kind of government action in motion". It may be regarded as the interpretation of councillors of what values the local community considers to be good and desirable; and ultimately introduced by the officials in terms of effective and efficient service-rendering. Local policies can never be static, and have to be continuously reviewed, reformulated or replaced to adapt to changing local circumstances. Policy-making is a dynamic process involving various participants and implying continuous interaction between a council, officials, citizens and interest groups. For example, more than 500 000 people live in Alexandra, but only 13% of them pay their service bills. Most of the roads are not tarred with little or no street markings or traffic signs. Toilets, which cater for

up to 20 people each, are cleaned only twice a week. Rubbish spills out of massive dumpsters left unattended on street corners for months. Even the Jukskei river bordering the township, is polluted; and when the river floods, settlements on its banks are washed away. The graveyard is unkempt – the grass only gets cut three times a year (Sunday World, 14 March 1999 : 3). The Council's response was that the problem of overcrowding resulted in twice the number of families for which services in the area were designed for, people occupy and build on council land illegally, and then draw on services such as electricity for which they do not pay for (Minutes of Alexandra Town Council Meeting, 2/1999 : 5). It can be argued that it is difficult for councils to provide sufficient services if they lack revenue and people settle at such a rate. It would imply an ability to act against illegal occupants and to prioritise service rendering. Thus councils should continuously adapt local policy to reflect changing circumstances and review their financial status in providing effective service-delivery to their community.

No single universally accepted perspective or model of the policy-making process exists. Although situations or values do not determine the policy-making process, they still influence the eventual choices made. A local council should in deliberating and formulating policy endeavour to strike a balance between what is demanded and what is feasible. In this regard the political, economic, social and technological factors should be considered individually or jointly to determine their impact on policy choices (Hanekom, 1987 : 14-15; Carson, 1982 : 67-68; Thornhill and Hanekom, 1995 : 56-57). For example, on 5 October 1998 about 5000 members of the South African Municipal Workers' Union marched to the Pretoria Metropolitan Council to protest against the privatisation of municipal services. The union stated in their petition that privatisation would lead to job losses and poor working conditions. The Council responded that more than 150 municipalities had already privatised services such as refuse removal and meter reading; and that it was necessary to counter government budget cuts (Business Day, 16 October

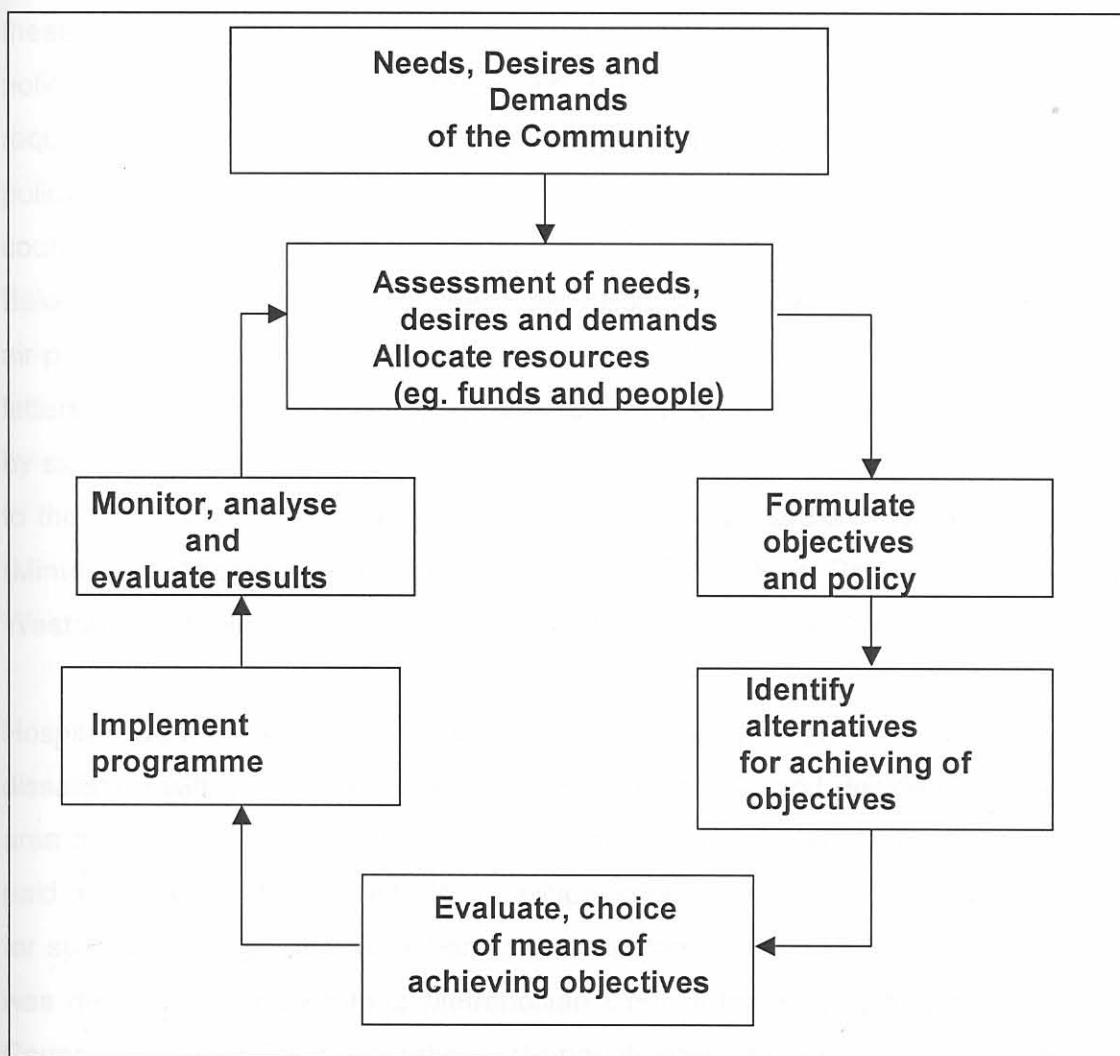


1998 : 2). It can be concluded that councils have to take environmental factors into consideration when deliberating and formulating policy.

## 2.8 PHASES IN THE LOCAL POLICY-MAKING PROCESS

Dunn (1994 : 138) argues that the policy process, as illustrated in diagram 2.1, has no apparent beginning or end, and should be viewed from a phased approach.

**Diagram 2.1 : The local policy-making process**



Source : Ismail, 1996 : 87

The local policy process can be viewed as consisting of a number of phases, *inter alia* agenda setting, policy formulation, policy adoption, policy implementation and policy evaluation (Ismail et al., 1997 : 151).

### 2.8.1 Agenda-setting

Agenda-setting is regarded as the first phase in the local policy process and deals with the process of identifying policy problems which require the attention of a council. It is a process wherein the members of a local community identify their needs, desires and demands; and wherein a local council decides to place these issues on the agenda for council deliberation. The setting of the local policy agenda allows a council to become sensitised to some of the critical policy requirements that affect their local community. In the agenda-setting phase the policy problems are defined in very broad terms with no real indication of how a council is going to address it. For example, a number of residents from Bekkersdal in Westonaria indicated their dissatisfaction with the increase in the air-pollution caused by newly established steel factories in the area by writing letters to the local newspaper, by complaining to their political representative or by signing a petition. In this regard councillor Siphon Ngobeni submitted a motion to the Council to investigate the levels of pollution caused by the steel factories (Minutes of Westonaria Town Council Meeting 5/1999 : 3; Personnel Officer for Westonaria Municipality, 1999 : Interview; The Star, 6 June 1999 : 7).

Hospital workers and their unions of the Pretoria Academic Hospital were dissatisfied with the dirt at the entrance to the hospital and decided to clean the area themselves and have been doing so since 1 November 1999. The hospital paid about R400 000 a month for municipal services and an additional R190 000 for special drainage and sanitation to curb contamination. After a signed petition was delivered to the Pretoria Metropolitan Council the issue was placed on the Council's agenda for deliberation (Superintendent for the Pretoria Academic Hospital, 1999 : Interview; Pretoria News, 2 November 1999 : 4). In can be

concluded that councillors should be in constant interaction with the community in order to timeously identify the needs, desires and demands of the community and place them on a council's agenda for deliberation

### **2.8.2 Policy formulation**

It is a council's responsibility to formulate an appropriate response to the identified needs, desires and demands of its local community. In order to do this, a council tasks officials of a municipality to investigate the identified complaints and problems. This is normally done to determine if the complaint or problem is not in fact a private problem between two or more members or businesses in the local community. If it has been identified as a public problem, the heads of departments and officials are tasked to formulate policy recommendations to a council (Ismail *et al.*, 1997 : 151).

Several businesses at Brookes Hill Pavilion in Sandton, for example, have strongly objected to the introduction of paid parking and launched a petition which was signed by more than a 1000 people. The Broll Property Group, the managing agent, was of the opinion that the paid parking system would control the flow of traffic and drastically reduce accidents as well as put a stop to numerous vandalism incidents involving cars. The owners of Tapas Al Sol, Indigo and Wimpy felt that it would affect their businesses negatively. The businesses forwarded the petition to the Municipality, which in turn stated that it was a matter of private concern and not in the general interest of the community (Partner in the Broll Property Group, 1999 : Interview).

### **2.8.3 Policy adoption**

Policy recommendations are normally drafted by officials of a municipality and then referred to a council for deliberation, approval and adoption. It is important to note that officials only make policy recommendations, but it remains the

responsibility of a council to approve or reject a particular policy recommendation. In deliberating recommendations a council will consider the political, financial, organisational, human, technical, legal and operational implications of the different alternatives. If a council is not satisfied with the implications of the recommendations, the matter could be referred back to the officials for further investigation. For example, the traffic department in Westonaria recommended that Newcombe road (a single lane road) be converted into a double lane road to alleviate traffic congestion. The Council, due to budget constraints and the high cost of road construction, decided to refer the matter back to the traffic department for further investigation (Minutes of Westonaria Town Council, 2/2000 : 9). In this case the Council did not adopt any decision. In another example, to overcome budget constraints the Greater Johannesburg Metropolitan Council financed infrastructural development with money raised from disposing of assets such as the Metropolitan Bus Company, the Johannesburg Zoo and the fresh produce market. The money raised from the sale of these assets, which were running at a loss to the Council, enabled the Council to finance its infrastructural development which would otherwise not have been possible (Chairman of Executive Committee for the Greater Johannesburg Metropolitan Council, 1999 : Interview; The Star, 28 June 1999 : 3). In this case the Council took an innovative decision in the light of its weakening financial situation.

#### **2.8.4 Policy implementation**

After a council has accepted a particular recommendation, the policy has to be translated into action. A council as legislator should never get involved in the physical execution of local policies, it is the responsibility of the officials to implement the policies. A council will however, request periodical feedback as to monitor the implementation of its decision. For example, after the Westonaria Town Council accepted a second recommendation from the traffic department that Newcombe road - due to traffic congestion - be changed into a one-way

street, it became the responsibility of the engineering and traffic department to physically implement the decision (Minutes of Westonaria Town Council, 3/2000 : 4).

### 2.8.5 Policy evaluation

The policy-making process does not come to an end after the actual implementation of a council's decision. After physical implementation, it is important for a council to evaluate the efficiency and effectiveness of a policy. In order to determine if a policy has any shortcomings or to determine if there is room for improvements, officials should be requested to submit quarterly reports on the performance aspects of all policies, programmes and projects. These reports will determine if corrective steps should be taken. If so, these will be channeled into the policy process and the process will repeat itself. For example, the Westonaria traffic department was requested to submit quarterly reports, in order for the Council to determine if their decision to change a particular street into a one-way street has in fact alleviated traffic congestion. It could be argued that if the problem of traffic congestion persisted, the Council would have requested the traffic department to make new recommendations (Minutes of Westonaria Town Council, 3/2000 : 5).

From this it can be deduced that the policy-making process follows a phased approach with no apparent beginning or end. In this regard a council should have a comprehension of the different phases in the policy-making process in order to ensure that all the relevant policy information has been obtained to make an appropriate decision.

## 2.9 FACTORS INFLUENCING POLICY-MAKING

There are a number of factors a council should take into consideration before adopting a policy, *inter alia*: conditions of establishment, political, financial,

organisational, human, operational, legal and technical considerations (Ismail et al., 1997 : 153-156; Botes, 1997 : 306-309).

### **2.9.1 Conditions of establishment**

In terms of section 152(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities are established to provide democratic and accountable government to local communities. This includes a responsibility to provide the local community with basic services such as the provision of sewerage and garbage disposal, water conservation, road construction and, health services (Rossouw, 1999 : 45-47). Councils may only determine policy directions that fall within their scope of authority as listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

### **2.9.2 Political considerations**

A municipality is established to serve as the executive agency of a local council. This means that a municipality aims to achieve political aims and for this reason each municipal department is under the legislative direction of a council (Ismail et al., 1997 : 153).

Councillors belong to different political parties and/or groupings, which means that they will in all probability cast their votes according to what they perceive to be politically sound or in accordance with their political party ideologies. It can be argued that the political feasibility of a policy recommendation has a great deal to do with political acceptability among councillors. It would be futile for officials to submit proposals to a council if there would be an outright rejection by politicians because of their political ideology. For example, if the majority of a council are representatives of the African National Congress, as it is the case in Atteridgeville, Akasia-Soshanguve and Mamelodi (Local Elections, 1999 :

Internet), council decisions would predominantly be supportive of social-welfare programmes and will in all probability oppose any policy recommendations which would favour more affluent residents.

It can be concluded that a council has the authority to make final pronouncements, but should choose its policy direction very circumspectly to retain the good will or support of its voters. For example, residents of Kagiso in the West Rand were dissatisfied with the suspension of four councillors who participated in a community march against the Krugersdorp Town Council. The suspended councillors were reinstated after more than 2000 protestors marched to the Council's offices and handed over a signed petition demanding their reinstatement (Minutes of Krugersdorp Town Council Meeting, 6/1999 : 8; Sowetan, 13 July 1999 : 4).

### 2.9.3 Research and investigations by commissions and committees

If a council is uncertain about the direction to be taken on a specific matter, an **ad-hoc** committee could be appointed to investigate the issue and make recommendations to council. These **ad-hoc** committees normally engage in comprehensive research and provide a council with an extensive range of recommendations. A council does not have to accept any of these committee recommendations. For example, a committee was appointed to investigate the dispute between the Alberton Town Council and the Thokoza Displacees Committee over municipal services debts amounting to more than R5 million. The Displacees Committee represented more than 3500 Thokoza residents who claim that they have been forced to flee their homes as a result of political violence in the township in the early 1990's. They claimed that their homes were invaded by other residents, who ran up municipal debts that were never paid. In this case an independent committee was appointed to investigate the matter. The committee's proposal to write off all municipal services debts prior to April

1994, was accepted by the Council. The Council accepted the committee's proposal that residents that have incurred municipal services debts after April 1994, be granted the opportunity to make arrangements with the Municipality to pay these arrears over an extended period of time (Minutes of Alberton Town Council Meeting, 3/1999 : 12-13; Business Day, 29 April 1999 : 8). It can be argued that councils do not always have time available to investigate local issues, and should for this reason appoint **ad-hoc** committees to make recommendations.

#### 2.9.4 Financial considerations

According to Craythorne (1997 : 90) the financial environment is concerned with the creation of wealth and the consumption of wealth. Economic development leads to the creation of wealth by encouraging investment in factories, shops, service businesses and industries thereby creating jobs for local residents and increasing the general wealth within the municipal area. The financial capacity of a municipality will, in the final analysis, determine the viability of any project. A council should at all times determine whether a municipality has the financial resources to execute a particular project. For example, in Westonaria it was not financially viable for the Council to widen Newcombe road to alleviate traffic congestion because of the high cost of construction. However, it was financially feasible to rather change the road into a one-way street (Minutes of Westonaria Town Council Meeting, 3/2000 : 4).

Municipalities need to be resourceful and answerable in its service rendering in an endeavour to restore plausibility of local structures and encourage a willingness and understanding of the principle to pay for services. In October 1999 the Gauteng local government MEC, Sicelo Shiceka, released a statement that consumer arrears for services and rates payments had reached R5,5 billion and were increasing by an average of R100 million a month (Encarta, 1999 : Internet; Business Day, 16 October 1998 : 5). In the period from July to December 1999



more than 35 000 people were taken to court by various municipalities in Gauteng and 261 162 residents had their electricity and water services cut (Encarta, 1999 : Internet; The Citizen, 5 May 1999 : 11). This implies that the ability of municipalities to finance municipal services is decreasing due to an increasing inability of communities to pay for services (Rossouw, 1999 : 55-57). Thus effective financial administration of a municipality becomes more difficult, because a council is expected to raise between 90% and 95% of its revenue from its own resources. However, insufficient revenue is raised as a result of non-payment and failure to implement measures to obtain the rates and service charges. Gauteng's provincial auditor released an audit report on 25 January 1999 stating that the Krugersdorp Town Council was in debt to the tune of R150 million. According to the audit report, the Council neglected to do bank reconciliation and debtors' control. There was no record on the movement of funds and reserves, and details of amounts owing in respect of government housing loans of more than R6 million could not be obtained (Gauteng Provincial Auditor-General, 1999 : Interview; The Star, 27 January 1999 : 6). Thus, it could be argued that councils should ensure that qualified financial personnel are appointed and appropriate control mechanisms are put into place to ensure financial accountability.

The Department of Constitutional Development (now the Department of Provincial Affairs and Local Government), announced on 10 October 1998 the creation of a Municipal Transformation Programme Board to co-ordinate and maximise the impact of donor aid to municipalities. The aim of this Board was to determine overall priorities for municipal capacity-building and identify gaps in existing support initiatives. Donors were encouraged to approach the board for information as to which areas and projects would contribute most to transformation (Senior Administrative Officer for the Department of Provincial Affairs and Local Government, 1998 : Interview; Business Day, 15 October 1998 : 2). It could be argued that although donor aid is available, councils are basically reliant on their capacity to secure an own revenue base to render services and perform its functions. The focus of training in this regard should not only be on how to secure

its revenue base, but also on finding new sources of income and how to effectively control financial resources.

### **2.9.5 Human resources**

Before adopting a policy a council should determine whether a policy recommendation has any human resource implication for a municipality. According to Ismail *et al.*, (1997 : 154), the acceptance of a policy “...*may lead to a transfer of personnel, the appointment of new personnel or even retrenchment*”. The retrenchment of personnel in a municipality is a sensitive matter that will be closely monitored by unions. It is necessary for a council to consult the appropriate labour unions or personnel representatives before a policy is adopted. For example, the outsourcing of the maintenance of municipal gardens in Vosloorus led to the retrenchment of all the municipal gardening personnel. In this regard the Council's decision had to be well substantiated and supported by all the appropriate labour unions. Pressure from SAMWU however, led to the reappointment of gardening personnel in a smaller unit, whilst others were transferred to new posts (Spokesman for the South African Municipal Workers' Union, 1999 : Interview; The Star, 14 October 1999 : 5). Thus before taking any decision regarding human resources, a council should consult the appropriate labour unions or personnel representatives.

It can be argued that in considering a policy recommendation a council should also consider the availability of personnel as well as their standard of training. If a council's policy requires an increase in the number of personnel, the associated financial implications should be considered.

### **2.9.6 Operational feasibility**

A council has to be sure of the ability of the municipality to actually execute a policy. Before adopting or approving a local policy a council has to be convinced

that the municipality has the administrative capacity to implement the decision (Ismail *et al.*, 1997 : 154). For example, in considering the feasibility of a proposal to combat an increase in juvenile delinquency by the building of a recreational park in Delmas, the availability of land, as well as the financial and human resources capability of the Municipality had to be considered. Once these elements were considered, the Council accepted the proposal and the establishment of a recreational park were approved (Minutes of Delmas Town Council Meeting, 7/1999 : 15).

### 2.9.7 Legal implication

In terms of section 156(3) of the Constitution of the Republic of South Africa, 1996 (108 of 1996) councils have to ensure that all policy recommendations fall within the legal framework of both national and provincial legislation. If councils do not properly formulate local policies, it could result in the courts of law setting it aside. According to Ismail *et al.*, (1997 : 154) councils should at all times “...uphold the rule of law and respect the Bill of Rights when considering policy matters”. Any policy of a municipality will, therefore, be tested against legal principles of the administrative law. The actions of a council require that the rights and freedom of people be dealt with in a responsible way. If a council applies an illegal and unlawful policy, the municipality can be held responsible if a citizen sustains harm in any way. According to Botes (1997 : 307) there are “...a great number of definite issues in administrative law which can exercise a direct influence on the policy-making taking place...” in a municipality.

In May 1999 the Independent Municipal and Allied Workers Union (IMATU) instituted legal procedures against the Leandra Town Council for administrative irregularities. For more than two years the Council had deduced, but not paid over the municipal officials' contributions towards their pension fund, group life insurance, unemployment insurance, labour union contributions, and prevention fund. Amounts of up to R25 000 were claimed from families for medical

payments in arrears. Pensioners were not receiving their pensions; unemployment and funeral policies were not paid out and officials were burdened with extra interest on their home loans. The Council attributed the omission to an administrative problem, and paid over the outstanding contributions (Spokesman for Independent Municipal and Allied Workers Union, 1999 : Interview). Thus, a council should ensure that all municipal actions are legal or it could face the consequences of a verdict in a court of law.

### **2.9.8 Technical feasibility**

A council does not have to acquaint itself with the technical details of a policy, but rather be assured that the technical side of projects is well administered by officials. For example, the Chrissiesmeer Local Council was of the opinion that it did not have the technical capability within the Municipality to implement a storm water drainage system, and decided to put out a tender for the project (Minutes of Chrissiesmeer Local Council, 4/1999 : 2). The Council did not get involved in the technical requirements of implementing a storm water drainage system, but had the responsibility of ensuring that the contractor does have the necessary technical expertise to execute the project. This was done by specifying in the tender that contractors should provide the Council with a descriptive list of similar jobs that they have done in the past three years.

### **2.9.9 Physical facilities**

In considering a policy recommendation a council should take into account its available physical facilities, such as amenities, warehouses, office space, machinery, grounds, apparatus and modes of transport. If a council is of the opinion that adequate facilities are not available, additional structures will have to be acquired which obviously will have an effect on the financial capacity of the policy (Ismail et al., 1997 : 155).

### **2.9.10 Circumstances**

A council should be cognisant of the fact that circumstances in a community are created by changes in both time and place. For example, the Hennopsriver due to high levels of rainfall, normally overflows its embankments during the summer of every year. In March 1999 the river again overflowed and this resulted in the flooding of numbers of informal shacks in the proximity of the river embankment. The Centurion Town Council took immediate action to assist the victims of the flooding with shelter, blankets and food. The Council followed their initial relief support up with the enforcement of regulations regarding construction in the proximity of a river (Minutes of Centurion Town Council Meeting, 5/1999 : 7-8; The Centurion, 10 June 1999 : 1). It could be argued that councils should allow for changing circumstances to guide them in their decision-making.

### **2.9.11 Pressure groups, interest groups and mass demonstrations**

Residents form pressure groups or participate in mass demonstrations when they have strong convictions regarding an issue and wish to make this known to a local council. For example, more than 200 members of the Braamfontein Hawkers' Front (BHF) took part in a public demonstration on 17 September 1999 before handing over two memoranda outlining their dissatisfaction against being removed from trading sites in the city centre. Their complaint stipulated that they were unhappy that the Council passed a by-law without consulting the BHF. The BHF felt that they had a constitutional right to be economically active and that the Braamfontein Town Council was responsible for the high unemployment rate and poverty in the city. A committee comprising of the Council and the BHF was established to address the BHF's concerns. A proposal of the BHF to utilise part of the taxi rank in the city centre was accepted by the Council and demarcated for informal trading activity (Spokesman for the Braamfontein Hawkers Front, 1999 : Interview; The Star, 18 September 1999 : 5).

## 2.9.12 Personal views of public servants

Municipal officials are appointed on the basis of their special knowledge, experience and disposition, and it can therefore be expected that the personality of such a person would in one way or another make an impact on local policy (Craythorne, 1997 : 306-307).

From this it can be deduced that there are a number of factors that influence policy-making. It is necessary for councillors to be made aware of these factors and for them to effectively analyse the impact these factors will have on the policy-making process.

According to Carson and Williams (1982 : 405), uncertainty in policy-making normally exists “...because of the absence of reliable information which is the result of conditions which are not exactly known, and which in turn makes prediction impossible”. Hanekom (1996 : 54-55) argues that uncertainty is endemic to the policy-making process and the implementation of policy programmes. There are a number of factors that could cause uncertainty regarding the success of a local policy, such as a lack of knowledge or agreement about the problems that policy-makers face or the actions that are appropriate, bureaucratic differences and sudden crises (Cameron and Stone, 1995 : 145). A local council will have to accept the fact that to aspire to a purely rational, objective assessment of the local community’s problems, the analysis thereof, and the effective and efficient implementation of the options selected, will not always be a smooth process without technical difficulties (Lindblom, 1961 : 232).

Under apartheid government in South Africa the domination of a white minority, and a governmental structure that is centralist and elitist were major sources of uncertainty (Wallis, 1992 : 37-38). According to Hanekom (1996 : 54), the black

population, as formerly defined, was “...*threatened by the reality of minority rule, the responses of western democracies to the measures taken by the ruling minority, as well as by the prospects of majority rule*”. Uncertainties were compounded by differences within each racial community and the prevalence of violence. Under the majority rule of the African National Congress (ANC) the major sources of uncertainty include rising expectations regarding job creation and the redistribution of wealth, the slow pace of community development projects, and an increase in crime.

Hanekom (1996 : 67-68), suggests that in a situation of uncertainty a council should place a premium on focusing attention and resources on the most essential local aspirations. In defining and implementing policy objectives a council should muster and organise supporters, pursue tactics against probable adversaries, ensure its control over the policy-making process, and use power in order to implement goals. This process implies an ability of councillors to handle conflict, persuade, and negotiate (Schwella and Ballard, 1996 : 8-10). Uncertainty is an inevitable part of any policy-making process, normally accentuated by adversaries in the form of criticism (Hanekom , 1994 : 67-68). It is, however, common practice for policy-makers to bluff and threaten in the negotiation process (Wildavsky, 1979 : 31-32). The success of local policies will be ensured as long as councillors remain realistic about what is realistic among their objectives.

It is expected of councillors to cope under conditions of extreme uncertainty. It implies a commitment to making progress with resolving policy issues, or as Hanekom (1996 : 61-62) puts it “...*keeping below the level of intolerable suffering*”. It is the responsibility of council to enact policy that will lead to an improvement in community life (Wildavsky, 1979 : 32-33). It could be argued that uncertainty is part and parcel of the local policy-making process and that councillors should be made aware of how to effectively cope with uncertainty.

## 2.10 POLICY INSTRUMENTS

According to Ismail *et al.*, (1997 : 162-164) policies find their way on to the agenda of councils by different routes. These are referred to as policy instruments, *inter alia*, legislation, taxation, the budget, persuasion, inspection, minutes of council meeting, council records, the provision of services, community newsletter, media briefings and community meetings.

### 2.10.1 Legislation

In terms of section 156(2) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) a council has the legal power to formulate legislation for its area of jurisdiction, through by-laws or regulations. In formulating a by-law a council may not in terms of section 156(3), contravene constitutional provisions, and national or provincial legislation. The fact that legislation is accepted does not necessarily imply that the problem will automatically disappear. For example, the Braamfontein Town Council declared the central business district area a restricted trade area, but informal traders still continued to conduct business in the area, which meant that the problem had not been adequately resolved. The Council initially appealed to the law enforcement officers to fine the perpetrators. However, the problem persisted, but was eventually satisfactorily resolved by demarcating a new trading area for the informal traders to conduct their business (Minutes of Braamfontein Town Council Meeting, 6/1998 : 2). Although legislation is a formal and enforceable policy instrument, it can be concluded that it does not always render the desired outcome.

### 2.10.2 Rates and taxes

In terms of section 160(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities may impose e.g. service charges, such as



for sewerage and refuse removal; property rates, which are usually based on the value of the land, or land and improvements; and trading services, such as electricity and water.

It can be argued that councils have to be aware of the sources of income available to a municipality. The fact that a council has to generate the bulk of its income, means that ways need to be found in how to effectively extract taxes and payment for services from the community.

### **2.10.3 Budget**

A municipality's budget translates the policy of a municipality into concrete programmes and projects, with an indication of the costing involved in the implementation of such programmes and projects. Municipalities prepare budgets annually and these are then submitted to councils for approval. The approved budget is also regarded as the financial policy of a council. For example, the Greater Johannesburg Metropolitan Council's budget priorities for 1999/2000 included tackling basic needs, maintaining existing infrastructure, enhancing revenue collection, enforcing credit control measures, improving income generation and reducing emphasis on revenue absorption services. (Minutes of Greater Johannesburg Council Meeting, 2/1999 : 3-9; Business Day, 25 June 1999 : 3).

It can be concluded that the budget provides citizens with an indication of a council's policy objectives and; it is a concrete plan for officials of how revenue is to be applied. However, as a council has to authorise the budget it should be sufficiently informed to evaluate the document containing the various proposals.

### **2.10.4 Persuasion**

Persuasion is an informal instrument whereby local councils persuade the local

community for example, to recycle waste products, to pay for services, to keep their environment tidy, or to pick up dog litter in public places. Persuasion is done subtly by for example, handing out pamphlets at municipal offices or sending notices with the monthly accounts to residents (Ismail *et al.*, 1997 :165). For example, the Centurion Town Council tried to persuade occupiers of informal settlements on the bank of the Hennopsriver not to erect any shacks below the flood level of the river by addressing the squatters on numerous occasions and handing out pamphlets. This approach was reasonably successful to the extent that 32 families out of approximately 140 families moved and found shelter elsewhere (Minutes of Centurion Town Council Meeting, 3/1999 : 2).

#### **2.10.5 Inspections**

The most comprehensive plan will not be successful unless it is implemented properly. In this regard councillors should inspect projects in order to ensure that the implementation conforms to prescribed standards. Inspections should be arranged on a continuous or an **ad-hoc** basis for councillors as to be informed on the progress and any shortcomings experienced during the implementation phase. Insight gained from inspections will enhance deliberations at council meetings.

#### **2.10.6 Provision of services**

The provision of services is the most widely used and visible policy instrument since it deals with the implementation of policy by municipalities. For this reason it is also subject to widespread criticism from local communities. The Atteridgeville-Saulsville Concerned Residents' Association (ASCORA), for example, accused the Pretoria Metropolitan Council of overcharging local residents. Many residents received different rent and service accounts to pay monthly. ASCORA claimed that the Council failed to be accountable to the community regarding deliberate errors on rent and services accounts

(Spokesman for Atteridgeville-Saulsville Concerned Residents' Association, 1999 : Interview; Pretoria News, 14 January 1999 : 2). It can be argued that councils have to ensure that services are delivered as required and expected by the communities served. This in turn will require councillors to be **au fait** with the different services and the quality of such services to ultimately accept responsibility for the executive actions.

### 2.10.7 Community newsletter

The periodical distribution of a community newsletter informs citizens of decisions taken by a council, the status of current projects, and of any new developments in their area. Community newsletters should invite comments from the public, in order for a council to determine the attitude of citizens on specific issues, and then develop proactive strategies to deal with them. This would be in line with section 152(e) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) which stipulates that community involvement in local matters should be encouraged. In this regard the Centurion Town Council attaches a newsletter to its monthly municipal account to residents. These newsletters contain information regarding decisions taken by council, the Council's financial position, the status of municipal projects and the results of surveys conducted by the Municipality.

### 2.10.8 Media briefings

Media briefings are arranged by councils from time to time to issue a media statement, or to clear up any policy ambiguities, or even to reconfirm existing policies (Rossouw, 1999 :34-35). It is an effective way of reaching a wider audience, but poor journalism or the wrong interpretation by reporters, may convey a wrong impression to the community. It could be argued that in order to avoid this from happening a council should rather release a written statement that leads to correct interpretation. In 1999 the Westonaria Town Council

released 10 official statements, predominantly on issues relating to service-delivery, all of which were positively accepted by the community (Personnel Officer for Westonaria Municipality, 1999 : Interview).

### **2.10.9 Community meetings**

Community meetings are held to provide feedback on activities of a council. A council normally mandates a councillor to address the meeting on its behalf. The primary focus of these meetings should be to inform the community regarding developments and financial implications or expectations. Ismail *et al.*, (1997 : 162-163), suggests that these meetings should be held on a quarterly basis to reach the more concerned and serious-minded citizens in the community. In 1999 only 5 out of 22 councillors attending a policy workshop presented by Dynamic Resource Solutions (DRS) admitted that they held meetings with their wards. On closer investigation it proved that these councillors have been representing their community on average for 12 years. It would seem that these meetings with their wards not only assisted councillors in staying in contact with the needs, desires and demands of the community, but it can be argued that it ensured a higher voter turnout for these councillors during elections. Thus there is a benefit in staying in contact with the electorate and community meetings should be utilized as often as possible.

It can be concluded that there are various policy instruments through which a council can be made aware of the needs, desires and demands of the community. A council should be made aware of these policy instruments and how best to extract policy-relevant information from the community.

## **2.11 POLICY ANALYSIS**

As municipalities in South Africa plan for the future, effective policy-making has become of critical importance. It articulates visions of society, and points out

ways and means to get there. Bayat and Meyer (1994 : 18) state that: *“During the apartheid years, public policy reflected a minority perspective ... now that democracy has a foothold ... South Africa must avoid the policy elitism of the apartheid era.”* The critical challenge is to ensure that councilors have the skills to pose policy questions, to evaluate alternatives, and to anticipate the intended and unintended consequences of favoured policy initiatives.

The inherent nature of local policy is seldom understood if not perceived as a complex and multi-faceted phenomenon. In its simplest form local policy is what municipalities intend to do, what they actually do, or don't do (Dye, 1987 : 1-3; Hogwood and Gunn, 1984 : 15-24; Nigro and Nigro, 1986 : 23-24; Koontz and O'Connell, 1986 : 33-36). Policy analysis, on the other hand, is an endeavour to determine the costs and benefits of various alternatives or to evaluate the validity of existing local policies. Thus policy analysis is an attempt to bring about and transform information pertinent to particular local policies to resolve problems pertaining to those local policies (Mead, 1985 : 419-420; Roux, 1971 : 44-46). The analysis of local policies, therefore provides a council with policy-relevant information that could be utilised in the formulation of local policy, either in devising proposed policies or adapting existing policies.

According to Hanekom (1987 : 66-67) the reasons for policy analysis can be scientific, professional or political. **Scientific reasons** pertain to determining the costs and consequences of local policy whilst ensuring continued growth of municipal activities irrespective of complexities in social issues or the development of new technologies that have a bearing on the quality of local service. **Professional reasons** for policy analysis involves a search for and assessment of alternative policy options. By forecasting the direct and indirect impacts and long-range effects of existing or proposed policies by the application of cost-benefit analysis, modeling or simulation to the different options the success rate in implementation could be increased. **Political reasons** for policy analysis are concerned with guaranteeing that envisaged needs, demands and

desires are attained by fitting local policies. It ensures that a councillor is furnished with the information that will enable a council to understand the complexity of the local issues which are dealt with, resulting in feasible policy.

It could be argued that in analysis of local policy in its purest sense, utilises the expertise of private consultancy firms, such as Anderson Consulting, Deloitte and Touche and, Ernest and Young. Such consultancy firms are expensive and utilise state of the art technology - all of which may be too expensive to most municipalities in South Africa. Municipalities do however, make use of smaller consultancy firms which are less expensive, however with less sophisticated equipment. But, for the most part councils utilise the skills of their municipal officials to assist them in the analysis of local policy.

## 2.12 CONCLUSION

A local council formulates policy that provides the direction to be followed by the executive departments to attain specific goals. Without laying down clear, written policies no activity of a municipality can be executed efficiently and effectively. Although the goals of municipalities are normally fixed and rigid, the comparable policy should continuously be tried against changing circumstances to determine whether the policy still fulfils the needs, desires and demands of the local community.

This chapter concerned the nature of local policy, as well as the characteristics and manifestations of local policy. This is followed by an exposition of the policy-making levels within a municipality. The different phases in the policy-making process are deliberated as well as the factors influencing the process. The roles of councillors, officials, citizens and interest groups in the policy process were also discussed.

A number of areas in which training of councillors should take place have been identified. These include an understanding of the manifestations of local policy; identifying strategic policy issues and how to operationalise these goals through its organisational structure; as well as an ability to take the perspectives of other stakeholders in the policy-making process into account. Newly elected councillors should comprehend the different policy-making phases in order to ensure that all the relevant policy information has been gathered to make an appropriate decision. The training of newly elected councillors should include an awareness of factors that influence policy and to effectively analyse its impact or the effects of a combination of these factors, could have on the policy-making process; and finally a comprehension of policy instruments through which a council can be made aware of the needs, desires and demands of the community.

In Chapter 3 the different resources that a council utilises in an attempt to realize their objectives in terms of their governing and representative responsibility will be discussed.

## CHAPTER 3

### UTILISATION OF RESOURCES

*“The process of working with and through other people to continually ensuring that all activities and operations of a specific local authority are primarily aimed at performing its specific functions and meeting its responsibilities in an optimal manner to the maximum advantage of its total community can only be achieved through the effective utilisation of human and financial resources.”*

- J. Stewart, 1988 : 32

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#### 3.1 INTRODUCTION

South African municipalities are increasingly expected to deliver more services with fewer resources. These expectations make increasing demands on the available financial and human resources of municipalities. The efficient performance of the activities of municipalities will thus to a large extent depend on the efficient handling of municipal resources.

The non-payment for local services, *inter alia* contributing to insufficient resources being available, the amalgamation of municipalities, inadequate trained financial personnel, and a lack of political direction and decision-making necessitate a review of the South African system of financing municipalities. In this regard the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Public Finance Management Act, 1999 (Act 1 of 1999), and the Auditor-General Act, 1989 (Act 52 of 1989) create a financial framework within which the other spheres of government can supervise and guide municipalities in an attempt to guarantee financial stability. In the same manner the personnel function is regulated through



clear policy guidelines from the Public Service Commission; explicit general personnel policy of the Public Service Act, 1994 (Proclamation 103 of 1994); and personnel regulations and codes. It is important for a council to ensure that each head of department in a municipality formulated a personnel policy to ensure administrative competence. Municipal resources are always under pressure and this calls for maximum improvement in the utilisation of these resources in order to make it more performance or output orientated.

The aim of this chapter is to provide an overview of local finances and administration thereof, the budgeting process, aspects relating to sound financial administration and financial challenges confronting municipalities. Although it is not expected of a councillor to be a financial expert it is important to understand what financial sources are available in generating revenue and to comprehend the financial implications of council decisions on the budget. In 1999 four workshops conducted in Gauteng on "Resource Utilisation", were attended by a total of 112 councillors of which 91 or 81% stated that they are experiencing difficulties in understanding, appreciating and controlling the finances of their separate municipalities (Fourie, 1999 : Resource Utilisation Workshop). Part of the reason why municipalities are experiencing financial crises can largely be attributed to poor financial administration. In this chapter attention will also be given to the manner in which municipal officials ensure that a municipality obtains the greatest possible benefit from their abilities.

### 3.2 MUNICIPAL FINANCE

In terms of section 10(g)(1) of the Local Government Transition Act, Second Amendment Act, 1996 (Act 97 of 1996) and section 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities have a responsibility to use resources in an effective, economical, accountable and transparent manner and; to structure and manage their administration, budgeting and planning processes to give priority to basic needs, desires and demands of

citizens. It includes a responsibility to set clear objectives; to regularly monitor and assess performance; to prepare an integrated development and financial plan in respect of all their powers, duties and functions and; to annually report to the community.

Municipalities in South Africa are facing two realities: firstly, a rapidly changing environment and, secondly, limited resources, which demand sensible choices amongst the available options open to them. The annual income of people living in Soweto is less than R28 000 per person, which translates into a revenue of R408 per head. This compares with a per capita annual income of R124 000 in Sandton, which renders R3 800 per head to the Municipality (Walker, 1999 : 5-6). In Soweto, with a population of 1.8 million people, it translates into R734 400 000 million revenue per annum, whilst in Sandton, with a population of approximately 250 000 people, it translates into R950 000 000 million revenue per annum. Although Sandton is less than a ninth of the size of Soweto and has a much smaller tax base, the earning power of its inhabitants as opposed to inhabitants in Soweto, provides it with significantly more revenue. Thus in Soweto there is less money available for the provision and maintenance of services than in Sandton. It could therefore be assumed that the infrastructure in Soweto is weaker than in Sandton. It can be argued that many municipalities are faced with a situation where the resources available in communities are insufficient to make real improvements to their quality of life. This places a greater demand on a council to render services to the community in a cost-effective manner.

The Portfolio Committee on Public Affairs reported on 12 March 1999 to Parliament that 275 of the 843 municipalities were experiencing severe financial difficulties, while 82 were facing imminent financial failure (Encarta, 1999 : Internet). The Minister of Finance, Mr. Trevor Manuel, reacted to the committee's report by stating that "...without sound financial administrative systems and a knowledge thereof, municipalities will be forced to discontinue their operations" (The Star, 15 March 1999 : 2). It is therefore vital for a council, municipal officials and more

specifically municipal financial officers to have a proper understanding of local financial administration. The former Department of Constitutional Development claimed that *“...the department had hosted many workshops on financial management, integrated development planning and local economic development, but was poorly attended. Poor attendance by councillors on a number of occasions was not the fault of government.”* (Spokesman for the Department of Constitutional Development, 1998 : Interview). Thus an opportunity to obtain information regarding financial issues was not utilised.

As members of a political institution and as providers of services, councillors and officials are responsible for stewardship and accountability (Fielding, 1997 : 112-114). **Stewardship** refers to holding the local community's assets in trust and administering the acquisition, financing, maintenance and utilisation of such assets. **Accountability**, on the other hand, refers to a council accepting responsibility for the utilisation of municipal resources. The actions by a council and municipal officials in supervisory positions; decisions taken and the extent to which local choices have been satisfied, are examples of issues for which council accepts accountability. For example, the Eastern Gauteng Services Council approved a R519 million budget for the 1999/2000-budget year aimed at building and upgrading essential services and infrastructure in the area. An amount of R209 million had been allocated to community projects by local councils within the region. These projects included the building or upgrading of sports grounds, reservoirs, community halls, street lighting and roads (Minutes of Eastern Gauteng Services Council, 9/1999 : 17-18; Sowetan, 28 June 1999 : 4).

It is the responsibility of municipalities to provide services to their communities with limited resources at its disposal (Filkin and Moor, 1997 : 32-35). In order to receive specific community services, taxpayers are required to pay property tax and pay for services rendered within to a municipality in terms of section 229(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The Minister of Provincial Affairs and Local Government, Sydney Mufamadi, stated on 20 July

1999 that residents owed municipalities a total of about R12,4 billion while municipalities owed Eskom R316 million (Business Day, 21 July 1999 : 2). According to the minister “...*the disturbing trends include the collapse of municipal finances, lack of accountability, weak partnerships between government and society as well as councillors who are not prepared to work with their communities to build a vibrant local government system* “. In terms of Part B of Schedule 4 and Part B of Schedule 5 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) these services or functional activities by municipalities are for example, the provision of health services, the maintenance of streets and sidewalks, sewerage and refuse removal; the establishment and maintenance of parks and recreation grounds and; the provision of water.

It can be concluded that municipalities will have to be cost-effective in service rendering and encourage a willingness and understanding of the principle to pay for services. Councillors need to understand that municipalities have to be innovative in an environment where there will always be a demand for an improvement in the quality of life against the reality of limited financial resources.

### **3.2.1 Factors influencing municipal finance**

Section 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) determines that a municipality must on the one hand direct its administration, budgeting and planning processes to the benefit of the community, and on the other hand promote the social and economic development of the community. It is the responsibility of municipalities to improve the quality of life of its inhabitants with limited resources at its disposal (Adlem and Du Pisani, 1982 : 93; Cloete, 1997 : 108-109). This implies that municipalities not only have to be financially viable but have to ensure sustainability by creating additional sources of income to finance an increase in demand for services (Bahl and Linn, 1992 : 18-20). For example, the Greater Johannesburg Metropolitan Council (GJMC) has embarked on a three year project, called Egoli 2002, to specifically redevelop the inner city through improved

service delivery (e.g. water and sanitation) and, by-law enforcement (e.g. on street trading, building control and environmental health). In order to finance the capital budget for the inner city amounting to R60 million, the GJMC decided to sell 6000 houses and flats (The Star, 26 February 1999 : 2). In this example the GJMC has succeeded in simultaneously directing the development and promoting social and economic upliftment in a specific area.

Municipalities do not function in a vacuum and are constantly subjected to external influences. According to Moodley and Sing (*in* Reddy, 1996 : 193-198) a number of factors have an impact on municipal financing. These are the political, economic and social environment within which a municipality functions; governmental relations involving the decentralisation of authority and power to local government, co-operative government and the autonomy of local government to function separately from national government ; the administrative capacity of a municipality, and the role of the Financial and Fiscal Commission (FFC).

### **3.2.1.1 The financial administration environment**

The administration of local finances takes place in a dynamic political, economic and social environment (Hays, *et al.*, 1995 : 91-93; Oosthuizen, *et al.*, 1998 : 43-46) The impact of these environments on a municipality's financial administration will be discussed in the ensuing paragraphs.

#### **(1) Political environment**

According to Craythorne (1997 : 14-15) the extent of the political environment of local government will vary according to the actions of political parties, the dynamics of intergovernmental relations, and local politics relating to local issues arising among stakeholders. The National Party's policy regarding separate municipalities based on race, remains to have an impact on present-day finances, because of the subsequent reasons (Nkuhlu 1993 : 11; Rossouw, 1999 : 89-90) In this regard the

former black municipalities were not financially viable, lacking a sound tax base to finance adequate provision of services and launching of development projects. Furthermore, the fact that black towns, such as Mamelodi, Soshanguve and Atteridgeville were exclusively regarded as dormitory or "sleep" towns meant that it had an inadequate infrastructure. The purpose of these black towns were to function as transition areas to black labourers employed by white industrialists, the commercial sector and as domestic workers. Apart from this, the inhabitants of black towns had no security of tenure due to the fact that black people were not allowed to own property in areas within the former white area of South Africa (Nkhulu, 1993 : 12-13). Since 1995 the African National Congress (ANC) led government has focussed its policies on redressing these imbalances and it can be argued that it is expected of municipalities to implement these policy changes in terms of the objectives set out in section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

In terms of sections 24 and 25 of the Municipal Demarcation Act, 1998 (Act 27 of 1998) a Demarcation Board was established in each province with the purpose of investigating and identifying areas of jurisdiction to ensure the greatest financial viability of municipalities. It can be argued that reducing the number of municipalities from 843 to 284 after the December 2000 elections will not only increase the geographical area that councils have to govern and represent, but will facilitate the redistribution of wealth from more affluent parts to poorer parts of the community. This form of democratic local government ensures public participation, accountability, transparency and responsibility, thus promoting the general welfare of the community (Rossouw, 1999 : 34-35). It can be concluded that councillors should have a thorough understanding of the national government's policies that have an influence on a municipality's financial resources.

## (2) Economic environment

According to Craythorne (1997 : 16) a municipality has limited means, and needs to plan carefully and prudently. A municipality has an impact on the local economy because it takes money out of circulation by means of taxes and fees; returns money to the economy when it pays personnel and buys goods and services; and, by its policies, can encourage or discourage development. According to Botes et al., (1996 : 204) the political objectives of municipalities cannot be realised without the necessary economic development to provide the fiscal base to meet these expectations. In this regard Rossouw (1999 : 45-47) proposes a strategy for redistributive growth to accomplish a number of goals. These goals include safeguarding an equitable pattern of growth; achieving a more equitable distribution of assets, services and access to markets; and maintaining macro-economic stability. Through the Consolidated Municipal Infrastructure Programme (CMIP) funding has been made available for specific infrastructural needs.

The Municipal Infrastructure Investment Unit (MIIU) was established by the national government to assist municipalities in finding innovative solutions to critical issues, with the financing and administration of essential services such as water supply, sanitation, waste, energy and transport (DCD Library, 1999 : Internet; John, 1997 : 23-25). These proposals include the involvement of new parties in service delivery, in various forms of partnership arrangements. The Unit strives to encourage and optimise private sector investment in core municipal services, on a basis that is sustainable. These investments may take on a broad range of forms, *inter alia* private sector financing of municipal debt; contracting out of specific administrative functions regarding ongoing services; concessions to operate a municipality's assets over a defined period; contracts requiring the private sector to design, build, finance and operate assets to deliver services for a municipality; and the privatisation of assets and services. Of the targeted eight million beneficiaries, an estimated 6,5 million people have already been reached by the Municipal Infrastructure Programme. By the end of 1998 an estimated 242 000 people had

been employed through CMIP projects and more than 94 000 people had received some form of training. Open and consultative relationships have been successfully established between municipalities, implementing agencies and communities (DCD Library, 1999 : Internet). The Consolidated Municipal Infrastructure Programme (CMIP), replaced the MIP, and has become the major reconstruction and development flagship of the government. This single-window, multi-year programme also had to take over 115 projects of the Department of Housing and was completed in the 1999/2000 financial year at a cost of R215 million. It can be concluded that the CMIP is an effective instrument in assisting municipalities with the provision of services, infrastructural development, optimising private sector investment, creating employment and the provision of training.

The private sector, by its very nature, is geared towards customer service to ensure high levels of profit. A combination of private and public sector resources will not only change the revenue base of local services, but it will bring municipalities closer to appropriate and affordable levels and unacceptable quality of services (Wissink and Hilliard, 1996 : 56-58). The CMIP framework addresses fears about partnerships in two ways: partnerships may only be considered where municipalities clearly has no realistic opportunity to deliver adequate levels of service and the actual contracts will require that private partners to meet a variety of basic conditions, all of which are standard features of concessions designed according to international best practice standards (Rossouw, 1999 : 43).

Thompson (1993 : 22) argues that financial sustainability by municipalities could be obtained if they are compelled to strive towards broadening the economic tax base through firstly the encouragement of development through the provision of infrastructural services. The South African Infrastructure Finance Corporation, for example, borrowed R275 million from the European Investment Bank on 17 December 1998 to finance municipal infrastructure projects. The line of credit was used to finance water supply, waste water treatment, local roads, public lighting and solid waste treatment projects (Business Day, 18 December 1998 : 2).



Secondly, it includes the encouragement of industrial and commercial development by providing access to stands at the lowest possible cost. The Delmas Town Council, for example, embarked on a project to attract business ventures into its jurisdiction by offering lower prices on business stands. It resulted in, for example, Sun International buying 40 hectares of ground for the building of a hotel complex (Minutes of Delmas Town Council Meeting, 3/1999 : 5). It can be argued that councils have to be more innovative in attracting business into its area of jurisdiction and in doing so also broaden its own tax base.

With R3 billion of the 1999/2000 national budget directly linked to job creation programmes like the Municipal Infrastructure Programme, municipalities were able to tap into national government finance for the development of bulk infrastructure for the poorest communities. Through the national government's job creation programme 105 083 people have gained access to accredited training programmes and a total of 1965 black-owned small and medium-sized business opportunities were created. Other programmes that benefited were the provision of water programme; rural water supply and sanitation programmes; community-based public works programmes; income generating welfare programmes; training for the unemployed and employment services programmes (DCD Library, 1999 : Internet).

It can be argued that a council should be able to effectively utilise opportunities in its economic environment in order to realise political objectives and to satisfy the needs, desires and demands of the community.

### **(3) Social environment**

Large sections of the population of South Africa suffer poverty, lack unemployment, cannot afford adequate housing for their families or schooling for their children, and as a result exhibit the symptoms of deprived communities anywhere in the world (Craythorne, 1997 : 15). These symptoms include crime, abuse, lack of respect for law and order, and antisocial behaviour. It is the responsibility of municipalities to

function as facilitator in nurturing an acceptance for cultural diversity amongst communities and to act as co-ordinator in bringing about the integration of diverse communities (Conyers and Hills, 1989 : 10-13;). Furthermore, municipalities must encourage community participation through the principle of collective **self-help** or **Masakhane** in civic matters by co-ordinating and directing social activities to enable the formation and maintenance of a well-balanced, stable and tolerant community. For example, the Akasia-Soshanguve Town Council promoted a project whereby the residents could participate in a weekly flea market at the local soccer stadium in order to promote business initiative and to promote the idea amongst its residents to shop in its own geographical area (Minutes of the Akasia-Soshanguve Town Council Meeting, 4/2000 : 8-9) .

In a specific case a farmer decided to give his land away and had to embark on a six-week fast to convince the Hartebeespoort Town Council to allow him to do so. Mr. Roger Roman drew attention to the unsatisfactory conditions he was experiencing with the Hartebeespoort Town Council, which opposed the land restitution plans. The 11 families who became sectional-title holders on 7 January 1999, applauded the initiative of the landowner that willingly gave up his property in the interest of promoting reconciliation (Pretoria News, 8 January 1999 : 3). It can be argued that councils need to be receptive to the community's attempts in bringing about social change in South Africa.

### 3.2.1.2 Governmental relations

Apart from establishing the distinctive, interdependent and inter-related spheres of national, provincial and local government, Chapter 2 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) lays down guiding principles under which the spheres of government must operate. The financial and fiscal relations within the state, such as those underlying principles found in Chapter 13, specifically sections 229 and 230 of the Constitution are fundamental issues that influence the extent and the nature of municipal finances. Notwithstanding the fact

that national, provincial and local spheres of government are deemed to be distinctive, interdependent and interrelated, the **de facto** situation is that national government, is in an authoritative position **viz-a-viz** the provincial and local spheres of government. This is contrary to section 40(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), relating to the interdependence and interrelatedness of the three spheres of government. In this regard provinces and municipalities are for example bound by national laws relating to aspects of the imposition of taxes and raising of loan capital.

The interaction amongst the various spheres of government, particularly in the current context of increasing community needs and limited resources, is a contentious topic. It entails a number of financial and fiscal ties amongst and within the various spheres of government, and should focus not only on quantities, but also on qualitative aspects such as equity and the distribution of revenue amongst the various spheres of government. Aspects such as intergovernmental grants, subsidies and loans are pertinent in these interactions, while institutions such as the Financial and Fiscal Commission, in terms of section 220(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), ensures equitable intergovernmental financial relations (Rossouw, 1999 : 46-47).

Intergovernmental transfers and tax policies are pivotal composers of intergovernmental relationships (Jones, 1996 : 214). This holds particularly true for a predominantly unitary state such as South Africa, where the national government accumulated, managed and distributed 91.5% or R178 368 million in 1998/1999 and 91.6% or R192 625 million of the total tax revenue, and is primarily responsible for the formulation and implementation of tax policy. In comparison, provincial government generated and managed 0.5% or R993 million in 1998/1999 and 0.5% or R1075 million in 1999/2000, while local government generated and managed 4.7% or R9192 million in 1998/1999 and 4.6% or R9707 million in 1999/2000, with the balance being made up by extra-budgetary institutions and social security funds (Director for Futuristic Research for the University of Stellenbosch, 2000 :

Interview). In this manner the provider has a measure of power over the recipient of public funds, which in its own way could be perceived as a form of subtle coercion within the relationship amongst the spheres of government.

Shafritz (1985 : 279) depicts the relationship of dependence as " ... *fiscal and administrative processes by which higher units of government share revenues and other resources with lower units of government, generally accompanied by special conditions that the lower units must satisfy prerequisites to receiving the assistance*". It can therefore be deduced that policy-making in municipalities can be influenced by provincial and national spheres of government, due to their stronger financial position.

The national government has however, in terms of section 152 and 156 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), given municipalities more responsibilities, but not the commensurate money or resources to fund the new services. This requires that councils raise more money by increasing property taxes or finding alternative sources of revenue.

Increased decentralisation of authority and power will enhance municipalities' ability to function independently from national government. According to Croeser (in Reddy, 1996 : 192) it will furthermore ensure that decisions regarding public services are brought closer to disadvantaged communities; effectiveness in fulfilling specific needs simultaneously enhancing value systems; community involvement in delivery of public services is encouraged which in turn will contribute to a greater willingness to pay for services rendered; and owing to the scarcity of resources, efficiency and effectiveness of the public services could be enhanced, thereby promoting accountability.

Although an independent sphere of government, 275 of the 843 municipalities were experiencing financial difficulties in 1999, while 82 faced imminent failure (Encarta, 1999 : Internet). In July 1999 residents owed municipalities R12,4

billion while municipalities owed Eskom R316 million (Business Day, 21 July 1999 : 7-8). It could be argued that given the financial position of municipalities, they would have to rely on national government initiatives, i.e. the Consolidated Municipal Infrastructure Programme, to render municipalities with technical and financial assistance to provide services, create economic growth and support infrastructural development. This however, creates a subordinate relationship in which municipalities could be influenced when it comes to policy-making. In order to resolve this predicament councils have to be more innovative in finding additional or alternative sources of revenue.

### **3.2.1.3 Administrative capacity**

The non-payment for services in many historical black towns left former black municipalities lacking both human- and financial resources. It has become the responsibility of transitional municipal structures to administer these deficiencies, through focused policies and spending on deprived segments of the new integrated municipalities (Sherman, 1992 : 32-35). A related issue is the lack of trained personnel from designated groups who could be employed by the new transitional structures both at local and metropolitan levels. In 1996 the Greater Johannesburg Metropolitan Council offered municipal officials a total of 495 hours of training on 11 training programmes attended by 1254 municipal officials. In 1997 a total of 720 hours on 12 programmes attended by 1379 municipal officials; in 1998 a total of 768 hours on 12 programmes attended by 1525 municipal officials and in 1999 a total of 1258 hours on 17 programmes attended by 1834 municipal officials (Lubbe, 2000 : 3-4). There was not only an increase in the number of programmes offered, but also in the number of hours allocated to each programme – 45 hours on average per programme in 1996; 60 hours in 1997; 64 hours in 1998 and 74 hours in 1999. Although not significant, there was an increase in the percentage of municipal officials of the GJMC that attended – 0,040% of municipal officials in 1996; 0,051% in 1997; 0,061% in 1998 and 0,073% of approximately 25 000 municipal officials in 1999. The

transformation of local government has extensive financial implications and because of restricted financial resources councillors need to be creative in the allocation of funds whilst simultaneously building the capacity of deprived communities.

It could be argued that a council has to ensure that suitably qualified municipal officials are appointed and that training programmes offered will enhance the performance of its officials. This could contribute to skilled and knowledgeable personnel being available to render services and administer the affairs of a municipality.

#### **3.2.1.4 The role of the Financial and Fiscal Commission**

According to section 220 of the Constitution of the Republic of South Africa, 1996, (Act 108 of 1996) the Financial and Fiscal Commission (FFC) is a body instituted to advise on service rendering and making recommendations on financial and fiscal policies which in a unitary state such as South Africa have a direct influence on local government finances; equitable financial and fiscal allocation to the three spheres of government; norms for the raising of loans by municipalities; and guidelines for the allocation of financial and fiscal resources. The FFC is responsible for making recommendations to all relevant legislative authorities with regard to the financial and fiscal requirements of all three spheres of government. These recommendations concern matters such as revenue sharing; financial allocations; taxation; general financial and fiscal policies of governments.

#### **3.2.2 Strategies to improve local government finances**

In terms of section 152 (1)(c) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) it is expected of municipalities to promote social and economic development. This is a difficult task considering that the national

average payment level for services stood at 71% in March 1999 and 51 municipalities in Gauteng faced a serious financial crisis, as service defaulters owed R6 billion in arrears (Business Day, 1 September 1999 : 3). It could be argued that this leads to budget cuts that will ultimately affect the quantity and quality of service-rendering. For example, the approval of a stringent R8,2 billion budget by the Greater Johannesburg Metropolitan Council for the 1999/2000 financial year resulted drastic cuts that meant that the decaying infrastructure of the city deteriorated even further. In this regard only R950 000 was allocated for roads, while R14 million was needed to maintain the roads in an average condition. For sewers, only R300 000 was budgeted while about R5,5 million was needed. This led to downsizing of personnel with the result that where requests for repairs to sewers and water pipes were dealt with on the same day previously they are now being dealt with only between 48 and 60 hours after the complaint or request was lodged (Chief Engineer for the Greater Johannesburg Metropolitan Council, 1999 : Interview).

In order to improve the state of municipal finances councillors should investigate the following strategies to make it a financially viable entity:

### **3.2.2.1 Savings and maximum revenue collections**

Savings on expenditure and the maximum collection of money due to a municipality can be realised with a high degree of cost efficiency and effectiveness. In this regard councils should focus on the non-payment for services in municipalities (Gildenhuys, 1993 : 134-136). Debt collection places an additional financial burden on council finances due to legal costs incurred. For example, municipal account defaulters in August 1998 plunged the Pretoria Council into a cash crisis of more than R534 million, which rendered the Council unable to pay creditors. Of the 66 852 defaulters, only 31 140 or 47% had responded by paying off their arrears or by making special arrangements with the Municipality for payments. A survey conducted among the 35 712 residents who had ignored the Council showed that

about 80% of the respondents had reconnected their electricity supply illegally. Of the residents who had had their electricity cables completely removed, about 30% of the respondents had illegally reconnected them (Business Day, 7 August 1998 ; 5).

The Pretoria Metropolitan Council's campaign to recover service debts recovered R54 million in cash payments between January and August 1999. The Council had cut electricity supplies to 80 213 nonpayers in the same period, which led to defaulters making special arrangements for the payment of R108 million (Business Day, 4 September 1999 : 6). In order to recover service debts, most municipalities make use of debt collectors. However, debt collection agencies collect millions in Gauteng's municipalities' drive to collect outstanding service fees. In the period January to September 1999 the Germiston Town Council paid out more than R5 million and only collected R2,5 million. The Midrand Council paid R460 266 to debt collection agencies but collected a nett total of R89 586; and the Nigel Town Council paid out R253 970 and received a nett total of R177 063 (The Star, 28 August 1999 : 10). Debt collection agencies seem to have some degree of success, but its net benefit to the Council is negligible. It could be argued that councils need to find new measures in re-cooperating outstanding service debts.

The national government has also embarked on two major initiatives in an effort to improve local government finances. Firstly the **Masakhane campaign**, was specifically launched to address the issue of non-payment and secondly **Project Liquidity** was introduced, whereby the short term liquidity of all municipalities are monitored in the country (Van Niekerk, 1997 : 8). Its aims and objectives are to evaluate the success of the Masakhane campaign; identify municipalities that require financial assistance; establish a basis for constitutional assistance to municipalities; and identify national strategies to assist in terminating rent boycotts.



It can be concluded that councils have to embark or increase its efforts on national (i.e. Masakhane and Project Liquidity) and local (i.e. debt collection agencies) initiatives to ensure the viability of municipalities.

### **3.2.2.2 Alternative sources of revenue**

In order to provide in an increasing demand for services and service quality, national government has to consider alternative sources to boost municipalities revenue base (Beatty and Scheier, 1986 : 67-69). A number of possible new sources of revenue are identified, that could broaden municipalities' revenue base. Devas (1989 : 38) suggests the payment of an advertisement tax by radio, television or newspaper for the placement of commercials and/or advertisements. Another possible revenue source could be the devolution of the motor vehicle license function and income in its entirety to municipalities, since the majority of people owning motor vehicles reside in urban areas or the levying of a local fuel tax on commercial vehicles as a contribution towards defraying costs of traffic control and road maintenance and -construction. Fourie (1999 : 4-7) proposes the introduction of a tourist tax which will ensure additional tax from hotels, holiday flats, boarding/guest houses and camping grounds and the levying of fixed property transfer taxes on all property transfer transactions as well as a revenue collection system on small traders, vendors and artisans for every day the individual is doing business. Finally, Franszen, (1967 : 68) suggests the levying of a fire insurance tax of which the rate of tax will be based on the amount of the insurance coverage.

These are possible alternative sources of revenue (not an exhaustive list), which could if instituted, enhance the financial viability of municipalities. Councils could, through their different municipal forums such as the Gauteng Local Association (GALA) promote and lobby for the establishment thereof.

### 3.2.2.3 Improving value for money

It is the responsibility of councils to continuously make optimally use of its resources in order to improve efficiency. According to Hepworth (1984 : 245-254) efficiency will improve if the following issues are addressed:

- (1) **Cost-benefit analysis.** According to MacRae and Page (1967 : 40-41) cost-benefit analysis is a method which enables the decision-maker to select projects for development so as to secure the optimum benefit to the community. It could be argued that cost benefit analysis is an attempt by councils to determine justifiable priorities to the benefit of the community within the limits of available funds (Gildenhuys, 1997 : 452). For example, on 25 March 1999 the Soweto Sports Council opened its new headquarters, the Orlando Sports Complex in Diepkloof. The building was donated by the Greater Johannesburg Metropolitan Council, after closing down its electrical power station in 1998. The Orlando Sports Complex which accommodates 25 kinds of sports, serves as a regional sports academy in partnership with the National Olympic Committee of South Africa (The Citizen, 26 March 1999 : 8). Instead of maintaining the building at a cost of R272 000 per annum, the Council donated the building to the Soweto Sports Council.

Councils should, before any decision is made, consider the cost and benefits of any project. If not done properly, the likelihood of failure is imminent. For example, in 1993 the Johannesburg Stadium was considered as a profitable venture, but by February 1999 it was proved to be a financial loss which cost the Greater Johannesburg Metropolitan Council R13 million a year in interest repayments and operational costs (The Star, 26 February 1999 : 2).

- (2) **Performance review.** In order to determine the efficiency of a municipality, a council could use the provincial auditor's annual report or the expertise of external performance audit companies (Landy, et al., 1983 : 145-147). For example, the Price Waterhouse, KMMT and Brey Financial Services performance-audit report on the Greater Johannesburg Metropolitan Council found the Council to be "...*inefficient, ineffective and fundamentally flawed.*" The report stated that 50% of senior personnel were engaged in non-core support functions rather than service delivery, compared to the international norm of 15%. Apart from this, 45% of Johannesburg's R2 billion salary bill was spent on car loans, housing subsidies and other extraneous benefits including stress relief and clothing allowances (The Citizen, 17 June 1999 : 13). In another example, Gauteng's provincial auditor released an audit report on 25 January 1999 stating that the Krugersdorp Town Council was in debt to the tune of R150 million. According to the audit report, the Council neglected to do bank reconciliation and debtors' control. There was no record on the movement of funds and reserves, and details of amounts owing in respect of government housing loans of more than R6 million could not be obtained (Gauteng Provincial Auditor-General, 1999 : Interview; The Star, 27 January 1999 : 6).
- (3) **Planned programmed budgeting.** The planned programmed budgeting system (PPBS) allows councils to have a clear indication of current and planned municipal projects (Pienaar and Spoelstra, 1991 : 320). The Greater Johannesburg Metropolitan Council has, for example, embarked on a three year PPBS-project, called Egoli 2002, to specifically improve the inner city through improved service delivery and by law enforcement. The Gauteng Local Government MEC, Trevor Fowler, announced that improved service delivery, revenue collection, and financial sustainability of municipalities would be the provincial government's top priority until at least 2004 (Spokesman for the Democratic Party, 1999 : Interview; Greater

Johannesburg Metropolitan Council Minutes, 2/1999 : 9-10; The Star, 7 July 1999 : 2).

- (4) **The use of management techniques.** A council could use techniques such as work-study and management by objectives, to ensure that a municipality functions to its fullest capability. For example, the GJMC priorities for 1999/2000 included tackling basic needs, maintaining existing infrastructure, enhancing revenue collection, enforcing credit control measures, improving income generation and reducing emphasis on revenue absorption services (Spokesman for the Democratic Party, 1999 : Interview). The GJMC appointed Ketso Gordhan in 1999 as Executive Officer on a performance contract, who in turn requested all the municipal officials in supervisory positions to sign performance linked contracts. In terms of the signed contracts the Executive Officer and municipal officials in supervisory positions had to perform in terms of their delegated responsibilities. If the Executive Officer or any municipal official in a supervisory position did not perform in accordance to their delegated responsibilities, the Council had the right to terminate the services of any such officials. By June 2000, no such action was taken by the Council, which could indicate that the Council was satisfied with the performance of its municipal officials in supervisory positions (Executive Officer for the Greater Johannesburg Metropolitan Council, 2000 : Interview)

During 1998, the financial status of more than 200 municipalities with financial difficulties were analysed by means of management audits by provincial task teams assisted by the National Task Team of the former Department of Constitutional Development. In some cases, the management audit itself highlighted problem areas and municipalities immediately took corrective steps. In most cases, provinces had to intervene directly by instituting managerial support programmes which aim at restoring the financial viability of these municipalities (DCD Library, 1998 :

Internet). It could be argued that continuous monitoring of municipal finances by provincial task teams ensures that sound accounting practices are applied by municipalities.

**(5) Privatisation of certain functions.** To eliminate the possibility of financial losses on specific services, councils could consider the privatisation of those services. For example, the Pretoria Metropolitan Council privatised services such as grass-cutting, the provision of bin liners, sewer and stormwater maintenance, road repairs and resurfacing, housing projects and libraries (Minutes of Pretoria Metropolitan Council Meeting, 5/1999 : 19). The disadvantage of privatisation is that it normally leads to job losses. The South African Municipal Workers' Union (SAMWU) opposed this decision and stated that it would bring further hardship to the already suffering millions (Spokesman for the South African Municipal Workers' Union, 1999 : Interview). More than 10 000 members of SAMWU in Pretoria area marched to the offices of the Pretoria Metropolitan Council at Church Square to protest against the privatisation of municipal services.

**(6) Compulsory competitive tendering.** In order to ensure the best quality service, a council should require that tenders contain detailed specifications. For example, building contractors who get allocated tendered work from the GJMC are required to remove refuse, sweep streets, clear rubble, remove skips, and remove waste on a daily basis. The Council holds the contractor responsible for cleanliness of a particular zone and residents may approach the contractor when they have problems. Contractors are trained in waste management and penalties are instituted for contractors who fail in their duties (The Star, 31 August 1999 : 6).

It can be concluded that a council should be made aware of all possible ways to improve the value of money for the community, through applying cost-benefit

analysis, performance reviews, planned programming budgeting, management techniques, privatisation and compulsory competitive tendering.

#### 3.2.2.4 Public private partnerships for municipal services (PPP's)

There is a considerable interest in an increased role for the private sector and community based entrepreneurs in the provision of infrastructure and the delivery of municipal services. Private sector companies are encouraged to make direct investments in infrastructure -and service provision in anticipation of long-term returns (Barton and Chappel, 1985 : 22-25; Armstrong, 1991 : 13-15). This could range from, at national level, massive investments in an airport, power station or a toll road, through to, at local level, the development of facilities at a taxi rank or to operate and maintain the water supply and sewerage system. For example, the Greater Johannesburg Metropolitan Council decided at a council meeting on 28 October 1998 to seek private sector assistance to help finance their proposed municipal police force. Municipal traffic and security officers focus on the policing of road traffic and related matters, municipal by-laws and performing visible policing and crime prevention functions (The Star, 29 October 1999 : 14).

In terms of the former Department of Constitutional Development's guidelines for private sector participation in municipal service delivery (1997 : 3-6) there are an array of PPP's which may be identified along a spectrum from limited private sector involvement through to totally privately owned utilities. It could be argued that councils should have an understanding of the different types of PPP's that exist in order for them to decide on which type of PPP to apply to their area of jurisdiction. These are:

- (1) **Management agreements.** Management agreements refer to outsourcing the maintenance and operation of a service to a private company for a predetermined period. For example, the Westonaria Town Council has a management agreement with J and T Gardens for a period of 3 years for the

maintenance of municipal gardens (Minutes of Westonaria Town Council Meeting, 8/99 : 12).

(2) **Lease arrangements.** Lease arrangements refer to a situation where a private company leases, maintains and operates a municipal asset for a predetermined period. For example, the Midvaal Council has a 15 year lease agreement with Tiptol Outdoor to run the municipal's entertainment centre – the centre comprises 2 swimming pools, a mini golf, 6 trampolines, a roller skating rink and a take-away shop (Minutes of Midvaal Council Meeting, 7/98 : 6).

(3) **Concessions.** Concessions refer to a private company that, for a predetermined period, assumes responsibility for the rehabilitation, development and/or operation of an asset or service. For example, the Greater Johannesburg Municipal Council has granted Johnnic Developers a concession to upgrade the Hillbrow business centre over a period of 6 years (Minutes of Greater Johannesburg Municipal Council Meeting, 2/99 : 3).

(4) **Privatisation.** Privatisation denotes the sale of assets to private companies for an undetermined period. For example, the Akasia-Soshanguve Town Council privatised sewer and stormwater maintenance to Mapane Earthworks in an attempt to cut cost in personnel expenditure (Minutes of Akasia-Soshanguve Town Council Meeting, 4/99 : 4). The involvement of the private sector, in functions which are traditionally municipal responsibilities, may lead to a number of issues for council. Firstly, the **loss of sovereignty**, where responsibility for operations and maintenance are for a specified period handed over to the private sector. Secondly, **job security**, where organised labour is concerned about the loss of jobs associated with private sector involvement. Thirdly, "**cherry-picking**", where the profit motive and risks involved in private sector involvement means that they are often inclined to service affluent communities and exclude disadvantaged communities which have problems in meeting payment for services. Fourthly, **profiteering and corruption**, where contracts

are not awarded on a sound competitive basis which is subject to public scrutiny. For example, by August 1999 the Special Corruption Investigating Unit was dealing with 90 000 cases involving more than R7 billion linked to fraud, corruption and maladministration within all spheres of government. A chairman of a Gauteng local council (name of person and council withheld due to pending court case), in one year had claimed R692 000 for travelling expenses. The head of the unit, Justice Willem Heath, stated that typical problems encountered in local councils were unauthorised allowances to councillors, misappropriation of funds by councillors and to officials for subsidies or allowances and the unauthorised and irregular granting of fringe benefits to officials and councillors (Encarta, 1999 : Internet; The Citizen, 28 August 1999 : 8). It could be argued that councillors needs to be aware that privatisation could lead to loss of sovereignty, job losses, profiteering and corruption.

It should however be noted that in the case of municipal services, e.g. monopoly services such as water and electricity supply, privatisation is not considered, and therefore the responsibility and ownership should continue to reside in a municipality. The reason for this is firstly, that water and electricity supply is a council's largest source of income (normally in excess of 80% of revenue) and if it were to be privatised it would render most municipalities financially not viable, and secondly it would in all probability lead to inflated prices which would make the service unaffordable for residents in the lower income groups (Rossouw, 1999 : 67-68). By maintaining services such as water and electricity supply as municipal services, the best interest of the community will be served and it eliminates drastic increases in services – something that is common in the private sector where the making of profit is foremost.

It could be argued that district councils created in terms of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) will take over the water and electricity supply function. If this is the case it would be an attempt by national government to centralise financial power in the district councils, who would in turn



redistribute financial resources on a need basis to local councils. In this manner poorer local councils could get a larger proportion of revenue collected by the district council.

In order to create an environment that is conducive to private sector involvement whilst achieving government's socio-economic and macro-economic goals, a regulatory framework should be provided by national government. This can be achieved through legal measures, but also through applying valid contractual arrangements between a council and private concerns.

It can be concluded that councils should only enter into public private partnerships if the cost of establishment of a service is too high, or if a council cannot provide the service to its community in a cost effective manner.

#### **3.2.2.5 Campaigning and educating communities (Masakhane)**

The Masakhane programme, launched by former president Nelson Mandela in 1995, was an initiative of the Department of Constitutional Development and Provincial Affairs and the Institute of Municipal Treasurers and Accountants, aimed at promoting a culture of payment in South Africa. However, in providing services to its communities, councils should take two vital aspects into consideration. The first being that of affordability – the question is what can the community afford? It is not wise to plan for the provision of a high level of service that the community will not be able to pay for. The ability to pay should be considered, taking into account the level of unemployment and the average income of the community. For example, the R32-million Olievenhoutbosch housing project, planned to be the showpiece for the Centurion Town Council, turned into a problem for the Council. The Council refused to let anyone move into the new housing complex until they have settled their service debts (Pretoria News, 15 March 1999 : 8). In a municipal survey conducted in February 1999 it was established that approximately 90% of the residents were unemployed and

unable to pay the Council the R50-a-month rental and levy charged for each stand (Minutes of Centurion Town Council Meeting, 2/1999 : 7).

The second consideration with regard to the financial planning is that of promoting economic development. This may be done by means of a policy that would encourage businesses to establish themselves in a municipality. For example, the allocation of contracts to small-medium-and-micro enterprises (SMME's). These contracts could be aimed at providing job opportunities for the local community, which will have a positive spin-off of improving for example, the ability of the community to pay for services.

If municipalities are to be viable and provide for sustainable development, payment for services is imperative. According to Kroukamp, (1995 : 197-199) consideration should be given to a nation-wide publicity campaign emphasising the need for, *inter alia*, dialogue and public education. The Masakhane Campaign has been introduced specifically to address the abovementioned considerations, thereby endeavouring to reverse the culture of non-payment. For example, the Greater Johannesburg Metropolitan Council has embarked on a "Love your City" project to make its citizens more aware of their civic role in society. The aim of the project is to upgrade civic pride and public morale to maintain environmental sensitivity and integrity and empower the community. It involved a comprehensive education and awareness programme that has been implemented at schools and with the youth, women's associations, churches, taxi and hawker groups. To show their commitment the Gauteng provincial government and the GJMC injected R35 million into the seventh All Africa Games that took place in Johannesburg in September 1999. The money was used to build an athletes' village in Alexandra, which thereafter provided housing to 1700 people (Minutes of Greater Johannesburg Council Meeting, 8/1998 : 12-14; The Star, 24 September 1999 : 2).

On the other side of the spectrum, the Krugersdorp Town Council, already owed R150 million by March 1999, was losing income at the rate of R2,8 million each

month as payment levels continued to drop. In terms of the **Masakhane Business Plan** for 1995/1996 (Department of Constitutional Development, 1995 : 4-5) the campaign was aimed at encouraging people to pay service bills, but according to Rossouw (1999 : 75) it has failed to make headway in previously disadvantaged areas. While the residents in the white suburbs and Azaadville, a mainly Indian township, had service payments close to 100%, in Kagiso payments, which were up to 57% in October 1998, dropped to 34% in March 1999. In Munieville, payment levels were at 35%, while the new Lusaka area has payment levels of only 3% (Minutes of Krugersdorp Town Council Meeting, 2/1999 : 18-20; The Star, 1 March 1999 : 6). It can therefore be deduced that even the best attempts of councils to get their communities involved in the Masakhane campaign could result in failure. Thus councils would have to search for other alternatives to raise levels of payment for services.

The Midrand budget showed an increase of 9,5% from R352,3 million in 1998/1999 to R385,9 million for 1999/2000. The accumulated deficit had decreased from R18,1 million in the 1996/1997 financial year to R10,8 million in the 1997/1998 to R6 million for the 1998/1999 financial year (Councillor for Midrand Town Council, 1999 : Interview; The Star, 14 June 1999 : 5). It could be argued that Midrand's improved financial position was partly due to an effective Masakhane campaign. This indicates that municipalities that introduce specific measures to eradicate deficits could expect to improve their financial positions.

The Masakhane campaign endeavours to promote a new philosophy among South Africans, characterised by consideration for human rights and respect for the law. It seeks to encourage people to participate in a new system of local government that promotes closer co-operation between municipalities and civil society. It promotes the notion that communities will be serving as change agents in their areas or jurisdiction. The Masakhane Campaign aims at improving the living conditions of urbanised communities through sustainable and visible service delivery, and for this reason has to rely on the involvement of

different stakeholders, i.e. labour; community based organisations; religious bodies; cultural organisations; non-governmental organisations; commerce and business; political organisations; and youth and women's organisations. It could be argued that a council as the representative of the electorate (as in the case of the Midrand Council), should take a leading role in involving its citizens in Masakhane type projects if the Campaign is to be effective.

The success of the Masakhane Campaign at local government level can be achieved through the participation of councillors (“Mayors for Masakhane project”); local events e.g. marches to support the project; involvement of local stakeholders e.g. holding of workshops; implementation of publicity programmes through advertising, media, outdoor advertising and promotional material; and the Masakhane Annual Award which was launched by the then Deputy President, Thabo Mbeki, on 28 June 1996 (Encarta, 1999 : Internet). It could be argued that the key to the success of the Masakhane Campaign is community participation. The community provides valuable input in determining development priorities and should therefore be cognisant of the dynamics involved in the budgetary process as well as the limitations of a municipality’s financial resources. A council should understand that Masakhane creates an attitude, it is not an isolated campaign; that it is about making communities understand municipal functions and municipal constraints; that it will lead to improving the lives of the most vulnerable; that it is about a council taking control of its own destiny and; that it addresses unsatisfactory conditions in a constructive manner.

### **3.2.2.6 Participatory budget**

The participation of the community in the compilation of the budget will ensure that the programmes of municipalities become a people driven process (Pearce and Robinson, 1989 : 177-179). The Midvaal Council, for example, embarked on a participatory budget approach by instituting people’s forums to assist the Council in identifying budget priorities and to monitor the success of municipal

programmes. A participatory budgeting process should encompass the formation of peoples' forums, to identify and prioritise the needs of the community. These forums should be decentralised to the wards or the establishment of a forum for a combination of wards depending on individual preferences. It is the responsibility of the people's forums to categorise the needs of the community and propose to council possible community projects. A council has to plan and draft a budget according to the needs identified. It is the responsibility of a council to ensure that principles of local economic development and local labour are incorporated in the tendering procedures. The community has to participate in community projects, and monitor the implementation of the budgets.

It can be concluded that by involving the community in identifying societal needs and to assist in compiling and monitoring the budget, a council could obtain a valuable support base for its community projects. In this manner opposition to council's budgetary decisions is reduced, due to the fact that the community contributed to identifying issues that should be provided for in the budget.

### **3.2.2.7 Local economic development (LED)**

President Thabo Mbeki, at the launch of the Johannesburg Urban Renewal Strategy in Johannesburg on 14 July 1997, said: *"The city encompasses all communities which contribute to its growth and to its prosperity... Those people who have, all their lives, placed their brains and their brawn at its service, should be the first beneficiaries of its renaissance. We are talking of the street child who has given it its survival instinct, the street vendor who has given it its informality, the aged whose vitality it has tamed but not vanquished, the investor who has given it its industry and the worker who has seen it grow. Indeed, this renewal should mean that we all begin to own the city ... and the fruits it is going to bear, because the contribution of all of us in its renewal, its growth, its prosperity is ... indispensable."* A council through its grassroots linkages, infrastructure investment programmes, local economic development strategies, partnerships with the private sector, and integrated development plans, is in the best position

to have an impact on the lives of its citizens. A council should therefore be geared towards promoting the economic development of the local community. In this regard, every municipality should conduct its affairs in an effective, economic and efficient manner with a view to optimising limited resources in meeting its objectives.

Planning is an essential feature in promoting economic development. In terms of section 153 (a) and (b) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) and Chapter 5 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) municipalities are required to prepare integrated development plans. These long-term plans should include development strategies, together with the action plans that are required to achieve their objectives. The integrated development plan of a municipality should promote social and economic development within its area of jurisdiction. For example, the Dendron Local Council offered the unemployed inhabitants advice on how to access organisations that can assist them with funding for small businesses and training (e.g. Ntsika Enterprise Corporation, the Northern Province Development Corporation and the Department of Trade and Industry).

On 27 August 1999, Minister Sydney Mufamadi, launched the Local Economic Development Fund (LEDf) in Pretoria. The Cabinet approved the LED fund of R42 million within the Department of Provincial Affairs and Local Government as part of government's overall poverty alleviation strategy. The division of funds between the provinces was made on the basis of the poverty level in each province and in this regard Gauteng received R3 million. The LEDf provides financial support, to a maximum of R1,5 million, to municipalities engaging in projects that will lead to job creation, poverty alleviation and redistribution. It is noteworthy that the value of proposed projects received was R780 million, which exceeded the finance available in the LEDf. Table 3.1 depicts the projects in Gauteng that received funding in 1999/2000.

It could be argued that in spite of limited resources, councils could utilise LED funds by identifying innovative projects and draft proposals in order to obtain funding. This in turn could result in improving the lives of disadvantaged communities. Simultaneously it could contribute to their ability to pay for services.

**Table 3.1 : Local Economic Development Fund-projects in 1999/2000**

Council	Project	Jobs created	Cost of project
Carletonville	Municipal commonage development for small-scale farming	195	R715 250
Western Gauteng Services Council	Regeneration of two dams for tourism	500	R200 000
Hammanskraal	Development of curio training facility	35	R230 000
Greater Benoni	Development of economic nodal points in the Greater Benoni area	121	R975 000
Johannesburg East Metro Council	Orchard project: multi-purpose centre stimulating SME development	122	R982 000

Source: Encarta, 2000 : Internet

A major challenge to the well-being of the poor is unemployment. According to Atkinson (1999 : 13) it will take 20 years at a 6% gross domestic product to absorb two-thirds of the workforce into formal employment. It could be argued that it has become the responsibility of local government to use their powers to work with communities, municipal officials and businesses; and to influence national and provincial policies in order to maximise local employment and prosperity.

It could be argued that economic development broadens the tax base of municipalities, which in turn will yield more income to a municipality through, firstly, an increase in assessment rates and taxes and, secondly, indirectly through the creation of jobs. The establishment of local development organisations can play a

significant role in this regard. From this it can be deduced that councils should have the ability to establish a plan for local economic development that includes promoting growth, reducing inequality, increasing participation and tackling poverty.

### 3.3 MUNICIPAL PERSONNEL

In terms of section 160(1)(d) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), a council may employ personnel that are necessary for the effective performance of a municipality. In terms of Chapter 5 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) municipal officials are required to act in good faith, diligently, honestly and in a transparent manner and to treat residents with courtesy and consideration, as well as to consult them. It could be argued that councils should be responsive to the needs of the community, facilitate a culture of public services among municipal officials and ensure that a municipality is performance orientated.

After a commission of inquiry set up by the Greater Johannesburg's Eastern Council, the head of corporate services, Mr. Mzi Mbangula, faced a disciplinary hearing and legal action over matters involving negligent performance of duties and unbecoming or dishonest conduct prejudicial to the good and proper working of the Council's service. Against council policy Mbangula authorised the lease of a luxury coach for a funeral. He purchased canteen equipment valued at more than R70 000 without following proper tender procedures (Minutes of Greater Johannesburg Eastern Council Meeting, 7/1999 : 11-12; The Star, 3 August 1999 : 2). It is to this extent that councils have to ensure that the personnel department appoints municipal officials that will not only have a regard for their personal and career needs, but rather officials that would serve the best interest of a municipality (Finnemore, 1998 : 122-124). For example, the controversial appointment of an African National Congress (ANC) councillor as CEO in Lekoa Vaal led to allegations that the party had a nation wide plan to replace top municipal officials with party functionaries. A Democratic Party representative,



Mr. Ryan Coetzee, felt that Mr. Enoch Makhatini was taking the post over the heads of more qualified and experienced candidates. He stated that “...*political considerations are becoming more important than experience and qualifications*”. (Democratic Party Spokesman, 2000 : Interview) However, the mayor, Mr. Justice Shabalala conceded that there were candidates with more qualifications, but that they were not only looking for experience and qualifications, and that Mr. Makhatini’s appointment was in the final analysis made on an affirmative action basis (Mayor of the Lekoa Vaal Council, 2000 : Interview). In another example, the community of Orlando East in Soweto staged a protest at the local police station demanding its station commissioner be removed from office. They claimed the commissioner, Senior Superintendent Fred Kekana, was incompetent. The demonstrators accused the commissioner of an unpopular management style, running the station with an iron-fist and undermining the community’s fight against crime. Kekana turned down invitations to attend community meetings where the residents expressed their concerns about crime; that he did not recognise the community policing forum; and took away the forum’s vehicles (The Citizen, 5 February 1999 : 8).

Since municipal officials are widely considered to be the most important resource of a municipality, it is essential that this resource be properly utilised (Cheminais et al., 1998 : 1). This is true for municipalities where the availability of physical resources, finances, infrastructure and equipment is meaningless without well-trained and efficient personnel. In this regard a council has to have faith in the ability of the municipal personnel department to effectively administer the personnel function on the total spectrum of personnel issues.

Craythorne (1997 : 306), emphasizes the importance of proper personnel administration as a key activity which can significantly contribute to the success of a municipality. Due to the fact that municipalities in terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) have a duty to deliver goods and services to the community, it is of utmost importance that

they be sufficiently staffed with motivated, competent people. No council wants to be in a situation where the community complains excessively about the performance of municipal officials. For example, the Southern Metropolitan Council admitted that they were aware that they were not getting 100% value from their personnel, because the Council received complaints from the public that personnel were loitering and not doing their work (Councillor for the Johannesburg Southern Metropolitan Council, 1999 : Interview).

### **3.3.1 The appointment of a personnel manager**

All municipal officials who are placed in authority over subordinates, will have various personnel management responsibilities. However, if the size of a municipality justifies a dedicated personnel manager, or if the financial resources of a municipality allow for a personnel specialist to be employed, then a council should appoint a personnel manager (Craythorne, 1997 : 306). A council should ensure that the personnel manager effectively fulfils a number of roles, *inter alia*, promoting the general welfare of municipal officials; develops and sustains the loyalty of municipal officials; monitors the municipal officials actions to ensure they conform to cultural and social norms and assisting in any general organisational adjustment to accommodate changes. It can be argued that the reduction from the current 843 municipalities to approximately 285 municipalities in December 2000, will result in larger municipalities, of which most will need to appoint a personnel manager. Councils have to ensure that they appoint personnel managers that are not only suitably qualified, but also candidates that have innovative ideas and the ability to ensure that municipal officials are motivated and loyal.

### **3.3.2 Responsibilities of the personnel department**

Craythorne (1997 : 307) argues that councils need particular basic information for the administration of personnel. This includes, firstly, documentation wherein

the conditions of service are stipulated. Secondly, each municipal official should have a personal file which contains a thorough record of all relevant information, e.g. date of appointment, qualifications, leave and disciplinary action. Thirdly, each municipal official should receive a document of appointment which should refer to the conditions of service. Fourthly, all correspondence pertaining to municipal officials and their performance should be recorded on their personal file. Finally, details and records required for the appropriate remuneration of municipal officials should be recorded by the personnel department. It could be argued that a council has to ensure that record-keeping of such information by the personnel department is up-to-date and readily available whenever the issues pertaining to personnel matters are deliberated by council.

### **3.3.3 The staff establishment**

Normally personnel expenses vary between 47% and 73% of the budget (Botes et al., 1996 : 324). The operating personnel expenses of Sandton, Centurion, Akasia-Soshanguve, Westonaria and Mamelodi municipalities are on average 52% of their budgets (Rossouw, 1999 : 53). It would seem that municipal personnel expenses are in line with the norm. It could be argued that the implication for council of these facts is that careful attention will have to be given to limiting the creation of posts as far as possible, and the utilisation of municipal personnel in a constructive manner as to reduce personnel costs.

According to Craythorne (1997 : 308), the staff establishment refers to a control document based on the municipal organisational design. Staff establishment documents should contain the title of each post or work category in a municipality; the department in which each post or work category is to be found; the remuneration of each post or work category; the authorised number of posts or work categories and; ideally, the names of the individuals occupying the posts or work categories. Before the establishment of any post, a council should have information pertaining to the exact job title; the full cost for the post for one year

(the full remuneration package which includes allowances, subsidies, medical aid, pension and salary); the exact tasks and responsibilities of the job; a motivation why the post is needed and why the work cannot be done by existing personnel or on a contract basis and; the availability of funds. The indiscriminate creation and filling of posts could send a council's limited operational budgets to increase out of control and could result in a situation where the cost of personnel consuming more than the accepted norm of between 47% and 73% of the operating budget, leaving possibly less than 27% in extreme cases for the provision of municipal services. It is therefore vital that the abovementioned information is made available to council before any appointment is authorised.

In 63 unstructured interviews conducted with councillors in Gauteng in 1998 and 1999, all of them stated that the support base provided to councils from municipalities was lacking. In this regard Fourie (1999 : 45-47) proposes the provision of clerical and secretarial support, administrative support, and information services. This should however be done without increasing the number of personnel as not to incur additional personnel expenses. Firstly, **clerical and secretarial support services** include according to Stewart (1994 : 55-57) facilities such as typing, filing cabinets, telephone allowances and free access to official telephones, post, stationery, photocopiers, computers, facsimiles, letter heads, business cards, personal secretarial services, office space and interview facilities such as a press room for official purposes and the serving of refreshments. Secondly, the effectiveness of councillors in the execution of their tasks is to a large extent determined by the quality, timing and availability of **information**. Thirdly, councillors usually have a need for **administrative support**. Meetings require that minutes are accurately recorded, professionally prepared and quickly circulated. Municipalities should make a particular degree of secretarial support available to handle correspondence, inquiries and telephone calls (Fourie, 1999 : 47). It can be argued that a council should therefore, as part of the staff establishment documentation, incorporate requirements for sufficient support to the legislative body.

### 3.3.4 The personnel function

Councils have a number of considerations to take into account regarding the personnel function (Rossouw, 1999 : 82-84). In the ensuing paragraphs these considerations are discussed with specific reference to job analysis, job design, employee recruitment, employee selection, employee induction, internal staffing, performance appraisal, performance management, employee training and development, career planning, compensation systems, labour relations, health and safety, disciplining and dismissal, information systems and research.

#### 3.3.4.1 Job analysis

Klinger and Nalbandian (1993 : 77) argue that job analysis provides decisionmakers with specific types of information, *inter alia*, the duties that are important to the job; conditions that apply; performance levels expected; knowledge, skills and abilities required to perform each task; and, education, experience and other qualifications needed by employees. It could be argued that if jobs have been properly analysed by municipal officials that it would provide councils with sufficient information to make appropriate appointments in a municipality. Job analysis is a core issue when municipalities are undergoing change, restructuring or down-sizing (Scarpello, 1995 : 145-146; Carrell, *et al.*, and 1998 : 79). For example, in 1997 the Westonaria Town Council underwent major structural transformation. The basis of the restructuring process was a systematical analysis of the tasks, duties and responsibilities of a municipality. It provided the Council with an indication of job categories, the skills municipal officials needed to do their jobs adequately, the authority of the job in question and the mental effort required to do the job (Personnel Officer for Westonaria Municipality, 1998 : Interview).

### 3.3.4.2 Job description and evaluation

Job evaluation is concerned with the comparison of various jobs and what they actually entail so as to be able to make accurate decisions regarding remuneration. According to Botes *et al.*, (1992 : 326) the information contained in a job description should include the type and content of the work to be performed; the volume of work involved; the level of judgement that might be delegated to the person in the post; the level of the position (non-managerial, supervisory or management) and; the qualifications, experience and skills necessary for the post.

Carrell *et al.*, (1998 : 91) caution municipal personnel officials against the dangers of elaborately worded job descriptions, which attempt to justify better remuneration. It can be concluded that if a council is given the incorrect information to base its decision on, an incorrect decision will be made.

### 3.3.4.3 Remuneration

In terms section 12 of the Labour Relations Act, 1995 (Act 66 of 1995), remuneration packages will have to be negotiated by means of collective bargaining. Craythorne (1997 : 310) lists a number of alternatives available to a council to calculate compensation.

**(1) A comparative basis with private enterprise.** A council should compare the duties, responsibilities, functions and workload not the titles of the positions. For example, due to the difference in scope in responsibilities, the responsibilities of a senior personnel officer of a category A municipality (section 8 of the Municipal Structures Act, 1998 [Act 117 of 1998]), can not be compared with the responsibilities of a senior personnel officer of a category C municipality. There is a movement towards introducing performance-linked contracts for municipal officials in supervisory positions. In this regard the Greater Johannesburg Metropolitan Council appointed Mr.

○ Ketso Gordhan as metro manager in January 1999 on a year-to-year performance contract. The GJMC was satisfied with his performance in 1999 and re-appointed him as metro manager in January 2000 for another year (DCD Library, 1999 : Internet; The Star, 10 February 1999 : 2; Executive Officer for the Greater Johannesburg Metropolitan Council, 2000 : Interview).

**(2) A comparative basis with other municipalities.** Labour unions such as the South African Municipal Workers Union (SAMWU) and the Independent Municipal and Allied Workers Union (IMATU) may use a comparative basis with other municipalities to apply pressure (Ehlers, 1999 : 65). Councils should be aware of this tactic and rather compare the actual work and not merely the titles.

**(3) The use of the cost of living index.** Linking salary and other income adjustments to inflation remains a widely disputed matter between labour unions and councils country wide, especially in the present inflationary times. In the period 1990 to 1998 inflation has risen at an average of 10,2%, whilst municipal salaries have increased at an average of 7,1% (Rossouw, 1999 : 49). It could be argued that councils seem to have less to offer prospective applicants, which could impact on the quality of applicants applying for municipal jobs.

It can be concluded that it is a council's responsibility to ensure it not only understands how to determine salary packages, but also to ensure that the personnel budget is not excessive in relation to the total municipal budget.

#### **3.3.4.4 The planning of human resources**

A council should periodically request from its personnel manager or personnel department a human resource planning report. In this report the ongoing predicted future human resource needs of a municipality; the response to

changing legislation, for example, the changes effected with the adoption of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) and; the co-ordination of all aspects of human resource management, should be included (Cheminais *et al.*, 1998 : 2; Andrews, 1988 : 1-4; Klinger, 1980 : 34-36; Beach, 1985 : 12-15). It could be argued that a council could use this report to determine how future developments in the political, social and economic environment may impact on a municipality. For example, section 195(1)(i) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) stipulates that public administration should be broadly representative of the South African people, “...with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation”. This would imply that a council follows a purposeful and planned placement or development of competent or potentially competent persons in, or to positions from which they were debarred in the past.

#### 3.3.4.5 Recruitment and selection

In terms of section 1 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) the values of human dignity, the achievement of equality, non-racialism and non-sexism are to be followed, and section 9(2) which allows the right to equality to be limited to promote, *inter alia*, the promotion of measures to advance persons or categories of persons who have been disadvantaged by unfair discrimination. Section 9(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prohibits discrimination on a range of matters including race, sex, age and disability. Affirmative action would therefore also apply to women and categories of persons such as the physically disabled and mentally handicapped. The Employment Equity Act, 1998 (Act 55 of 1998) promotes equal opportunity and fair treatment through the elimination of unfair discrimination; implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in



the workforce and; to promote economic development and efficiency in the workforce. Councillors should understand the implications of affirmative action and employment equity and ensure that these basic requirements are met in the recruitment and selection of personnel.

According to Gerber ( 1996 : 110-112) a vacant position in a municipality can arise due to promotion, transfer, termination of service, retirement or the creation of a new post. Once a council has given authorisation to create or fill a position, the next step is to acquire a number of suitably qualified applicants. According to Dessler (1997 : 133) a personnel manager or personnel specialist should ideally handle recruiting with the support and backing of a council and the line and staff managers under whom new municipal officials will be working. On 19 July 1999 the manager for forensic auditing in the office of the Auditor-General, Mr. Gideon Serfontein, stated that municipalities need to take responsibility for implementing an effective recruitment policy that will prevent potential commercial criminals from being employed. It could be argued that an effective screening process is useful and a valuable strategy for preventing wrong element from being employed. Commercial crime is motivated by three factors – motive, opportunity and lack of integrity. The common motive is a need for money and the discovery of loopholes within the system (Manager of Forensic Auting in the Gauteng Provincial Government, 1999 : Interview; The Star, 23 April 1999 : 2). The screening process should ensure that the most suitable candidate is eventually appointed.

Craythorne (1997 : 331-332) proposes that councils verify that the application form used is not difficult to complete and that it does not ask for irrelevant information. An application form amounts to a brief history of the applicant and has the sole purpose of collecting sufficient information to enable a council to decide whether to appoint or interview the applicant. Applications are screened at the appropriate managerial level, in conjunction with the personnel office, so as to select suitable candidates for consideration. Depending on the level of

appointment to be made a personnel committee or board or even a council would conduct a formal interview with suitable candidates. It could be argued that councils should have an understanding of how to conduct an interview; how to set criteria for the selection of i.e. a Chief Executive Officer and; how to resolve a situation where a council do not agree with a recommendation of the head of department.

#### **3.3.4.6 Education training and development (ETD)**

The Local Government Training Act, 1985 (Act 41 of 1985) is aimed at promoting training at municipal level. A juristic person is established in the form of a Training Board for Local Government Bodies in terms of section 2(1). The administrative work resulting from the execution of the Training Board's responsibilities is done by the personnel of the Department of Provincial Affairs and Local Government. The Skills Development Act, 1998 (Act 97 of 1998) requires business and government institutions to compile and submit a workplace-skills plan. This plan should indicate what training interventions are needed in order to ensure that municipal officials are competent employees. Competence, according to Lombard (2000 : 2), refer to the ability to apply skills, knowledge, attributes, attitudes and values in a work-related environment. It could be argued that a council should be informed that their skills development plan identifies competencies that constitute acceptable performance of a task; profiles job descriptions against competence; bases performance management on competence; appoints people partly on competency based assessments; and assess municipal officials against competencies required.

The training and development of councillors and municipal officials are seen as vital in meeting a municipality's objectives (Carrell et al., 1998 : 308), and according to Craythorne (1997 : 324) it is naïve for a council to adopt the approach that training should not be necessary because properly trained people should be recruited in the first place. According to Graham and Bennet, (1995 :

254) well-trained municipal officials “...are productive, cohesive, motivated and capable of accommodating change.”

Training focuses on the unique skills municipal officials and councillors need to perform their respective jobs (Dessler, 1997 : 248), and this highlights the reality that in most municipalities training will be an unavoidable consideration. In South Africa the workplace requirement for not only training and development, but also basic education issues virtually amalgamate the concepts of education, training and development (ETD). In terms of section 3.1 (g) of the Public Service Staff Code (April 1995), training is defined as “...all those planned and purposeful activities which improve the knowledge, skills, insight, attitudes, behaviour, values and working and thinking habits of public servants ...in such a way that they are able to perform designated or intended tasks more efficiently”.

Symptoms of an ETD problem in a municipality could manifest themselves as unsatisfactory conditions regarding slow service, poor supervision, lack of co-ordination and client complaints. Carrell *et al.*, (1998 : 308-309) identifies four types of need assessments that can be conducted in order to determine if the problem at hand is related to ETD, *inter alia* a municipal needs assessment, a group needs assessment, an individual employee needs assessment and a job needs assessment. It could be argued that a council should be able to determine if a specific problem is a training problem by conducting a need assessment, before deciding what course of action to take to resolve the problem.

#### **3.3.4.7 Performance evaluation**

According to Craythorne ( 1997 : 334) virtually all municipalities have some kind of a system whereby they rate the performance of municipal officials. Performance evaluation is conducted for several reasons, e.g. promotion and salary decisions, a review of work related behaviour, the development of plans for correcting performance and career planning. However, councillors

representing mainly white parties walked out of an emergency meeting of the Kempton Park/Tembisa Metropolitan Council on 18 September 1998 to protest against a motion to discontinue the services of CEO, Mr. Johan Liebrandt, on the basis that he was performing below standard. This decision was taken without any performance evaluation being done on Mr. Liebrandt for a period of three years. (City Press, 20 September 1998 : 6). It could be argued that it is the responsibility of council to ensure that procedures are established for performance evaluations of all municipal officials to be carried out annually.

In terms of Chapter 6 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) performance evaluation should be characterised by three criteria. Firstly, the setting of work standards that concern the definition of the job. Municipal officials and a council should agree on what the job criteria are and that duties and responsibilities are clearly demarcated. Secondly, assessing the municipal official's performance, relative to these standards. This will usually involve completing some type of rating document based, ideally, on an objective assessment of measurable performance. Thirdly, providing feedback to the municipal official with the aim of motivating continued good performance and of improving unacceptable performance. A performance evaluation system should contain specific information. It should be able to measure current performance; contain mechanisms aimed at reinforcing strengths; contain mechanisms to identify deficiencies; contain effective feedback mechanisms; and contain remedial processes that improve or rectify performance. It could be argued that performance evaluation involves technical applications and council should therefore firstly, direct sufficient resources to developing an appropriate evaluation system that is scientifically formulated by experienced professionals. Secondly, council should ensure that municipal officials in supervisory positions are properly trained to apply the evaluation system correctly and without any prejudice. Without proper performance evaluation a dysfunctional performance picture of a municipality will emerge.

### 3.3.4.8 Labour relations

Labour relations in South Africa are, to a large extent, determined by the provisions contained in legislation. However, the positive attitudes and behaviour of councils and municipal officials in supervisory positions still have an important place in promoting sound, cordial labour relations. The Labour Relations Act, 1995 (Act 66 of 1995) provides for delegated legislation in the form of bargaining council agreements, unfair labour practice determinations and arbitration awards. These may establish conditions and rules more favourable than those obtaining under a common law contract. It establishes the parameters for the collective labour relationship, provides for organisational rights, the registration of worker unions employers' associations and the formation of bargaining and statutory councils. Provision has been made for workplace forums in an attempt to encourage consultation and co-determination on specific issues between employers and employee representatives. It also attempts to promote labour relations, by providing a dispute settlement process aimed at conciliation and third party intervention, and by not permitting a legal or protected strike or lockout unless the prescribed procedures have been followed. Furthermore, it introduces a dispute settlement body in the form of the Commission for Conciliation, Mediation and Arbitration (CCMA) and has replaced the Industrial Court with a Labour Court, which has higher status and more extended functions (Ehlers, 1999 : 54-56). It could be argued that a council should be informed that the basic requirements of the Act have been met.

Conflict situations arise in a municipality when labour unions, such as the South African Municipal Workers Union (SAMWU) and the Independent Municipal and Allied Union (IMATU) experience council and management decisions as authoritarian or unilateral and not taking the conditions of municipal officials into account. Council and municipal officials in supervisory positions often perceive a union as basing its actions on political motives (Cheminais, *et al.*, 1998 : 269).

The issue of conflict resolution is another important issue for council and personnel managers, or those directly involved in the management of municipal officials, to consider. For example, in May 1999 the Independent Municipal and Allied Workers Union (IMATU) instituted legal procedures against the Mamelodi Town Council for administrative irregularities. For more than two years the Council had deduced, but not paid over the municipal officials contributions to the relevant pension fund, group life insurance, unemployment insurance and labour union contributions fund. Amounts of up to R25 000 were claimed from families for medical payments in arrears. Pensioners were not receiving their pensions; unemployment and funeral policies were not paid out and officials were burdened with extra rent on their home loans (Spokesman for Independent Municipal and Allied Workers Union, 1999 : Interview).

According to Ehlers (1999 : 63-64) councils should be aware of the basic premises of an array of legislation that has relevance to labour relations in municipalities. These are the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Occupational Health and Safety Act, 1993 (Act 85 of 1993); Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993); the Public Sector Labour Relations Act, 1994 (Act 105 of 1994); the Labour Relations Act, 1995 (Act 66 of 1995); the Employment Equity Act, 1998 (Act 55 of 1998) and; the Basic Conditions of Employment Act, 1997 (Act 75 of 1997).

The Employment Equity Act, 1998 (Act 55 of 1998) promotes equal opportunity and fair treatment through the elimination of unfair discrimination; implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce; and to promote economic development and efficiency in the workforce. The Basic Conditions of Employment Act, 1997 (Act 75 of 1997) regulates particular matters relating to the conditions of service of specific employees. The Act deals with

*inter alia*, the maximum ordinary working hours (section 2); meal intervals (section 7); working overtime (section 8); working on Sundays and public holidays (section 11); leave (section 12) and; termination of employment (section 14). The Occupational Health and Safety Act, 1993 (Act 85 of 1993) provides for the health and safety of persons at work; as well as for the health and safety of persons in connection with the use of machinery. Section 8 requires of the employer to provide and maintain as reasonably practicable, a working environment that is safe and without risk to the health of the employees. In terms of section 14 employees should take reasonable care for the health and safety of themselves. The Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) replaced the Workman's Compensation Act, 1941 (Act 30 of 1941). The Act provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment. The Act deals with the establishment of a compensation fund (section 15); compensation for occupational injuries (section 22); claims for compensation (section 39); occupational diseases (section 65); medical aid (section 71) and; employer's obligations (section 80). It could be argued that councils should be informed of the basic requirements that have to be met in terms of the Labour Relations Act, 1995 (Act 66 of 1995) and other legislation that has relevance to labour relations in municipalities.

#### **3.3.4.9 Motivation**

The importance of having motivated personnel in a municipality can according to Fox and Meyer (1995 : 94), be explained as follows : “ *Capable but poorly motivated personnel are just as unlikely to perform well as highly motivated incompetents* “. Kroon, *et al.*, (1990 : 12) describes motivation as a self-generated power that arises from within an individual in order to satisfy a need. Motivation is something that comes from within a person. It can be argued that councils can not actually motivate people, but they can facilitate an environment that is conducive to motivation.

Abraham Maslow (1943 : 42-47), postulates that people satisfy their needs in an ascending order, starting with physiological needs, leading consecutively into security, social needs, recognition needs, and finally into self-actualisation. Frederick Herzberg (1968 : 72-75) developed the motivation-hygiene theory, in which the factors relative to job satisfaction (motivation factors) were separated from job dissatisfiers (hygiene factors). Herzberg promoted job enrichment, i.e. where motivation factors are included in the work situation to make it more challenging and interesting. In this regard Herzberg has identified a number of guidelines for job enrichment, *inter alia* setting new and more difficult tasks; delegating additional freedom to individuals; increasing responsibility; and allocating special tasks. Job enrichment can also be achieved through allocating complete work units where the individual does the whole job and not just a part of the job and/or; removing some control measures. It could be argued that a council should be informed that these conditions apply within a municipality. A council cannot motivate its municipal officials, but a council can create an environment wherein municipal officials can function optimally. A council is responsible ensuring municipal officials' welfare at work; to maintain and develop municipal officials' loyalty to a municipality; to monitor municipal officials' performance; and to ensure that they conform to various cultural and social expectations.

#### **3.3.4.10 Leadership**

According to Craythorne (1997 : 302-303) councillors provide leadership in the sense of having to take policy decisions; whilst the CEO, the heads of departments, and the heads of subunits are also leaders but at a different level. According to Dimock and Dimock (1964 : 162-164) leadership supplies encouragement or motivation and marshals the competence of the work group so that individual and group effectiveness grows with the challenge of the job. It



could be argued that good leadership is a fundamental requirement for councillors and municipal officials who have subordinates working under them.

Bittel and Newstrom (1990 : 268) who state : “ ...*leadership is the knack of getting other people to follow you and to willingly do the things you want them to do* “. The key to effective leadership is that municipal officials want to do what is required of them. The implications of this is very positive and have the direct implication of good morale and loyalty amongst those being led. Good morale and loyalty amongst municipal officials are conducive to initiative and productivity that are valuable components in the success of any municipality. Municipal officials need effective leaders to bring out the best in them. The art and science of leadership will always remain of fundamental importance in managing personnel.

The municipal work environment and its officials can differ greatly from one municipality to another. Due to the uniqueness of every municipality a council and municipal officials in supervisory positions should be sensitive to what style of leadership to adopt. There are basically four different leadership styles that a leader can adopt, *inter alia* directing, coaching, supporting and delegating. These leadership styles are not rigid. A council should be sensitive to the particular work situation and adapt their leadership style. This type of leadership is known as situational leadership and is a dynamic approach to the many aspects of the workplace. It could be argued that councillors should have the ability to effectively apply the different leadership styles in different circumstances.

In providing leadership to municipal officials and the community, a council should exhibit positive types of leadership behaviour. According to Rossouw (1999 : 66-69) a council should, apart from official meetings, make time available to speak informally to municipal officials in supervisory positions and the community regarding municipal issues; always listen to ideas, suggestions or proposals from

municipal officials in order to create an environment for free and open communication, where innovative thinking would become the order of the day; delegate responsibilities in order to show their faith in the abilities of municipal officials; recognize and reward the achievement of its municipal officials; have an approachable and friendly attitude to municipal officials and; give credit where it is due to municipal officials that have performed well in the execution of their responsibilities. A council should create an environment where participation in municipal matters is promoted; treat municipal officials on all levels with equal respect and; accept responsibility for mistakes when they are made. Finally, a council should be willing to listen to conflicting viewpoints or arguments and be able to control personal emotions, i.e. a like or dislike of a municipal official.

It could be argued that councils should be open, seeking cooperation and convincing municipal officials to follow the goals they envisage, because they trust a council and are convinced that they are pointing them in the right direction. In this regard a number of training areas are identified, *inter alia* how to communicate effectively; interpersonal skills; how to lead and create an environment in which municipal officials are motivated to function optimally; and how to conduct formal and informal meetings.

### 3.4 CONCLUSION

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) the national government has placed an obligation on municipalities to function as financially viable entities which can render services and undertake development in a sustainable manner.

The employment of proper financial administration entails the application of effective financial management principles in the handling of municipal finances. It requires that special attention be given to the administering and collecting taxes and levies. Financial viability and sustainability can only be secured if a municipality is assertive in credit control and act diligently in the handling of debt.

The Masakhane Campaign has the potential to improve the financial position of municipalities. A concerted effort should be made to educate communities to promote payment, and at the same time inform the community about constraints hindering optimal service delivery. The encouragement and attraction of business and industry will contribute to the economic disposition of municipalities as well as enhancing the national economy.

Personnel administration covers a wide and varied field and its application is to be found wherever municipal officials are deployed. The main thrust of municipal personnel administration is to increase the efficiency of a municipality and at the same time have satisfied municipal officials. Job analysis provides the information basis for various personnel administration and management decisions. The presence of a dedicated personnel manager is a significant asset in any municipality as the scope and complexity of municipal personnel administration is a specialist field. The administration of a municipal personnel department has to meet basic requirements and has to compile a staff establishment document as an essential control tool. The costs of municipal personnel, in terms of the total remuneration package, are high and every municipality will have to utilise municipal personnel maximally. Proper recruitment and selection should be conducted, bearing in mind that recruitment is a special field of its own.

Education, training and development (ETD) are major considerations for municipal personnel administration and management in South Africa, and a logical, structured approach is necessary for effective ETD. Performance evaluation is an essential control tool and scientific measures should be in place to empirically determine good or bad performance. Labour relations will remain a high priority consideration and may require the assistance of experts in especially the field of labour law.

Creating a work environment where municipal officials are motivated to accomplish the objectives of a municipality is paramount, as unmotivated municipal officials simply may not perform satisfactorily. Being able to apply an appropriate leadership style in a particular situation could facilitate motivation amongst municipal officials.

A number of training areas were identified that would enable a council to effectively make use of financial and personnel resources. In this regard a number of components should be considered in the determination of guidelines for the training of newly elected councillors. Councillors need to be innovative in an environment where the increasing needs, desires and demands of communities have to be satisfied with limited financial resources. The political, economical and social factors that have an influence on a municipality's financial resources should be identified. Councils have to ensure that administrative arrangements exist to provide for suitably qualified municipal officials to be appointed and that training programmes offered will enhance the performance of its officials. A training programme should include an understanding of how to embark on national (i.e. Masakhane and Project Liquidity) and local (i.e. debt collection agencies) initiatives to ensure the financial well-being of municipalities.

Councillors should have a knowledge of how to improve the value of money for the community, through applying cost-benefit analysis, performance reviews, planned programming budgeting, management techniques, privatisation and compulsory competitive tendering. A comprehension of how to enter into public private partnerships if the cost of establishment of such a service is too high or if a council can not provide the service to its community in a cost effective manner. The dynamics involved in the budgetary process as well as the limitations of a municipality's financial resources. The involvement of the community in identifying societal needs and to assist in compiling and monitoring the budget as a valuable support base in community projects should form an integral part of a training programme for newly elected councillors.

Councillors should promote economic growth, reducing inequality, increasing participation and tackling poverty. It includes the ability to organise municipal administrations that are responsive to the needs of the community, that facilitates a culture of public services among personnel and that is performance orientated. It is a council's responsibility to determine salary packages and to ensure that the personnel budget is not excessive in relation to the total municipal budget. A training programme for newly elected councillors should provide an understanding of how to recruit the most suitable candidate for each municipal post; the development of an effective performance evaluation system; and a basic understanding of all the laws, rules and regulations that pertain to labour relations. Councillors should apply appropriate leadership styles according to specific situations and have the ability to create an environment wherein municipal officials can function optimally.

In chapter 4 control and accountability issues in municipalities, with specific reference to a council's role and responsibilities, will be discussed.

## CHAPTER 4

### CONTROL AND ACCOUNTABILITY

*“Most organisations, most of the time, cannot rely on most of their participants to carry out their assignments voluntarily, or have internalised their obligations. The participants need to be supervised, the supervisors themselves need supervision, and so on, all the way to the top of the organisation. In this sense, the organisational structure is one of control, and the hierarchy of control is the most central element of the organisational structure.”*

*-Amatai Etzioni (1965 : 650)*

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#### 4.1 INTRODUCTION

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities are entrusted with the effective and efficient rendering of public goods and services to their communities as articulated in the local political policy-making process. In order to ensure that effective service delivery takes place, municipalities should utilise local resources as well as funds provided by other institutions. For this reason, and to ensure that municipalities perform in accordance with the will of a council, it is important that effective control of all activities within municipalities takes place (Wissink and Hilliard, 1996 : 12-13). This implies that plans will have been formulated, local departmental objectives will have been identified and, through the process of management by objectives, municipal officials will have been involved in the formulation of job-specific objectives. Stemming from the planning process the various local departmental budgets and important activity schedules will have been determined. A council has to ask the question : *“How will a council know if all*

*their plans are achieved ?* ". Unfortunately no answer will be forthcoming unless control, or control mechanisms, have been developed and implemented.

This chapter investigates how control measures can be utilised to influence municipal officials and processes in the course of the work activity. It places emphasis on municipal officials' reaction to control measures when a council through its municipal officials in supervisory positions designs and implements a control system.

## 4.2 THE NECESSITY FOR CONTROL

In the control process, a council and municipal officials in supervisory positions ensure that council plans and projects are carried out as intended. As Griffin (1993 : 475) states, control assists a municipality in conforming to changing conditions, restricts the intensification of errors, aids a municipality in coping with complexity and helps minimise costs. In this regard the control system should, according to Botes (1997 : 248-249), inform a council and municipal officials in supervisory positions of the following:

- (1) Municipal activities should proceed according to plan and existing plans should be implemented. In this regard a council should utilise its own and executive committee meetings to keep track of progress on projects and municipal operational activities.
- (2) Municipal activities may not proceed according to plan and existing plans or work procedures need to be adjusted. The Atteridgeville-Saulsville Concerned Residents' Association (ASCORA), for example, accused the Pretoria Metropolitan Council of overcharging local residents. Many residents received more than one rent service account to pay every month. ASCORA claimed that the Council failed to respond to the community's requests regarding deliberate errors on rent and services accounts (Spokesman for

Atterdigeville-Saulsville Concerned Residents' Association, 1999 : Interview; Pretoria News, 14 January 1999 : 2).

- (3) A change in the **status quo** is required, in which case new plans will probably need to be drawn up. The Emfuleni Local Council, for example, passed a by-law prohibiting the selling of goods by residents from their private residences. The Council made the decision after they received a number of complaints from legitimate small businesses that these practices were negatively affecting them. Residents running shops from home felt that they had the right to be economically active and that they would defy the Council's resolution (Minutes of Emfuleni Local Council Meeting, 3/1999 : 12; Vaalweekblad, 23 April 1999 : 8).

The following examples serve as reasons why the implementation of control measures in municipalities are vital. The Ekanlanga Local Council, for example, took disciplinary action against the chairperson of its housing committee and a municipal official in a supervisory position after they illegally issued promissory notes worth R78 million. Councillor Jacob Masango and housing official Johannes Mnguni used a series of council assets as collateral for the deal with Davron Projects. The notes, however, were issued without any formal council resolution. A council sub-committee mandated Davron Projects to raise the R78 million for local housing projects after issuing the promissory notes and a list of council assets lodged with Standard Bank as collateral for one year (Minutes of Ekanlanga Local Council Meeting, 8/1998 : 8-9; The Star, 29 September 1998 : 5). In another example, the Gauteng government requested the Attorney-General to investigate 33 cases of alleged corruption and irregularities against former councillors and officials with regard to the allocation and sale of state-funded residential properties in urban areas of the province. This followed 11 months of investigations by a Commission of Inquiry, during which 2 147 complaints were heard (Gauteng Provincial Auditor-General, 1999 : Interview; The Citizen, 4 September 1998 : 8).



Claims of maladministration and irregularities surfaced in the Krugersdorp Town Council in September 1998. Four councillors were suspended without pay, after they led an illegal protest against the Council in August 1998. The differences led to former Gauteng Premier, Mathole Motshekga, being called to mediate between the 17 feuding ANC councillors in the 30-member council. (Minutes of Krugersdorp Town Council Meeting, 8/1998 : 2-3; City Press, 20 September 1998 : 2). In another example the Khayalami Metropolitan Council and the Kempton Park/Tembisa Town Council spent more than R1 million on overseas trips in the period January to July 1999. Trips were often upgraded from economy class to first class at a cost of R41 318 to the public. Trips were duplicated in which officials flew abroad to study issues already covered by other councils. Another form of inefficient utilisation of funds was the number of delegates sent on overseas trips, with six officials from these councils attending a conference in the United States of America in July 1999. Of the 19 overseas trips undertaken only four report-backs were received (Business Day, 24 August 1999 : 2). From these examples it can be concluded that councils need to put measures in place to exercise control over the activities of councils and municipal officials.

Municipal councils should ensure that municipal officials do not regard control measures as negative, but rather as a positive process to make planned municipal activities happen ( Bateman and Zeithaml, 1993 : 539 and Van der Waldt and Du Toit, 1997 : 201). In this regard it is important to get municipal officials involved in establishing standards and control measures. The Delmas Town Council, for example, make use of a yearly strategic work session wherein council and invited municipal officials brainstorm current municipal projects and activities, by determining critical success factors and obstacles. In doing so the Council, together with the municipal officials, are in a position to alter standards and control measures where necessary (Councillor for Delmas Town Council, 1999 : Interview). In this regard control takes place as an uninterrupted monitoring process for comparing planned municipal activities with actual results.

According to Van der Waldt and Du Toit (1997 : 201) and Smit and Cronje (1997 : 399) effective control systems are necessary for a number of reasons. In this regard control could lead to standardised actions to increase efficiency; improves a council's and municipal officials' efficiency in planning; helps to prevent malpractice and waste of resources and; encourages delegation, as municipal officials (to whom authority has been delegated) can be better monitored. Apart from this, control could facilitate performance appraisal of all employees; will ensure that activities are in line with a municipality's objectives; usually results in better quality services; and enables a council and municipal officials in supervisory positions to respond appropriately in a fast changing environment. By being fully aware of the present status of a municipality or particular operation, a council and municipal officials in supervisory positions can introduce subtle or drastic changes with minimum lag time.

It could be argued that without effective control mechanisms in place, opportunities for unacceptable behaviour are created. A council has to ensure that effective control mechanisms are in place to ensure that its objectives are realised in the most cost efficient manner.

According to Botes (1997 : 248-249), control should be exercised over public executive institutions for a number of reasons. Firstly, the supreme political authority (council) should maintain control over the executive institutions established by a municipality to meet the needs, demands and requirements of the community. Secondly, local funds allocated by council should be expended correctly. Thirdly, municipal officials are human; they may be tempted to act in an improper or dishonest manner. Fourthly, the legality and legitimacy of municipal officials' actions should remain within the parameters of the law. Finally, order, welfare and peace in society are essential if a municipality is to achieve its goal of improving the level of well-being of the community. Control is exercised to ensure that these prerequisites for effective government are upheld. It could be argued that control is necessary to determine and allocate authority

and responsibilities within a municipality in such a manner that human, technological and financial resources are utilised optimally in an attempt to satisfy the needs, desires and demands of the community it serves.

Rossouw (1999 : 91-93) argues that the executive committee usually has full control over the expenditure of all money provided for in the approved operating budget of a municipality. In the case of capital expenditure, the inclusion of an item in the estimates is not necessarily sufficient authority for the head of department to spend the amount. But the provision of funds for a capital project should usually be formally authorised or voted by a full council, subject to compliance with specific formalities such as borrowing powers granted by the Premier and any approval from higher levels of government. Because the executive committee is in control of all expenditure, its approval must first be obtained for the acceptance of tenders for work to be carried out and services and goods to be procured. Some of the functions of the executive committee may be delegated to officials, but the control function over the expenditure of a municipality may not be delegated.

As far as the operating account is concerned, municipalities expect departments only to report for approval of significant excess on any of its line-item provisions. It is a council itself that grants this approval, although this function may be delegated to the executive committee under particular circumstances, or even to the treasurer (Gildenhuis, 1997 : 101-102). Minor excesses are usually rectified by means of controlled virement (the transfer of items from one account to another), or departments are expected to indicate what savings they can make on other line-item provisions in order to offset the excess in question. If these savings are not possible, or if the savings indicated are not sufficient to cover the excess, a council will have to decide whether to find suitable savings elsewhere in its overall budget, or whether to raise additional revenues to cover the excess concerned. In practice, however, at least in larger municipalities such as the Greater Johannesburg Metropolitan Council and Pretoria Metropolitan Council, it

is usually not too difficult to find some savings elsewhere on the budget items. If this cannot be done, this usually means that the estimated surplus carried forward at the end of a particular financial year will be less than budgeted.

From this it can be deduced that control is an integral part in the effective functioning of a municipality. A council therefore has to ensure that control measures are in place to enhance a municipality's ability to satisfy the needs, desires and demands of the community.

### 4.3 STEPS IN THE CONTROL PROCESS

According to Robbins and De Cenzo (1998 : 12-20) and Schwella *et al.*, (1996 : 210-214) control consists of a number of interrelated phases; *inter alia* setting performance standards, measuring performance, comparing performance with standards and implementing corrective action. In terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) political systems in local government are organised to ensure that municipal councils are accountable, transparent and respond to the needs of their constituencies by allowing the local community to participate effectively in the policy formulation process. It could be argued that a council should be informed that the basic requirements of these interrelated phases are met in the process of satisfying the needs, desires and demands of the community.

#### 4.3.1 Setting performance standards

A council should ensure that every municipal official in a supervisory position and their subordinates know what is expected of them in the workplace. In this regard performance standards answer the questions of **who?**, **when?**, **why?**, **what?** and **how?** (Plunkett 1996 : 130). A standard is the level of expected performance for a given objective or goal and such standards can be set with respect to the following (Bateman and Zeithaml 1993 : 540) :

- (1) The standards of **quality** involved. A standard, for example, pertaining to the intrinsic qualities of the work can be described as consisting of appearance, neatness, accurateness, value and efficiency. It would therefore be expected of e.g. a municipality's finance department to exhibit exactness in the execution of their responsibilities.
- (2) The **quantity** of goods/services required. A standard, for example, pertaining to how many electricity cut-offs or reconnections should be effected per day, or how many service meters should be read per day.
- (3) The **time** required and the speed of delivery. For example, the time it takes to process one vehicle license application.
- (4) The **costs** involved in providing the goods or service. The fact that a municipality operates with limited funds, obtained predominantly through rates and taxes, places a responsibility on a council to ensure that costs are kept to a minimum whilst benefits are maximised.

It could be argued that when a council or municipal officials in supervisory positions establish performance standards, these standards should be realistic, attainable and measurable (Van Niekerk, 1997 : 131-133). It cannot for example be expected of a new employee to deliver the same quality and quantity of outputs as an experienced municipal official. In order to establish realistic, attainable and measurable standards the importance of accurate, relevant and timely information is paramount for a council and municipal officials in administrative posts. Distorted information will result in incorrect standards being set that will ultimately lead to poor performance. The Greater Johannesburg Metropolitan Council had, for example, been criticised for the poor state of its municipal roads – specifically potholes and unmarked roads. The Council pointed out that it would be unfair to criticise their Public Works Department, because the department had received only

R950 000 for roads, while R14 million was needed to maintain the roads in an average condition. The Council could therefore not expect municipal officials employed in the public works department to maintain a high standard of road networks (Chief Engineer for the Greater Johannesburg Metropolitan Council, 1999 : Interview).

It could be argued that standards regarding the quality and quantity of work should be realistic, preferably in writing, easily understood and set in consultation with municipal officials. Kroon et al., (1990 : 447) lists, amongst others, the following key performance standards:

- (1) **Production standards** that refer to the performance of a municipality in providing municipal services to its community. For example, the determination of how much time is required in completing a prescribed piece of work and how many of these work items should be completed within a specific time limit, e.g. per hour, or per day, or per week.
- (2) **Productivity standards** that refer to input–output ratios within a municipality. A council has to be aware what benefits are received for costs incurred. Thus a council wants to minimise costs and maximise benefits for the community it serves.
- (3) **Standards on human resources** that refer to aspects such as personnel turnover and absenteeism in a municipality. In table 4.1 personnel turnover at Atteridgeville, Sandton, Soweto, Benoni and Mamelodi is depicted. It is normally expected that personnel turnovers will occur due to retirements, resignations, transfers or deaths. It is however important that these turnovers occur naturally and not because of municipal officials being unhappy with their working environment. According to Radmore (1998 : 5-6) an acceptable yearly personnel turnover percentage varies between 4-8%. It could be argued that any personnel turnover percentage that fall outside this range, is

unacceptable. A council should monitor *inter alia* the reasons for personnel turnovers and absenteeism.

**Table 4.1 : Personnel turnover in 1999**

	Atteridgeville	Sandton	Soweto	Benoni	Mamelodi
Personnel turnover	5 %	14 %	4 %	2 %	22 %

Source : The Financial Mail, 6 January 2000 :16

Proper standards and the continuous measurement of achievements against the standards will enable a municipal official in a supervisory position to compile proper and reasonable merit reports on municipal officials. This will ensure that municipal officials appreciate standards because these could enable them to determine what is expected of them. Standards will give municipal officials an indication of which quantitative and qualitative levels are required and which methods are needed to achieve predetermined standards. A council should therefore ensure that standards are objective and inspire municipal officials to try and meet the predetermined standards (Jones, 1996 : 44-47; Stewart, 1988 : 218-219).

An integral part of setting performance standards is the use of the technique known as Management By Objectives (MBO). In this regard a council and municipal officials in supervisory positions formulate general goals for a municipality and, subordinate municipal officials participate in the development of departmental and individual goals, objectives and targets. MBO allows for joint participation of subordinates and superiors, in translating broad council goals into specific objectives and targets. Through the correct application of MBO the required performance standards can, to a large extent, be determined by the joint decisions of a council, municipal officials in supervisory positions and their subordinates alike. This participation, involvement and joint decision-making is designed to create a sense of **ownership** amongst municipal officials regarding

performance and the subsequent standard of performance (Reddy, 1996 : 132-135; Cloete, 1996 : 56-58).

It could be argued that a council, by virtue of its municipal officials in supervisory positions, has to ensure the application of MBO in order to set the required performance standards. It is important that a council ensures that standards are properly set in order for a municipality to perform its functions in the interest of the community it serves.

#### 4.3.2 Measuring performance

In the measurement of the actual performance of municipal officials, a council and municipal officials in administrative posts have to determine the answers to the following questions: **what** has to be measured, **how** it should be done and **when** it should be measured?

According to Bateman and Zeithaml (1993 : 541) performance data is usually obtained from three sources, **inter alia** written reports, oral reports and personal observations.

A council should ensure that predetermined standards specify exactly the performance required and to what extent deviation from the standard is tolerated. In some cases deviation is allowed, but in other instances no deviation whatsoever may take place and immediate corrective actions will be required (Van der Waldt and Du Toit 1997 : 203). No council will, for example, tolerate any deviation from the approved budget by municipal officials. In this regard a council would have to grant approval before any deviation from the approved budget would be allowed (Fenwick, 1995 : 21-24; Hendry, 1995 : 2-4).

**Written reports** often take the form of statistical feedback where data is displayed in various ways. Charts, diagrams, graphs and numerical displays can



be generated for a council to speedily analyze and compare performance parameters (Thornhill and Hanekom, 1995 : 240-241; Beach, 1985 : 45-47). For example, 18 out of 21 or 85% of councils surveyed readily admits that it is expected of municipal officials in supervisory positions to provide monthly reports in writing to the executive committee (Rossouw, 1999 : 102). In this regard councils should prescribe a standardised form of report in order to collect results in a comparative manner.

**Personal observation** implies observation of work methods, municipal officials' body language (the non-verbal behaviour of municipal officials) and the overall operation of a municipality. According to Robbins and De Cenzo (1998 : 112) personal observation is a widespread practice and is known as "Management By Walking Around" (MBWA). MBWA enables a council and municipal officials in supervisory positions to "read between the lines" and become sensitive to situations that may not be discussed openly or be included in written or oral reports. One disadvantage of MBWA is that observations often cannot be quantified or measured. It may happen that municipal officials interpret MBWA as a sign of a lack of trust, on the part of a council and municipal officials in supervisory positions, in their capabilities (Armstrong, 1991 : 14-15). Although a councillor cannot get involved with executive municipal activities, it can be argued that it would be permissible and even advisable for councillors to apply MBWA to observe the overall operation of a municipality.

**Oral communication** refers to modern technology such as the telephone, radio, or personal communications. A council should ensure that not too much is relied on oral communication because of the unreliability of hear-say evidence. In this regard a council uses its monthly meetings and executive committee meetings to measure results through reports by officials which may be orally – it is however important that proper minutes be kept for future reference purposes (Fenwick, 1995 : 22).

It can be argued that councils should therefore ensure that municipal officials in supervisory positions utilise one or a combination of the techniques i.e. written or oral, to collect performance data to determine to what extent performance standards are met.

According to Plunkett (1993 : 132) two aspects of performance measurement should be considered, **inter alia**, **what** should be measured and **how** it should be measured. In a municipality the production of goods (such as plants and trees for streets or parks and services (such as water and civil protection services) to their community are measurable. Not only are the quantity and quality of goods and services measurable, but also the performance of municipal officials in rendering goods and services.

Failure to appreciate **what** should be measured can result in dysfunctional consequences and result in a completely distorted measurement picture being created through feedback. A council should not only ensure that municipal officials in administrative positions develop and implement scientific ways of **how** to measure performance, but that they identify **what** key elements of the process should be isolated for measurement purposes. For example, the punctuality of arrival of municipal officials at eight o'clock could be measured, but it will fail to appreciate that these municipal officials frequent the tearoom until 08h15, after which work commences. If ten municipal officials are involved, then a performance measurement discrepancy of 1,5 man hours per day will occur.

It can be argued that a council and municipal officials in supervisory positions should ensure that performance measurements comply with requirements. Measurements should be reliable; valid in that they measure what they are supposed to measure and; relevant and linked to a municipality's objectives.

### 4.3.3 Comparing performance with standards

Performance should be compared to the predetermined standard in order to determine if a council's targets are being, or will be, reached. It is not only of importance to check if standards or performance targets are being reached or not, but also to determine if standards are even being exceeded. The exceeding of standards on an ongoing basis could imply that standards are too low and will merit an investigation (Beatty and Scheier, 1986 : 45-47; Pigors and Myers, 1983 : 276-278).

The **principle of exception** states that control is enhanced by municipal officials in supervisory positions who only concentrate on the deviations or exceptions that occur. This principle of exception is also known as **management by exception** which is a management principle which states that municipal officials in supervisory positions should spend their time on those issues that require their particular expertise (Plunkett 1993 : 134). It could be argued that a council should ensure that municipal officials in supervisory positions delegate routine tasks (e.g. comparing actual performance measurements with standards) and free themselves so as to be available for tasks delegated by council or to be free to concentrate on responsibilities that require their experience, insight, system understanding, investigative skills and particular expertise.

Management by exception is generally welcomed by competent subordinate municipal officials who regard delegation as an indication of trust in their abilities (Plunkett 1993 : 135). A council should be satisfied that municipal officials in supervisory positions compares performance with standards in order to effectively address exceptions or deviations as they occur.

#### 4.3.4 Corrective action

Once a council and/or municipal officials in supervisory positions have established the cause of the deviation then corrective action can commence. This can be achieved through three possible courses of action (Smit and Cronjé 1997 : 404):

- (1) Actual performance can be improved to reach the required standard. It could happen that standards are not reached because, for example, the work has increased beyond proportions, or there were excessive absenteeism among subordinates, or an apparatus has broken down, or power failure, or municipal officials were not properly trained for their respective posts.
- (2) The strategy can be revised to meet the performance standard. In this regard the standard could be raised slightly without extra load on municipal officials in order to improve the level of production marginally.
- (3) The standard can be raised or lowered to make it more realistic. It has to be determined if the set standards are too high or too low and whether the abilities of municipal officials were underestimated.

It can be argued that it is important for a council to understand that corrective action can be executed in whatever form is necessary - be it municipal officials, material or equipment – and that variables such as training, improved communication, machine serviceability, raw materials, quality control or the work flow may be involved. When implementing corrective action it is important for a council that the real causes of a deviation are identified and not just the symptoms. In particular cases corrective action can even take the form of a change to original plans.

Robbins and De Cenzo (1998 : 119-120) state that there are two different types of corrective action, namely, **immediate** corrective action and **basic** corrective action. Immediate corrective action deals primarily with the symptoms of the deviation. This type of corrective action is often referred to as “putting out fires” and attempts to achieve the same levels of performance as previously. Basic corrective action occurs when a council requires municipal officials in supervisory positions to conduct an investigation into the source of the deviation and makes the necessary adjustments to bring about the required changes (Hepworth, 1984 : 40-45; Reddy, 1996 : 82-84).

It could be argued that a council should have the ability to take, instruct or be informed that appropriate corrective measures have been taken once deviations from standards have been detected.

#### 4.4 KEY PERFORMANCE AREAS (KPAS) AND STRATEGIC CONTROL POINTS

Van der Waldt and Du Toit (1997 : 205) describe key performance areas and strategic control points as follows: “*Key performance areas are the most critical points or areas identified as priorities above the other control points and they are monitored more extensively. Strategic control points are specific points that can be measured within the key performance areas and are used as critical indications of the overall state of the process* “. Kroon **et al.**, (1990 : 270) define key performance areas as follows: “*The unique contribution of a job or group of jobs to the success of a business, expressed as a measurable output of the holder(s) of the job(s) in terms of the interaction with the environment* “.

It can be argued that councils should ensure that key performance areas have been determined by municipal officials in supervisory positions. Key performance areas are crucial for control and of particular importance when considering delegation within a municipality. The Centurion Town Council has, for example,

identified amongst other the following key performance areas: a high quality of service rendering; a high degree of exactness in the quantity of services provided; cost minimisation and benefit maximisation; maintaining and developing infrastructure; facilitating social integration and creating a climate for economic upliftment (Minutes of Centurion Town Council Meeting, 3/1999 : 12).

## 4.5 TYPES OF CONTROL

Control should take place as an uninterrupted monitoring process for comparing planned results with actual results. – This implies that control spans the entire operational activity in a municipality and is an integral part of this activity. Several types of control can be identified *inter alia*, preliminary control, concurrent control, feedback control and steering control. Councils should be aware of these measures and implement them in accordance with their applicability in specific cases (Botes, et al. 1996 : 362-363).

### 4.5.1 Preliminary control

According to Bateman and Zeithaml (1993 : 542) preliminary control also referred to as *ex ante* control or *a-priori* control, takes place before actual municipal operations commence. This type of control is future directed and its primary aim is to prevent unsatisfactory conditions before they occur. In the case of municipalities preliminary control is concerned with policies, procedures and rules designed to ensure the smooth execution of operations. Examples of preliminary control measures in a municipality are the scheduling of activities, collecting relevant information, preventative maintenance, establishing a code of ethics, safety measures or the proper training of personnel. By requiring each letter, document or press release to be signed by an authorised official or councillor, a council ensures that the document is correct before it reaches members of the community.

From a council's point of view preliminary control is the most desirable form of control because it anticipates and prevents undesirable outcomes. If all problems could be foreseen then municipalities would need no other form of control.

#### 4.5.2 Concurrent control

Concurrent control takes place while the work activity is in progress. These controls are designed to immediately detect deviations once they have occurred. Concurrent control is concerned with directing, monitoring and making small adjustments in the workplace, primarily by municipal officials in supervisory positions (Erasmus and Visser, 1997 : 145-147; Kroon et al., 1990 : 444). Immediate detection will ensure that the situation can be speedily rectified before too much damage has been done or before the situation gets out of control. For example in the case of water restrictions, household meters will give a municipality an immediate indication as to who are using more than the permitted quantity per month and allow a municipality to impose the necessary penalties. Concurrent control can be exercised by MBWA, and it is important for council to determine if municipal officials in supervisory positions are utilizing this control mechanism.

#### 4.5.3 Feedback control

Feedback control, also referred to as **ex post facto** control, takes place at the end of a particular work activity and is primarily concerned with the comparison of performance data with the desired outcome or standard. This type of control therefore focuses on results. Any changes that are instituted in the workplace are as a direct result of some form of feedback whether it be a computer printout, a discussion or personal observation. By controlling the auditor's reports, or by checking the contents of files, a council and municipal officials in supervisory positions are exercising feedback control (Craythorne, 1997 : 370-371).

From a council's point of view, feedback control is important for two reasons. Firstly, a council will receive feedback on the effectiveness of overall planning. Secondly, the performance of municipal officials can be empirically determined which makes the recognition of achievements and addressing under performers easier. The biggest drawback of feedback control is that if a serious deviation has occurred it may be discovered too late and subsequently have serious consequences – hence the need for immediate concurrent control to supplement feedback control. (Plunkett, 1996 : 132).

It could be argued that a municipality's budget, for example, encompasses three types of control. A municipality's budget is a **preliminary control** measure because it prevents (or helps to prevent) unauthorised expenditures. It is a **concurrent control** measure because it helps monitor the funds being spent as they were spent and matches actual expenditures against planned expenditures. When a municipality's budget proves insufficient to meet required expenditures, an investigation should be made to determine why. If the budget process is at fault, changes can be introduced to make it more realistic. A municipality's budget has a built-in **feedback control**, because when more funds are requested than has been authorised, it cannot be spent without a council's approval (Van Niekerk, 1997 : 23-25; Andrews, 1988 : 368-369). Unauthorised expenditure, for example, will not be allowed, and therefore not be charged against any fund or account until the responsible authority, in accordance with the normal budgetary procedure, has approved it. Any unauthorised expenditure shall be recovered from the chief executive officer (CEO) failing his/her willingness to recover the amount from the beneficiary or the person responsible for the unauthorised expenditure.

It can be concluded that a council, through its municipal officials in supervisory positions, should exercise control before (preliminary), during (concurrent) and after (feedback) work related activities take place in a municipality.



#### 4.6 THE MANAGEMENT INFORMATION SYSTEM

In order for a council to effectively exercise control in a municipality, information on performance is required. The complexities of local government in South Africa, coupled to the vital importance of information for effective decision-making has resulted in a proliferation of Management Information Systems (MIS). Management information refers to timely, accurate, complete and relevant information that is available regarding a particular situation. MIS entails that data (basic facts and figures) is obtained from various quarters, after which this data is processed and integrated into an information product that a council can use for quality decision-making (Armstrong, 1991 : 54-57; Schwella, *et al.*, 1996 : 189-190). In this regard the Carletonville Town Council conducted a survey amongst its community in 1997 to determine how the community was experiencing the quality and quantity of service rendering. Of the 1322 respondents 72% indicated that they were satisfied with the quality and quantity of service delivery, whilst 12% were uncertain and 16% indicated that they were dissatisfied with service delivery. Respondents were requested to place 14 municipal services into priority order – the results are depicted in table 4.2.

It can be argued that information of this kind will assist a council in making substantiated decisions regarding community priorities and budget allocations. Thus council decisions should be based on an understanding of a community's needs, desires and demands.

**Table 4.2 : Survey conducted by Carletonville municipality**

SERVICE	PERCENTAGE
Civil protection	100
Supply of water and electricity	93
Promotion of economic development	90
Promotion of tourism	84
Hospital services	81
Infrastructural development	80
Traffic matters	78
Ambulance and fire brigade	72
Environment conservation	68
Land usage	67
Sewerage purification	65
Fresh produce market	59
Refuse dumps	43
Abattoirs	41

Source : Annexure 2 to the Minutes of Carletonville Town Council Meeting : 11/1997

The development in information technology, in the form of computers and data communications systems, enable municipalities to analyse performance statistics on a real -time basis. Whether information technology is used in a MIS or not, the requirement of timely, quality information remains paramount. It can therefore be argued that a municipality will require a tailor made MIS (Van Niekerk, 1997 : 71-73). In the Carletonville survey 86% of councillors indicated that they were not computer literate, in comparison to 45% of municipal officials; whilst 92% of councillors indicated that they believed computer training is a necessity (Annexure 2 to Minutes of Carletonville Council Meeting : 11/1997). It could be argued that the development of information technology would increasingly require councillors to be computer literate. Thus, computer training should form part of the training of newly elected councillors.

#### 4.6.1 The design of a management information system

When designing a particular MIS for a municipality a council has to ensure that a number of considerations have been taken into account. According to Kroon et al., (1990 : 472), these are:

- (1) **Determining the information need:** A council has to determine what kind of information is needed to make decisions, what information is readily available and what kind of data analysis is required. For example, the Carletonville Town Council conducted a survey (see table 4.2) to determine what the community views as priorities when it comes to service rendering.
- (2) **The collection and processing of information.** This consideration is aimed at improving the quality of the information by maximising the collection of relevant data and converting the data into pertinent information. Previously the Carletonville Town Council's attempts to gather information failed because it was conducted in a voluntary fashion through the postal service (Councillor for Carletonville Town Council, 1998 : Interview). By conducting a door-to-door survey, the Council managed to target all segments of its community thereby inducing a high success rate and ensuring a response representative of the whole community.
- (3) **The utilisation of the information.** The correct information to people requiring it at the time it is needed is important. The information the Carletonville Town Council, for example, gathered was used in the determination of budget priorities. In this regard the Council increased its spending on its civil protection programme by 24% and 18% on tourism (Councillor for Carletonville Town Council, 1998 : Interview).

It can be concluded that a council needs to ensure that a management information system is put in place in order to have appropriate policy-relevant information available on which a council can base its decisions .

## **4.7 CONTROL TARGETS**

A council has to engage in specific aspects of various issues that affect control (Jones, 1996 : 91-93; Andrews, 1988 : 32-35; Beatty and Scheier, 1986 : 159-162; Stewart, 1988 : 245-248). A council should know which particular control issues to consider when designing and implementing control measures, *inter alia*: output-, quality-, time-, material-, cost-, and performance controls.

### **4.7.1 Output control**

Municipalities will always experience a demand for some standard of output or service delivery from its community. When considering output in a municipality, the measure of quantity is of primary, although not exclusive, interest (Stewart, 1988 : 342-345). From a council's point of view every control measure of every individual work process should be aimed at the control target of output or service delivery. In the case of Carletonville only 16% of residents indicated that they were dissatisfied with municipal service delivery. It could be argued that councils would not be able to satisfy all their citizens with the decisions that they make. Thus, apart from citizens who require specialised services, (i.e. the elderly and physically disabled people) a council's decision would be justifiable if only a small percentage of its citizenry are opposed to its decisions.

### **4.7.2 Quality controls**

A council should ensure that quality control checks are implemented and not only consist of an inspection at the end of a municipal work process or a check on service delivery. A council and municipal officials in supervisory positions should

utilise every resource of expertise and information to identify at what stages appropriate quality checks should be conducted. According to Bittel and Newstrom (1990 : 7) quantity and quality go hand in hand and suggest that councils pay attention to a number of quality aspects. These aspects include refusing to allow commonly accepted levels of mistakes; continually searching for unsatisfactory conditions in a municipality and ways to improve; focussing municipal officials in supervisory positions on helping municipal officials to do a better job and; providing the tools and training to enable municipal officials to take pride in their work. It implies eliminating fear in the municipal workplace by encouraging open two-way communication; removing barriers between municipal departments by encouraging teamwork and; the provision of appropriate training courses.

It could be argued that councils should have an ability to determine the quality of current and proposed training courses and the competence to effectively communicate its expectations regarding service delivery to municipal officials.

#### **4.8.3 Time controls**

Meeting delivery dates, schedules and deadlines are important considerations for any municipality. The community is particularly sensitive concerning the ability of a municipality to meet deadlines and the credibility of a municipality is at stake when delivery targets are not kept. Time control targets point to the fact that it is not enough to complete a task if that task is not completed on time (Jones, 1996 : 134-137). It could be argued that a council should ensure that municipal officials in supervisory positions do not spend too much time on trivial matters, or creating a false impression by attending the correct meetings, completing the correct reports, recording the correct information, rather than concentrating on greater output, better quality and lower costs.

#### 4.7.4 Material controls

Where a municipality deals with stocks of material, which could range from stationery to vehicles to raw materials, inventory controls will be necessary. The “just-in-time” (JIT) inventory system ensures that stock arrives just at the right time to be utilised and that no stock build-up occurs. In this regard only 12 out of 21 (or 57%) municipalities surveyed indicated that they made use of a JIT inventory system (Rossouw, 1999 : 104-105).

The size of a municipality’s inventories should be carefully managed. Ideally there should only be enough stock in reserve to ensure the continuity of the service process. In a study conducted by Little and Prabahkar (1997 : 31-32) it was determined that it costs a municipality as much as 23 cents per rand to keep an inventory, with the biggest costs being the actual cost of the inventory, storage costs and insurance.

A council should take cognizance of the fact that the concepts of delegating and accountability are closely related. A council may delegate responsibilities, tasks and authority to municipal officials in supervisory positions and other subordinates in a municipality. Although subordinate municipal officials are fulfilling aspects of municipal officials in supervisory positions as their general duties, council remains accountable for the proper execution of those duties. From this it can be deduced that a council can not delegate its accountability (Reddy, 1996 : 179-181; Pearce and Robinson, 1989 : 165-166). Before delegating, a council should appreciate the inherent dangers involved in delegating tasks that municipal officials in supervisory positions do not fully understand or know how to carry out. It could be argued that a council has to ensure that municipal officials in supervisory positions comprehend the nature of their tasks and the responsibilities assigned to them.

The challenge in controlling materials and inventory costs, is to balance the cost of maintaining an inventory as opposed to the costs/penalties which may be incurred when running out of inventory (Hendry, 1995 : 23-24). It can be argued that a council has to be informed that an effective system is in place to control material and inventory costs.

#### 4.7.5 Cost controls

A municipality may reach its service targets, but if insufficient control has been exercised over other aspects of the operation, the cost standard may not be reached. In a service delivery organization cost controls are vital where the judicious management and administration of local funds determines the capability to deliver (Stewart, 1988 : 52-53). In a municipality there are a number of major cost categories, *inter alia*, direct labour costs which concern labour directly involved in the line function; indirect labour costs which primarily concern municipal officials in the personnel function; raw material costs; supportive supply costs which concern expenditures on items that do not become part of the service provided; utility costs such as water and electricity; maintenance costs and; waste costs. According to Botes *et al.*, (1992 : 324) personnel expenses vary between 47 and 73% of any organisation's budget. In this regard the personnel expenses of Sandton, Centurion, Akasia-Soshanguve, Westonaria and Mamelodi municipalities were on average 52% of their budgets (Rossouw, 1999 : 43). It could be argued that the percentage of a municipality's personnel expenses, has a direct bearing on a municipality's ability to provide in the needs, desires and demands of the community.

According to Robbins and De Cenzo (1998 : 126) a council should focus on six steps to reduce costs. These steps include improving work methods; leveling the workflow by avoiding high work intensity periods followed by low intensity work periods; reducing waste; installing modern equipment by budgeting for the replacement of obsolete equipment; ongoing training and development to ensure

that skills and knowledge do not become outdated and; being selective when making cuts and avoiding across-the-board decisions. It is however important that when considering the issue of cost reduction that municipal officials support the measures introduced by a council. Municipal officials generally feel threatened by cost reduction efforts because work may be delayed and posts reduced. It could be argued that a council should invite proposals from municipal officials in identifying ways of reducing costs.

#### **4.7.6 Performance controls**

Performance appraisals of municipal officials form an integral part of control targets. In this regard Cloete (1995 : 137) lists a number of prerequisites for performance appraisal. Firstly, the performance standards of each municipal official should be established and recorded. These individual performance standards should be linked to the overall objectives of a municipality. In this regard standards should have both qualitative and quantitative parameters. Secondly, shortcomings in conduct and/or performance should be identified with the aim of improving performance and not the penalisation or coercion of municipal officials. Thirdly, the requirements for appointments or promotions should be refined by empirical testing against performance appraisal. Finally, performance appraisal should provide an objective foundation for personnel actions such as promotions, salary increases or sanction (if necessary).

From this it can be concluded that performance appraisal is the most basic form of control in any municipality. This being the case, it is imperative that a council and municipal officials in supervisory positions are adequately trained in conducting performance appraisal. It could be argued that councillors should be trained in the fundamental requirements of performance appraisals to determine if the technique has been undertaken effectively by municipal officials.



#### 4.7.7 Budgetary control

Bateman and Zeithaml (1993 : 546) argue that budgeting is one of the most commonly used methods for exercising control. In this regard municipal budgets serve a threefold purpose. It aids municipal officials in supervisory positions in the preparation of plans; helps to allocate resources more effectively; and serves as an aid in the control and monitoring of a municipality's activities.

A council should understand that although local budgets are primarily a planning tool, the value of budgets in the control process should not be underestimated. Kroon et al., (1990 : 451) describe the value of budgets in the control process as follows: *“The quantitative nature of budgets serves as an excellent criterion for the assessment of human resources, manufacturing, advertising, sales, purchases and materials management. Deviations from set objectives, standards and norms can be spotted and corrected immediately”*.

According to Van der Waldt and Du Toit (1997 : 360) a council should develop techniques for each type of control needed in a municipality. In this regard a council should ensure that municipal officials in supervisory positions could exercise control over specific administrative activities such as municipal finances and personnel. A council should therefore hold municipal officials in supervisory positions responsible for the implementation of statutory control regulations and directives from council.

In this regard it can be deduced that control of expenditure in a municipality is possible only if the accounting system used, and the budget, are both accurate and reliable. It will not be of much use, for instance, if the books of accounts are in order only when they are closed at the end of a municipality's financial year, but are in disorder at every other stage. For effective control to be implemented, the books should be substantially accurate throughout the financial year and as up to date as possible (Erasmus and Visser, 1997 : 142-145). It could be argued

that councillors should be able to interpret financial records and have an understanding of the budgeting process and procedures.

The accurate classification of expenditure is vital in sound budget administration. The meaningful use of the line-item budgeting system, as a means of controlling expenditure, requires a sufficient number of clearly-distinguishable line items, and a system which ensures as far as is humanly possible that any expenditure actually incurred is charged to the line item to which it relates. If these two conditions are not substantially met, the control of expenditure in terms of any budget becomes haphazard. The best means of ensuring that the budget system is not seriously undermined by inaccurate coding, is to ensure that the budget is accurate and reliable. Sound budget administration and the operation of a reliable budget system depend to a large extent on one another (Gildenhuys, 1993 : 98-101). From this it can be deduced that unless income and expenditure records are available, a council or any of its committees cannot be expected to ensure that proper control is maintained over the budgets of the various departments.

The treasurer will usually furnish the various local departments with regular statements of income and expenditure. These statements indicate not only what has actually been spent or what has been received by way of income for the period concerned, but also show how the expenditure or income complies with the relevant portion of the budget. The development of computer technology and software applications make the control of the budget a little easier, because it would allow a council to print exception reports of any variances in the budget whenever they are required. The exception reports highlight expenditures that have taken place and which were not included in the original budget (Schwella, et al., 1996 : 178-182). It could be argued that councillors should be trained how to use computer technology as an effective instrument in exercising budgetary control.

Cheminais (1997 : 123-125) identifies five control techniques of which two control techniques (inventory control and quality control) have already been discussed. The remaining three control techniques are **inter alia** formal controls, informal controls and operational control.

#### 4.7.9 Formal controls

Formal controls are those measures that require the submission of written reports, as well as inspection, investigation, cost comparisons, statistical returns and internal auditing. Internal auditing is carried out in terms of section 10(g)(1)(c) of the **Local Government Transition Act, Second Amendment Act, 1996** (Act 97 of 1996), which requires every municipality to establish and maintain a system of internal control and to institute internal audit, including audit committees, as an independent appraisal function. Internal auditing is normally carried out by experts on a municipality's activities, procedures and policies. According to Craythorne (1997 : 221; 439-440) the responsibility of keeping accounting records is that of the chief executive officer (CEO). The CEO has to monitor accounting records, transactions and a municipality's financial state of affairs; compile a revenue account reflecting income and expenditure; and a banking account in the name of a municipality into which all moneys received shall be deposited. It could be argued that a council has to be informed that accounting records are properly monitored by the CEO and that any discrepancies are reported to council.

#### 4.7.10 Informal controls

Informal control relates to morale and **esprit de corps**, i.e. the sense of duty, zeal, diligence, natural pride, self development and professional pride of the municipal official (Stewart, 1988 : 148-150). In a municipality informal controls refer to the hierarchical levels in a municipality and clarify lines of authority. This clarification of authority is conducive to better supervision and control. Informal

controls also refer to guidelines with regard to thoroughness, responsibility, honesty and, a respect for political supremacy. In order to achieve an **esprit de corps** it could be argued that a council should appoint municipal officials that respect authority and take pride in their jobs.

#### 4.7.11 Operational control

Operational control is aimed at the ability of those involved in a municipality's purchasing management and materials management to make the required quantities and quality of raw materials, components or services available at the lowest possible costs. In this regard techniques such as linear programming, break-even analysis, and programme evaluation and review technique (PERT) are used (Pigors and Myers, 1983 : 76-79). It could be argued that a council should be informed that the required materials, components and services are provided in the most cost-effective manner.

From this it can be deduced that a variety of different control measures are inherent in the functioning of a municipality. It is however important for a council to ensure that these control measures are properly implemented and executed within a municipality.

### 4.8 RESPONSE TO CONTROL

Control measures will inevitably direct human behaviour and strive to make future human behaviour predictable. Controlling human behaviour is difficult and resistance to control measures, in the form of non-conformity, will occur. A council needs to be aware that a control system cannot be effective if it does not take the considerations of municipal officials into account. According to Bateman and Zeithaml, (1993 : 555) three types of potential responses to control may be encountered, *inter alia* rigid bureaucratic behaviour, strategic behaviour and resistance.

#### **4.8.1 Rigid bureaucratic behaviour**

Rigid bureaucratic behaviour concerns those municipal officials who only focus on the minimum requirements that a control system demands. In a survey conducted by the Carletonville Town Council some of the criticism against the Council was to the effect that municipal officials tend to be insensitive to the community's needs; are slow to respond to complaints; and hide behind rules and regulations (Annexure 2 to the Minutes of Carletonville Council Meeting : 11/1997). Behaviour tends to be rigid and the actual task may become an end in itself with a lack of regard for, and sensitivity to, the requirement for synergy in any municipality. This rigid behaviour therefore occurs when control systems prompt municipal officials to comply with the accountability guideline by following the rules (Pearce and Robinson, 1989 : 54-56; Van Niekerk, 1997 : 118-119). It could be argued that rigid bureaucratic behaviour may result in poor service and makes the entire municipality slow to act.

#### **4.8.2 Strategic behaviour**

Control systems will be ineffective if councillors and/or municipal officials engage in behaviour and tactics aimed at "beating the system". The most common form of this type of behaviour is the manipulation of performance information or the reporting of false performance data. Municipal officials may generate false data concerning what has been done or false data about what can be done. The latter is more common because it is easier to disguise a future prediction than to conceal what has already taken place and this often contribute to municipal officials inflating budgets. A council should be aware that it is possible for municipal officials in supervisory positions to adjust performance data and information to create the impression that they are running a smooth operation while others may supply false information to cover up poor performance (Van Niekerk, 1997 : 62-64). According to Rossouw (1999 : 119-121) it is not

uncommon for municipal officials in supervisory positions to request larger amounts in budget estimates than is required. The Khayalami Metropolitan Council, for example, budgeted for R1,1 million in the 1999/2000 financial year for travelling abroad. However, when it became apparent in June 1999 that the approved budget allocation for travelling abroad was excessive, trips were upgraded from economy class to first class and even duplicated when officials flew abroad to study issues already covered by other municipalities. Apart from this six municipal officials were sent overseas to attend the same conference in the United States of America in July 1999 (Business Day, 24 August 1999 : 2). Another form of strategic behaviour occurs when municipal officials in supervisory positions determine unrealistically low performance standards so that subordinate municipal officials will have little trouble reaching them (Craythorne, 1997 : 430-434). The aim of strategic behaviour is to meet municipal departmental targets at all costs regardless of the lack of value of the actual contribution. It could be argued that councillors should be able to identify these type of behaviours in order to effectively deal with it.

#### **4.8.3 Resistance to control**

A council should be aware that some municipal officials do not like to work under rigidly prescribed control measures because control demands standards, uncovers mistakes, requires conformity, can result in criticism and correction, limits autonomy and eventually can threaten a municipal official's job security and status. With the advent of advanced computer software many costing, purchasing and production decisions are now made automatically without significant human input. Such changes could result in negative attitudes from municipal officials who see advanced control methods as a threat to their traditional power bases and expertise (Reddy, 1996 : 45-47).

Bittel and Newstrom (1990 : 100), suggests a number of approaches that could lead to a decline in the occurrence of resistance to control. A council should

emphasize the value of controls by providing feedback to municipal officials and informing them if they are working well or not. Standards reduce the requirement for close supervision as the municipal official knows what has to be done, while supervision will be minimal as long as the municipal official meets the control standards. A council should be informed that scientific standards are applied. This will ensure that standards are carefully determined and examples from the past and/or work-study inputs are used as benchmarks. A council and municipal officials in supervisory positions should avoid general statements regarding the achievement of targets, but rather quantify if at all possible, so that there is no doubt as to what should be achieved. The failure of a municipal official to meet a standard should be seen as an opportunity to work towards improvement and not punishment. In this regard re-training or extra guidance may be the solution. The penalties for non-compliance to standards should be clear to all concerned. This will avert the undesirable situation where municipal officials cannot be disciplined for ongoing sub-standard performance. A council should avoid threats that cannot be realised. Before informing a municipal official what the dire consequences of ongoing poor performance will be, a council should make sure what the regulations stipulates. In this regard a council should consult experienced municipal officials in supervisory positions or gain legal advice if necessary. The consistent application of standards should be applied throughout the workplace. A council should be consistent in granting awards, rewards and punishment; but at the same time be flexible and make exceptions where necessary. It can be argued that there will always be some form of resistance against control. Thus, a council should be informed that appropriate control measures are in place and that municipal officials understand the necessity of control measures.

#### **4.9 ACCOUNTABILITY**

In terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) political systems in local government are organised to ensure that municipal councils are accountable, transparent and respond to the needs of

their constituencies by allowing the local community to participate effectively in the policy formulation process. According to Craythorne (1997 : 80-81) devolution of power takes place so as to strengthen the power of municipal councillors to govern. In this regard there should be corresponding checks and balances, i.e. a councillor must be accountable within a council and be accountable to the voters. Accountability is a duty or compulsion, by councillors and municipal officials, to render a full account of deeds and misdeeds. As a legislative institution, a council possesses political power, and therefore has a greater duty for accountability than appointed municipal officials (Hanekom and Thornhill, 1993 : 149-150). The traditional credo of **vox populi vox rex** which means the "voice of the people, is the voice that rules", makes the duty or compulsion to render account to the community stronger than any other duty.

According to Erasmus and Visser (1997 : 18-19) accountability is intensely personal and it is usually a traumatic experience for a councillor or municipal official to stand before the community accused of misdeeds such as corruption, theft, embezzlement, malicious judgement, total disregard for the law, maladministration or total disregard for community values. However, according to Hall (1980 : 95) councillors and municipal officials alike will not be able to live with their conscience and will at all cost try to avoid such humiliation, scandal and pain.

#### **4.9.1 Exposing poor performance and maladministration**

Effective accountability is essential if there is to be recourse to the decisions made by councillors. Councillors have to be accountable to their constituents and officials to a council. It could be argued that this relates strongly to community participation and is dependent on the existence and openness of communication channels. Accountability between councillors and communities occurs mainly through reporting back to ward committees and constituencies. In some cases, ward meetings are fixed on a monthly basis; in others they occur in



a more **ad hoc** manner. If the residents are not satisfied with their ward councillors, they can vote for another candidate in the next election (Van Niekerk, 1997 : 43-45).

Cheminais (1999 : 82) argues that it is impossible for every decision to be the product of full democratic processes. It is for this reason that municipalities have executive committees comprising councillors who are mandated to make specific decisions on behalf of the full council. Accountability between officials and councillors usually occurs vertically. Thus, heads of department are responsible for the activities in their departments and they together with the CEO are answerable to a council. In many instances, officials are directly assisted by councillors (Rossouw, 1999 : 112-114; Cloete, 1996 : 78-79). It could be argued that a council should be informed that the roles and responsibilities of municipal officials are clearly defined in order to avoid tension and duplication.

Notwithstanding the fact that officials, heads of departments and councillors tend to hide mistakes, administrative disasters and maladministration, it normally emerges eventually. According to Botes (1997 : 23-25) accountability is acquired in a number of ways, **inter alia** through councillors; courts of law and internal hearings; media; auditors; and municipal officials.

#### 4.9.1.1 Councillors

In terms of section 16(7) and schedule 7 of the Local Government Transition Act, 1993 (Act 209 of 1993), particular acts by councillors are prohibited. These acts are, **inter alia** misleading or influencing council, interference by councillors at the implementation level, and the misuse of council property.

**(1) Misleading or influencing council.** Councillors should not mislead or attempt to mislead, or unduly influence a council in its consideration of, and decision, on any matter serving before council, nor should a councillor

encourage, advocate, incite or participate in the taking of an unlawful decision. Unlawful in this regard refers to decisions, which are not allowed by legislation as opposed to an illegal decision, which implies contradiction to legislation.

**(2) Interference by councillors at implementation level.** A councillor should not coerce or put any pressure on any employee of a council to insert in, or to omit from, documents or recommendations to council any relevant information relating to which the public has the right to know of, especially those involving the finances of council. Councillors should furthermore not instruct or order any employee of a council not to implement any decision of a council, or any decision of a committee or council or to implement any such decision contrary to the intent and purpose thereof. A councillor should not give direct instructions of an executive nature to employees, which will cause or contribute towards maladministration. It should be remembered that a councillor as an individual possesses no authority, but that a council as a body corporate only has legislative- and executive powers.

**(3) Misuse of council property.** Councillors should not appropriate for personal use or benefit, or for the use or benefit of any other person to whom he/she is related or associated with, any of a council's movable or immovable property owned, controlled or managed by a council. This includes the unlawful or improper acquiring of any benefits from a right, title or interest to, in or over such property. Misuse of council property includes *inter alia*, the usage of a municipality's office facilities and equipment, including telephone and motor vehicles. It could be argued that council property can, and should only be used for affairs related to the authorised functions of councillors.

In terms of schedule 7 of the Local Government Transition Act, 1993 (Act 209 of 1993), councillors have a duty to report irregularities. When a councillor becomes aware of any irregularity, or if any statement or allegation is made to

him/her, or in writing to that effect, a councillor should inform the CEO thereof for investigation.

Rossouw (1999 : 43-45) states that council meetings are open to the public and this should serve as platform to debate issues, firstly to promote ward interests but also for a municipality as a whole. The image of a council as well as individual councillors can be promoted, especially if issues of a sensitive nature are discussed. Usually the media attend council meetings, thus ensuring that a much broader part of the community is reached. It could be argued that in order to promote accountability, members of the public should be allowed limited time to pose questions on issues which need more clarification. Although this option is not exercised by municipalities, section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) requires that councils promote the participation of communities in the policy formulation process. If structured properly, it could contribute to a council being viewed as promoting accountability and transparency.

If a councillor is a member of an executive committee or any other committee, he/she should make it his/her first priority to attend such meetings since this is the first level at which issues are debated and decisions concluded. Any member of the Executive Committee (EXCO) can be called upon to give account of his/her actions (Rossouw, 1999 : 33-34; Cloete, 1989 : 30).

According to Botes (1997 : 23-24) accountability can be ensured in a number of ways, *inter alia* a motion of no-confidence in a member; the annual budget debate; sessions of the committees of a council; and debates in the public interest.

**(1) A motion of no-confidence in a member.** An opposition party is normally alert in discovering cases of embezzlement and maladministration, and enjoy exposing poor administration to a

community. In this regard the opposition party in the Lydenburg Local Council, for example, exposed 4 cases of corruption by municipal officials in 1999 (Minutes of Lydenburg Local Council Meeting, 11/1999 :6).

- (2) Annual budget debates.** In terms of section 10(g)(3) of the Local Government Transition Act, Second Amendment Act, 1996 (Act 97 of 1996) councils have to annually compile a municipal budget. During the annual budget debates problems regarding financial maladministration can be raised by councillors bringing poor financial management and administration under the spotlight (Cheminais, 1999 : 56-58). It could be argued that it is important that councillors question the cost effectiveness of the utilisation of funds against the available facilities and human power.
- (3) Sessions of the committees of a council.** During sessions of the committees of a council it is possible to detect maladministration and mismanagement (Cloete, 1989 : 30). It is therefore vital for councillors not to hide such actions, but to act as their conscience may require to expose maladministration whenever municipal officials acted with malicious intent or *mala fides*.
- (4) Debate in the public interest.** A council can question the members of the EXCO or any municipal official on any matters related to mismanagement of affairs. In order to be accountable to the community incidents of misconduct should be reported to a council so that those transgressors could be punished (Rossouw, 1999 : 114-115).

It could be argued that it is necessary for councillors to adhere to the stipulations of a code of conduct as set out in Schedule 7 of the Local Government Transition Act, 1993 (Act 209 of 1993). If not, it is possible that service delivery could deteriorate, personal interest could displace local interest, indecision and aversion

could increase, the foundation for faithfulness could be thwarted and mismanagement and maladministration could be fastened. Apart from this, councillors should ensure that municipal officials are acting in accordance with the ethical guidelines as set out in Chapter M of the Public Service Act, 1994 (Act 103 of 1994). However, although a code of conduct will not necessarily eliminate unethical behaviour, it should inspire councillors to base their actions on sound moral grounds.

#### **4.9.1.2 Courts of law and internal hearings**

The proceedings in the South African courts are under normal circumstances not held in secret and the public as well as the press are allowed to be present. According to Ehlers (1997 : 12-16) criminal acts involving i.e. embezzlement, theft and negligence on the part of councillors and municipal officials are rare but should they occur, the public will see that justice is done against perpetrators. In administrative law hearings, for example, in cases of state liability, land expropriations, unfair administrative practices and claims for damages, are under consideration and any malpractices will be exposed and transgressors named in the press. It could be argued that courts of law and internal hearings can expose maladministration, mismanagement and negligence.

#### **4.9.1.3 The media**

The public media plays an important watch-dog function. Newspapers, radio and television, thrive on sensational news items and any maladministration or mismanagement are important news items (Cloete, 1989 : 30).

#### **4.9.1.4 The auditors**

In terms of section 14 of the Auditor-General Act, 1989 (Act 52 of 1989), the office of the Auditor-General can audit the accounts of any municipality. The

accounts of a municipality will immediately expose maladministration, embezzlement and theft of money and goods. The auditor's report is not a secret document, and can be read by any person who is able to obtain it. In this regard the maladministration, embezzlement or theft exposed by the Auditor's report is usually taken in a serious light, merely because public funds are involved. The accounting systems of at least 10 municipalities in Gauteng were in such a state that the provincial-auditor was not able to express an audit opinion. This was due to uncertainties arising from unverified records, deficient accounting systems, incomplete records, lack of supporting vouchers and the failure to submit financial records (Gauteng Provincial Auditor-General, 1999 : Interview)

According to Ehlers (1999 : 17) it is the responsibility of the CEO or an appointed internal auditor to appraise and report on internal financial control; the extent of compliance with established policies and legal requirements regarding finances of municipalities; and the extent to which a municipality's assets and interests are accounted for and safeguarded from losses. This includes losses through fraud; waste, extravagance and inefficient administration; incorrect management and financial data; as well as computer programmes, -data and -security. The Krugersdorp Audit Committee, for example, released a statement on 31 May 1999 that the Municipality had a need to engage suitably qualified and competent personnel. Accurate financial statements were a major concern and it took 18 months to finalise the statements for the financial year ending June 1998 and that the financial audit for June 1999 was still incomplete (Member of Krugersdorp Audit Committee, 1999 : Interview).

In terms of section 10(g)(2)(c) of the Local Government Transition Act Second Amendment, 1996 (Act 97 of 1996) a municipality has to establish an internal control system and, as far as possible, a system of internal audit and an audit committee. Setting up an internal control system is an administrative function normally undertaken by the CEO or heads of department. It could be argued that if municipal officials in supervisory positions are expected to report

periodically to a council, cases of mismanagement or maladministration could be exposed at an early stage or even inhibited.

#### **4.9.1.5 Municipal officials**

Municipal officials are normally honest, respectable and highly ethical officials, and most cases of maladministration and mismanagement in municipal administration are exposed by officials (Cloete, 1989 : 30). In terms of Schedule 1 of the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) municipal officials have the authority to expose any mismanagement during personal inspections, ratification and pre-approval of matters, periodical reporting, analysing auditor's reports, compilation of statistical data and meticulous daily control systems. According to Botes (1997 : 26) these municipal officials should not be seen as whistle-blowers, because they cannot tolerate an untenable situation. They should do it because of their own conscience and conviction. It could be argued that a council should be informed that the CEO and heads of department are acting in terms of their delegated responsibilities and that these officials report to council on a regular basis.

It can be concluded that a council remains accountable to the community and has to render a full account of deeds and misdeeds. It is therefore important for a council to have effective control mechanisms in place to ensure transparency and accountability in governing and representing its community.

#### **4.10 CONCLUSION**

Control is concerned with the monitoring of local activities to ensure that they are being accomplished as planned and implementing corrections when significant deviations occur. Control is essential to determine if local activities are going as planned, not going as planned or if circumstances have changed. The

implementation of proper control by a council contributes to standardisation, reduced waste and better quality services.

There are basically three types of control, *viz.* preliminary control, concurrent control and feedback control with strategic control points and key performance areas being an important consideration. In the local government context control should target key components such as output, quality, time, material, costs and performance of municipal officials. Resistance to control, from municipal officials, is to be expected and various types of behaviour can be predicted. An ongoing emphasis on the positive aspects of control is necessary to foster co-operation from municipal officials. Budgetary control remains fundamentally important for municipalities and techniques need to be developed to exercise control in the unique municipal environments.

From this chapter it can be deduced that control should not be instituted merely for the sake of control, but to determine whether the section or division in a municipality has contributed to the fulfilment of the goals of a council, namely to make the individual and community good. In this regard a number of training areas for councillors have been identified which will allow them to effectively execute the control function in a municipality. In this regard effective control mechanisms should be implemented to ensure that a council's objectives are realised in the most cost efficient manner. The determination and allocation of authority and responsibilities within a municipality should be done in such a manner that human, technological and financial resources are utilised optimally in an attempt to satisfy the needs, desires and demands of the community it serves.

Guidelines for the training of newly elected councillors should include the correct determination and application of performance standards. Performance measurement should coincide logically with a municipality's objectives and critical points, which contribute to those objectives, should be isolated.



Performance data should be collected to determine to what extent performance standards are met. It includes the implementation of appropriate corrective measures once deviations from standards have been detected. A training programme should include the utilisation of different forms of control measures for different types of work activities. A councillor should be informed that municipal officials are properly trained and have the ability to create proper channels of communication.

A councillor should ensure that performance appraisals are conducted and that control measures are properly implemented and executed within a municipality. A training programme for newly elected councillors should provide an understanding of the necessity of control measures and how to ensure accountability to the community by rendering full account of deeds and misdeeds.

In chapter 5 the findings of this thesis are summarised and a number of conclusions regarding the training of councillors are made.

## CHAPTER 5

### SUMMARY AND CONCLUSION

*“Education and training is a life-long learning process.”*

*- Mr. Nelson Mandela, 16 February 1995*

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#### 5.1 INTRODUCTION

Local government in South Africa is undergoing a major process of transformation that will result in a new system of local government after the December 2000 elections. Democratic and developmental local government depends on responsible and accountable officials and councillors, and good relations between them and the citizens of a municipality. In response to these changes there is a new set of skills and competencies needed to give effect to the vision of developmental local government.

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Local Government Transition Act, 1993 (Act 209 of 1993), the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) and the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999) municipalities are expected to meet the development needs of the communities, to build financial capacity, improve local-provincial intergovernmental relations, create economic development, and ensure effective service delivery. Municipal councils are faced with challenges of integrating budgets, meeting the basic needs of communities, and managing scarce resources and finances. These challenges have to be met in the framework of democratic, accountable and developmental

local government. In this regard it is important to adequately prepare councillors for their governing and representative responsibilities (Cloete, 1997 : 121-123; Botes, 1997 : 241-242).

The determination of objectives for this research project is based on information gathered on a number of surveys; interviews; observations; information gathered from the Gauteng Local Government Association (GALA) on the 1043 councillors in the 51 councils in the Gauteng Province; the internet; relevant literature and the media. From this was deduced that councillors elected in the 1995 Gauteng municipal elections are predominantly male with a varying degree of expertise and qualifications. Training of councillors will therefore have to accommodate, not only for people with tertiary qualifications, but also for those without a matriculation qualification. Apart from this, the training of councillors will have to make provision for both people that are seasoned councillors and for those that have been elected for the first time.

The aim of this chapter is to summarise the findings reached in this thesis as well as to draw a number of conclusions regarding the training of newly elected councillors in South Africa.

## **5.2 A NEED FOR COUNCLLOR TRAINING**

According to the Mosley and the Solace reports local government training in South Africa is uncoordinated, fragmented, and largely of poor quality. In this regard outdated teaching methods have not been updated and most training is conducted in the absence of any effective systems of monitoring and control. In addition to this, training has been underfunded and what funds have existed have been spent more on personnel and infrastructure than on the actual provision of training. It was concluded that a more coordinated strategy for municipal training should be devised that is guided by a national vision and a set of priorities needs to be worked out.

The South African Local Government Association (SALGA), through its representation on a SETA, is responsible for the training of councillors and plays a pivotal role in building the capacity of municipal officials in supervisory positions. Such an approach will ensure a holistic integrated approach to training and capacity building that will lead to effective and efficient councils building strong democratic and developmental local government. In this regard SALGA will develop its own in-house capacity in order that it and the provincial associations are able to take full responsibility for the training of councillors as elected municipal representatives.

SALGA has, for the interim, identified a number of training areas, *inter alia*, integrated development planning; municipal budgeting and finance; local economic development; legislation impacting on local government; strategic planning and service delivery; and change management.

SALGA does however envisage developing a set of core training modules that every newly elected councillor should receive on being elected to office. The determination of a set of core training modules should include a comprehension of the structures, powers and functions of municipalities; a discernment for municipal finance and budgeting; an understanding of the ethical and procedural environment in which a council operates; and the development of basic management skills such as decision-making, conflict management, change management and negotiations skills.

The focus of this thesis was on the determination of core modules and the relevant subject matter for the training of newly elected councillors. This was done by analysing what the responsibilities of councillors are in terms of their governing and representative functions. As the need arises, advanced training could be conducted on any of the identified core training modules.

### 5.3 HYPOTHESIS AND RESEARCH OBJECTIVES

The acceptance of a set of core training modules and the relevant subject matter for the training of municipal councillors by SALGA and implementation thereof by the education and training boards in each province in conjunction with municipalities, will ensure a more coordinated approach to councillor training, proving the hypothesis correct. Given the disparity between the percentage of re-elected councillors versus the percentage newly elected councillors; the gap that exists in educational qualifications; and the balance of political power it was the assumption of this thesis that **effective local government can be brought about if councillors receive appropriate training**. The development of a set of core training modules and relevant subject matter would provide councillors with the required basic knowledge regarding their institutional and organisational roles.

The study objectives were, firstly to examine the institutional and organisational environment in which councillors function, secondly, to depict the powers, functions and structure assigned to municipalities, and thirdly, to delineate the policy-making process in municipalities, as well as the policy environment in which councils function in. Fourthly, to examine a council's role in municipal finances and financial challenges confronting municipalities, and fifthly, to consider the utilisation of human resources in municipalities in order to ensure that municipal officials are used in such a way that a municipality obtains the greatest possible benefit. Finally, to determine how control is exercised over municipal activities in order to ensure that they are accomplished as planned and that any significant deviations are corrected.

By following this approach it was possible to determine what is expected of councillors in terms of their representative and governing functions. These elements are included in the ensuing paragraphs as part of guidelines for the training of councillors.

## 5.4 GUIDELINES FOR THE TRAINING OF NEWLY ELECTED COUNCILLORS

South Africa's transition from being segregated racially based and undemocratic to becoming a non-racial, democratic state brings about many training challenges. The process of integrating budgets and amalgamating administrations, and the fact that the majority of the 11 300 elected councillors were first time councillors presented with the challenge of transforming old administrative structures into centers of democracy and development, brings new training needs. The restructuring of the local government training system has to be pursued within the wider context of challenges facing municipalities to transform from its narrow service delivery orientated character, to one that is more development orientated, participatory and responsive to the needs of the community.

A number of areas in which newly elected councillors need to undergo training in order to effectively and efficiently function as governors and representatives of their communities, have been identified. These training areas are *inter alia*, municipal statutory framework; municipal administration; representing and governing a municipality; policy-making; utilising human resources; municipal budgeting and finance; control and accountability; and interpersonal skills.

In the ensuing paragraphs the broad subject matter for each of these training areas, is presented. A more detailed proposal for the training of newly elected councillors is provided in Appendix B.

### 5.4.1 Municipal statutory framework

Municipal councillors should have a thorough comprehension of the statutory framework in which they operate. Although there are a vast number of laws that pertain to local government, 4 primary and 8 secondary laws have been identified that will directly affect councillors in their governing and representation functions.

Primary legislation refers to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Local Government Transition Act, 1993 (Act 209 of 1993) as amended; the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) and; the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999). Secondary legislation refers to the Occupational Health and Safety Act, 1993 (Act 85 of 1993); the Public Finance Management Act, 1999 (Act 1 of 1999); the Auditor-General Act, 1989 (Act 52 of 1989); the Public Service Act, 1994 (Proclamation 103 of 1994); the Labour Relations Act, 1995 (Act 66 of 1995); the Environment Conservation Act, 1974 (Act 41 of 1974) and; the Employment Equity Act, 1998 (Act 55 of 1998).

Primary legislation is imperative because it impacts directly on a councillors' representative and governing functions, whilst although an understanding of secondary legislation is important, it could be dealt with on a need-to-know basis. This module should focus mainly on primary legislation whilst secondary legislation should be covered in broad terms.

#### **5.4.2 Municipal administration**

In terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) political systems are organised to ensure that municipal councils are accountable and respond to the needs of their constituencies by allowing the local community to participate effectively in the policy formulation process. The local political leadership is ultimately responsible to ensure that the needs of the community are translated into workable programmes. Municipal councillors should therefore have a discernment of the powers, functions and structure assigned to municipalities.

The current municipal structures were established with the purpose of transforming apartheid based municipal structures into the structures implied and envisaged by

non-racial and democratic local government. For this reason they are referred to as “transitional” structures. These structures will however be replaced and/or adjusted with the intended repeal of the Local Government Transition Act, 1993 (Act 209 of 1993). In this regard section 2 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) three categories of municipalities are proposed: metropolitan councils, district councils and local councils in towns and rural areas. Councillors should be informed regarding these changes and the implications of the new municipal structures and how to implement these structures.

Councillors should have an understanding of the powers and functions that are assigned or delegated to a council and how to identify alternative sources of income and ways of providing new and better services with fewer resources. Councillors should comprehend the objectives of local government as well as the new structures and responsibilities as required in terms of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998).

Councillors should be able to identify and prioritise a community’s most urgent needs, desires and demands; and be able to put action plans in place that would effectively deal with them. Councillors should have an understanding of the implications of the code of conduct; how to promote and deal with aspects relating to citizen participation; basic communicative skills; as well as a comprehension of the roles and responsibilities of municipal officials in the administration of a municipality.

### **5.4.3 Representing and governing a municipality**

In terms section 156 (1), (2), and (4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities have the power to legislate (adopt by-laws); to govern by resolution (to close a street due to maintenance work in the area) and; to control (to issue licenses or permits). The representative



responsibility councillors fulfil, is influenced by the attitude councillors have toward local points of view, interest groups, their geographical focus and attitude as well as their involvement in politics. In this regard councillors need to have an understanding of their responsibility to govern and to represent.

The role interpretation of a councillor, and more specifically the representative role, can be carried out in various ways. The role of a representative requires particular human skills. These skills include communication, influencing, public speaking, dealing with the media, and dealing with local issues. It could be argued that these skills should also be included in a training programme for newly elected councillors.

#### 5.4.4 Policy-making

The administration of a municipality takes place in a political milieu and it is only after the legislator (council) has made a decision, that specific administrative action should take place. From this it can be deduced that local policy is two-dimensional, i.e. it has a **political** and an **administrative** dimension. The political dimension refers to the extent in which a council is involved in deciding on the activities and resources necessary to attain local objectives. The administrative dimension refers to actions taken by executive local departments to realise the goals envisaged by council within the ambits of a council's decision and the resources allocated.

A local council formulates policy that provides the direction to be followed by the by executive departments to attain specific goals. Without laying down clear, written policies no activity of a municipality can be executed. Although the goals of municipalities are normally fixed and rigid, the comparable policy should continuously be tried against changing circumstances to determine whether the policy still fulfils the needs, desires and demands of the local community.

Councillors should have an understanding of the manifestations of local policy; identifying strategic policy issues and how to operationalise these goals through its organisational structure; as well as an ability to take the perspectives of other stakeholders in the policy-making process into account. Newly elected councillors should comprehend the different policy-making phases in order to ensure that all the relevant policy information has been gathered to make an appropriate decision. Councillors should have a knowledge of factors that influence policy and to effectively analyse its impact or the effects of a combination of these factors, could have on the policy-making process; and finally a comprehension of policy instruments through which a council can be made aware of the needs, desires and demands of the community.

#### **5.4.5 Utilising human resources**

The personnel function is regulated through clear policy guidelines from the Public Service Commission; explicit general personnel policy of the Public Service Act, 1994 (Proclamation 103 of 1994); and personnel regulations and codes. It is expected of municipal officials to act in good faith, diligently, honestly and in a transparent manner and to treat residents with courtesy and consideration, as well as to consult them. Municipal councils will have to organise their administrations in a manner that is responsive to the needs of the community, that facilitates a culture of public services among personnel and; that is performance orientated. Instead of councillors merely ratifying administrative decisions at monthly meetings, they will become central figures as the accountable representatives of the people. The utilisation of human resources is aimed at increasing the efficiency of a municipality and at the same time have satisfied municipal officials.

Councillors should have an understanding of how to recruit the most suitable candidate for each municipal post; the development an effective performance evaluation system; and a basic understanding of all the laws, rules and

regulations that pertain to labour relations. Councillors should apply appropriate leadership styles according to specific situations and have the ability to create an environment wherein municipal officials can function optimally.

#### 5.4.6 Municipal budgeting and finance

South African municipalities are increasingly expected to deliver more services with less resources – such expectations make increasing demands on the available financial resources of municipalities. The non-payment for local services, insufficient resources, the amalgamation of municipalities, inadequate trained financial personnel, and a lack of political direction and decision-making necessitates a review of the South African system of financing municipalities. In this regard the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Auditor-General Act, 1989 (Act 52 of 1989) and the Public Finance Management Act, 1999 (Act 1 of 1999) creates a financial framework within which other spheres of government can supervise and guide municipalities in an attempt to guarantee financial stability.

The establishment of proper financial administration entails *inter alia*, the application of effective financial management principles in the handling of municipal finances. It requires that special attention be given to the administering and collection of taxes and levies. Financial viability and sustainability can only be secured if a municipality is assertive in credit control and strict in the handling of debt.

Councillors need to be innovative in an environment where the increasing needs, desires and demands of communities have to be satisfied with limited financial resources. The political, economical and social factors that have an influence on a municipality's financial resources should be identified. Councillors should have an understanding of how to embark on national (i.e. Masakhane and Project

Liquidity) and local (i.e. debt collection agencies) initiatives to ensure the financial well-being of municipalities.

Councillors should have a knowledge of how to improve the value of money for the community, through applying cost-benefit analysis, performance reviews, planned programming budgeting, management techniques, privatisation and compulsory competitive tendering. A comprehension of how to enter into public private partnerships if the cost of establishment of such a service is too high or if a council can not provide the service to its community in a cost effective manner. The dynamics involved in the budgetary process as well as the limitations of a municipality's financial resources. The involvement of the community in identifying societal needs and to assist in compiling and monitoring the budget as a valuable support base in community projects should form an integral part of a training programme for newly elected councillors.

Councillors should promote economic growth, reducing inequality, increasing participation and tackling poverty. It includes the ability to organise municipal administrations that are responsive to the needs of the community, that facilitates a culture of public services among personnel and that is performance orientated. It is a council responsibility to determine salary packages and to ensure that the personnel budget is not excessive in relation to the total municipal budget.

#### **5.4.7 Control and accountability**

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities are entrusted with the effective and efficient rendering of public goods and services to their communities as articulated in the local political policy-making process. In order to ensure that service delivery takes place, municipalities should utilise vast quantities of local resources financed by local funds. For this reason, and to ensure that municipalities strive towards the

will of a council, it is important that effective control of all activities within municipalities takes place. This implies that plans would have been formulated, local departmental objectives would have been identified and, through the process of management by objectives, municipal officials would have been involved in the formulation of job-specific objectives.

Control concerns **inter alia**, the monitoring of local activities to ensure that they are being accomplished as planned and implementing corrections when significant deviations occur. Control is essential to determine if local activities are conducted as planned, or if circumstances have changed. The implementation of proper control by a council leads to standardisation, reduced waste and improves quality services. Councillors should have an understanding of the necessity of control measures and how to ensure accountability to the community by rendering full account of deeds and misdeeds.

#### **5.4.8 Interpersonal skills**

Resulting from the requirements in terms of the guidelines as set out above, a number of interpersonal skills training areas have been identified. These skills will assist councillors to be more effective in applying themselves in their governing and representative functions. These skills are, *inter alia* transformation management, negotiation skills, meeting procedures, conflict management, self and time management, project management, ethical and value considerations and, decision-making techniques.

The modules can be integrated into one extensive training programme, or be divided into a number of separate training modules.

## 5.5 EPILOGUE

Municipalities are expected to meet the development needs of the communities, to build financial capacity, improve local-provincial intergovernmental relations, create economic development, and ensure effective service delivery. Municipal councils are therefore faced with challenges of integrating budgets, meeting the basic needs of communities, and managing scarce resources and finances. These challenges have to be met in the framework of democratic, accountable and developmental local government. In this regard it was determined that it is important to adequately prepare councillors for their governing and representative responsibilities. The proposed training programme accommodates, not only people with tertiary qualifications, but also for those without a matriculation qualification. Apart from this, the training of councillors makes provision for both people that are seasoned councillors and for those that have been elected for the first time.

The aim of this chapter was to summarise the findings of the thesis as well as to draw a number of conclusions regarding the training of newly elected councillors in South Africa, proving that effective and efficient local government can be brought about if councillors receive appropriate training.

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## APPENDIX A

### QUESTIONNAIRE DISTRIBUTED TO COUNCILLORS IN GAUTENG IN FEBRUARY 1999

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#### QUESTIONNAIRE

#### THE TRAINING OF NEWLY ELECTED COUNCILLORS

Thank you for taking time to complete this questionnaire. Your answers are valuable and will be used in the determination of guidelines for the training of newly elected councillors.

#### SECTION 1 : PERSONAL DETAILS

1. Name : \_\_\_\_\_
2. Surname : \_\_\_\_\_
3. Sex : \_\_\_\_\_
4. Age : \_\_\_\_\_
5. Portfolio on council : \_\_\_\_\_
6. Councillor for: \_\_\_\_\_
7. Party represented : \_\_\_\_\_
8. Qualifications : \_\_\_\_\_

**SECTION 2 : EXPERIENCE**

9. Do you have an occupation, apart from being a councillor?

YES	NO	RETIRED
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10. If yes, what is your occupation.

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11. How many years of experience do you have as a councillor?

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12. How many training courses have you attended in your capacity as councillor?

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13. List the courses that you have attended.

YEAR	COURSE	PRESENTED BY

14. Did the courses that you have attended add value to your ability to function as a councillor?

YES	NO
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15. If no, why not?

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16. Should the training of councillors be accredited by a tertiary institution?

YES	NO
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17. Motivate your answer.

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18. What do you consider to be the major roles and tasks of a councillor?

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19. What do you consider to be the most cumbersome aspect of your task.

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20. What measures do you utilise (individually and as a council) to determine the needs, desires and demands of the community.

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21. Should there be a nationally accepted curriculum for the training of newly elected councillors?

YES	NO
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22. Motivate your answer.

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## APPENDIX B

# GUIDELINES FOR THE TRAINING OF NEWLY ELECTED COUNCILLORS

### 1. MUNICIPAL STATUTORY FRAMEWORK

Municipal councillors should have a thorough comprehension of the statutory framework in which they operate. Although there are a vast number of laws that pertain to local government, 4 primary and 8 secondary laws have been identified that will directly affect councillors in their governing and representation functions. Subject matter pertaining to the municipal statutory framework should therefore include the following.

Primary legislation refers to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Local Government Transition Act, 1993 (Act 209 of 1993) as amended; the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) and; the Municipal Systems Bill, 1999 (Government Gazette no. 20357 of 1999). Secondary legislation refers to the Occupational Health and Safety Act, 1993 (Act 85 of 1993); the Public Finance Management Act, 1999 (Act 1 of 1999); the Auditor-General Act, 1989 (Act 52 of 1989); the Public Service Act, 1994 (Act 103 of 1994); the Labour Relations Act, 1995 (Act 66 of 1995); the Environment Conservation Act, 1974 (Act 41 of 1974) and; the Employment Equity Act, 1998 (Act 55 of 1998).

Primary legislation is imperative because it impacts directly on a councillors' representative and governing functions, whilst although an understanding of secondary legislation is important, it could be dealt with on a need-to-know basis. The focus of this module should therefore mainly be on primary legislation whilst secondary legislation should be covered in broad terms. Apart from this, the module should also focus on how by-laws are made.

## 2. MUNICIPAL ADMINISTRATION

In terms of section 152 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) political systems in local government are organised to ensure that municipal councils are accountable, transparent and respond to the needs of their constituencies by allowing the local community to participate effectively in the policy formulation process. The local political leadership is ultimately responsible to ensure that the needs of the community are translated into workable programmes. Municipal councillors should therefore have a discernment of the powers, functions and structure assigned to municipalities. This module should include the following topics:

- (a) The right to existence of municipalities.
- (b) Objectives of local government.
- (c) Municipal organisation and structure.
- (d) Administrative role-players : The CEO and departmental heads.
- (e) Understanding the needs, desires and demands of the community.
- (f) Community expectations of a council.



(g) Promoting local democracy.

(h) Promoting efficiency.

The current municipal structures were established with the purpose of transforming apartheid based municipal structures into the structures implied and envisaged by non-racial and democratic local government. For this reason they are referred to as “transitional” structures. These structures will however be replaced and/or adjusted with the intended repeal of the Local Government Transition Act, 1993 (Act 209 of 1993). In this regard section 2 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) three categories of municipalities are proposed: metropolitan councils, district councils and local councils in towns and rural areas. Councillors should be informed regarding these changes and the implications of the new municipal structures and how to implement these structures.

### 3. REPRESENTING AND GOVERNING A MUNICIPALITY

In terms of section 156 (1), (2), and (4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities have the power to legislate (adopt by-laws); to govern by resolution (to close a street due to maintenance work in the area) and; to control (to issue licenses or permits). The representative responsibility councillors fulfil, is influenced by the attitude councillors have toward local points of view, interest groups, their geographical focus and attitude as well as their involvement in politics. This module will include the following topics:

- (a) Duties entrusted to a local council
- (b) Role-players in council

(c) Responsibility to govern

(d) Responsibility to represent

- as a listener;
- as an advocate; and
- as a mediator between the community and a municipality.

The role interpretation of a councillor, and more specifically the representative role, can be carried out in various ways. The role of representative requires particular human skills. These skills include communication, influencing, public speaking, dealing with the media, and dealing with local issues. It could be argued that these skills should also be included in a training programme for newly elected councillors.

#### 4. POLICY-MAKING

The administration of a municipality takes place in a political milieu and it is only after the legislator (council) has made a decision, that specific administrative action should take place. From this it can be deduced that local policy is two-dimensional, i.e. it has a **political** and an **administrative** dimension. The political dimension refers to the extent in which a council is involved in deciding on the activities and resources necessary to attain local objectives. The administrative dimension refers to actions taken by executive local departments to realise the goals envisaged by council within the ambits of a council's decision and the resources allocated. Policy-making is an inherent part of a councillor's task and should therefore be included in any training programme for councillors. This module includes the following topics:

- (a) The nature of local policy
- (b) Characteristics of local policy
- (c) Manifestations of local policy
- (d) Policy-making levels
- (e) Departmental personnel policy; financial policy and control policy.
- (f) Policy-makers in a municipality
- (g) The local policy process
- (h) Phases in the public policy-making process
- (i) Factors influencing policy-making
- (j) Policy instruments for municipal councils
- (k) The use of policy analysis in a municipality
- (l) Integrated Development Planning (IDP's)
- (m) Handling uncertainty in policy-making
- (n) Guidelines in handling uncertainty

A council formulates policy that provides the direction to be followed by the executive departments to attain specific goals. Without laying down clear, written

policies no activity of a municipality can be executed. Although the goals of municipalities are normally fixed and rigid, the comparable policy should continuously be tried against changing circumstances to determine whether the policy still fulfils the needs, desires and demands of the local community.

## 5. UTILISING HUMAN RESOURCES

The personnel function is regulated through clear policy guidelines from the Public Service Commission; explicit general personnel policy of the Public Service Act, 1994 (Proclamation 103 of 1994); and personnel regulations and codes. It is expected of municipal officials to act in good faith, diligently, honestly and in a transparent manner and to treat residents with courtesy and consideration, as well as to consult them. Municipal councils will have to organise their administrations in a manner that is responsive to the needs of the community, that facilitates a culture of public services among personnel and; that is performance orientated. Instead of councillors merely ratifying administrative decisions at monthly meetings, they will become central figures as the accountable representatives of the people. This module includes the following topics:

- (a) The role of the municipal personnel manager
- (b) The personnel department
- (c) The personnel establishment
- (d) The personnel function in a municipality
- (e) Job analysis and evaluation
- (f) Remuneration packages

- (g) The planning of human resources
- (h) Recruitment and selection
- (i) Education training and development (ETD)
- (j) Performance evaluation
- (k) Labour relations for municipal councils and officials
- (l) Motivation of councillors and officials
- (m) Political and administrative leadership

The personnel function in a municipality covers a wide and varied field and its application is to be found wherever municipal officials are deployed. The main thrust of municipal personnel administration is to increase the efficiency of a municipality and at the same time have contented municipal officials.

## **6. MUNICIPAL BUDGETING AND FINANCE**

South African municipalities are increasingly expected to deliver more services with less resources – such expectations make increasing demands on the available financial resources of municipalities. The non-payment for local services, insufficient resources, the amalgamation of municipalities, inadequate trained financial personnel, and a lack of political direction and decision-making necessitates a review of the South African system of financing municipalities. In this regard the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Auditor-General Act, 1989 (Act 52 of 1989) and the Public Finance Management Act, 1999 (Act 1 of 1999) creates a financial framework within which

other spheres of government can supervise and guide municipalities in an attempt to guarantee financial stability. This module includes the following topics:

- (a) Factors influencing municipal finance
- (b) The financial administration environment
- (c) The consolidated municipal infrastructure programme (CMIP)
- (d) Governmental relations
- (e) Administrative capacity
- (f) The role of the Financial and Fiscal Commission (FFC)
- (g) Strategies to improve municipal finances
- (h) Alternative sources of revenue
- (i) Improving value for money
- (j) Public private partnerships for municipal services (PPP's)
- (k) Campaigning and educating communities (Masakhane)
- (l) Participatory budget
- (m) Local economic development (LED)

The employment of proper financial administration entails the application of effective financial management principles in the handling of municipal finances. It

requires that special attention be given to the administering and collection of taxes and levies. Financial viability and sustainability can only be secured if a municipality is assertive in credit control and strict in the handling of debt.

## 7. CONTROL AND ACCOUNTABILITY

In terms of section 152 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) municipalities are entrusted with the effective and efficient rendering of public goods and services to their communities as articulated in the local political policy-making process. In order to ensure that service delivery takes place, municipalities should utilise vast quantities of local resources financed by local funds. For this reason, and to ensure that municipalities strive towards the will of a council, it is of cardinal importance that effective control of all activities within municipalities takes place. This implies that plans would have been formulated, local departmental objectives would have been identified and, through the process of management by objectives, municipal officials would have been involved in the formulation of job-specific objectives. This module includes the following topics:

- (a) The necessity for control in a municipality
- (b) Steps in the municipal control process
  - Setting performance standards
  - Measuring performance
  - Comparing performance with standards
  - Corrective action

- (c) Key performance areas (KPA's) and strategic control points
- (d) Types of municipal control points
- (e) Municipal quality control and productivity
- (f) The management information system
- (g) Setting of control targets
- (h) Response to control by councillors and officials
- (i) The characteristics of effective controls
- (j) Accountability in a municipality
- (k) Exposing poor performance and maladministration

Control is concerned with the monitoring of local activities to ensure that they are being accomplished as planned and implementing corrections when significant deviations occur. Control is essential to determine if local activities are going as planned, not going as planned or if circumstances have changed. The implementation of proper control by a council leads to standardisation, reduced waste and better quality services.

## **8. INTERPERSONAL SKILLS**

Resulting from the requirements in terms of the guidelines as set out above, a number of interpersonal skills training areas have been identified. These skills will assist councillors to be more effective in applying themselves in their governing and representative functions. These skills are:



- (a) Transformation and change management
- (b) Negotiation skills
- (c) Meeting procedures
- (d) Conflict management
- (e) Self and time management
- (f) Project management
- (g) Ethical and value considerations
- (h) Decision-making techniques