

**INSTITUTIONAL CAPACITY OF LOCAL MUNICIPALITIES IN THE
DELIVERY OF SERVICES TO COMMUNITIES: A CASE STUDY OF
THE POLOKWANE MUNICIPALITY IN LIMPOPO PROVINCE**

BY

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DEDICATION

This is dedicated to my beloved wife Thandi. Your motivation and inspiration is without comparison and would never fit any description.

To my two lovely children, Lethabo and Lesedi, I'm sorry for the divided attention during the period of the study. Your understanding is much appreciated.

DECLARATION

I, Sello Tlou Levy Chipu, student number [REDACTED], hereby declare that this mini-dissertation for the Masters of Development Programme degree has not previously been submitted by me for a degree at this or any other university; that it is my original work in design and in execution, and that all sources have been duly acknowledged.

Signature: _____

Date: _____

ABSTRACT

A large percentage of the national budget goes to municipalities to provide services to communities. Since 2000, National Treasury has been increasing the budget to municipalities to enable them to deliver better quality services and to expand the provision of basic amenities. Despite this huge financial investment, there is still poor access and use of social and infrastructure services by most communities in South Africa. The primary aim of this study is to investigate the institutional capacity of municipalities in delivering services to communities: a case study of the Polokwane Municipality in Limpopo. This case study used various data-collecting methods such as interviews, documentation and archival records to come to a conclusion. An interview schedule was used in this study to allow the key respondents to give more detailed information about the problems or challenges facing the municipality in delivering services. The study concluded that the Polokwane Municipality has the necessary institutional capacity to deliver on its constitutional mandate. However, there are specific capacity challenges that need to be addressed.

LIST OF ABBREVIATIONS

ANC	:	African National Congress
AsgiSA	:	Accelerated and Shared Growth Initiative for South Africa
CBD	:	Central Business District
CFO	:	Chief Financial Officer
CSIR	:	Council for Scientific and Industrial Research
DBSA	:	Development Bank of Southern Africa
DEAT	:	Department of Environmental Affairs and Tourism
DPLG	:	Department of Provincial and Local Government
GAMAP	:	General Acceptable Municipal Accounting Principles
GEAR	:	Growth, Employment and Redistribution
GRAP	:	General Recognised Accounting Principles
HR	:	Human Resource
HRD	:	Human Resource Development
HRM	:	Human Resource Management
IDP	:	Integrated Development Plan
IMFO	:	Institute of Municipal Finance Officers
IT	:	Information Technology
LED	:	Local Economic Development
LUMS	:	Land Use Management Scheme
MFMA	:	Municipal Finance Management Act
MTBPS	:	Medium Term Budget Policy Statement
NGO	:	Non-governmental Organisation
NSDP	:	National Spatial Development Perspective
PEC	:	Provincial Executive Council
PMS	:	Performance Management System
RDP	:	Reconstruction and Development Programme
SADC	:	Southern African Development Community
SALGA	:	South African Local Government Association
SAQA	:	South African Qualification Authority
SDBIP	:	Service Delivery and Budget Implementation Plan
SDA	:	Strategic Development Area
SDF	:	Spatial Development Framework

Stats SA : Statistics South Africa
TLC : Transitional Local Council
WSDP : Water Service Development Plan

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CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Most South African municipalities spend almost 80% of their capital budgets on social and infrastructure services (National Treasury, 2006:18). Budgetary allocations for these services have been increasing since the establishment of democratic local governments in 2000. Some observers have already noted that these increasing capital budget allocations add limited value to the national quest of addressing service-delivery backlogs, which are highly concentrated in rural South Africa. This contention supports the findings by Collins (2000), that increased funding could be unrealistic, as attention should be given to the way in which service delivery is organised, executed and to identify barriers of improving service delivery.

The Institute for Democracy in South Africa (2008:1) indicates that despite a significant improvement in service delivery by local government in South Africa over the past 10 years, most municipal councils face a widening gap between demand and supply of services. This doomed picture in terms of poor service delivery is apparent despite efforts to improve development planning and management in municipalities through the three instruments introduced by the *White Paper on Local Government* of 1998, namely integrated development planning, budgeting and performance management system (PMS).

The requirement to promote integrated development planning is a phenomenon that was introduced through the *White Paper on Local Government*. This white paper stresses the significance of formulating development plans for the short, medium and long term. The explicit pronouncement pertaining to integrated development planning came with the promulgation of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), which provided for the formulation of integrated development plans (IDPs) in municipalities.

Ideally, an IDP should serve as a tool that reflects the municipal council's vision for the long-term development of the municipality with special emphasis on its most critical development and transformation needs, to ensure an integrated and coordinated service delivery to communities. Well-formulated strategies such as the IDP can become valueless if not coupled with a good implementation strategy. It was partly in light of this observation that the Municipal Systems Act, 2000 further required that all municipalities should develop PMS to ensure the implementation of the IDPs.

1.2 STATEMENT OF THE PROBLEM

Every year in February, the Minister of Finance in South Africa allocates budgets to different spheres of government, including local government, which every year receives an increased budget. In 2009, there has been positive growth in real terms in government revenue collected over the past three years, with an additional allocation distributed according to constitutional and budgetary priorities for the next three years. In terms of the 2008 Medium Term Budget Policy Statement (MTBPS) by National Treasury, revenue growth has exceeded economic growth, with the tax-to-gross domestic product ratio rising by more than three percentage points in five years.

The factors behind this strong revenue performance included legislative changes to broaden the tax base and reduce loopholes and more efficient revenue services. These are the results of both macro-policy reform and improved national administration that led the government to increase efficiency, fairness and progressiveness of the tax system, while reducing the distorting impact of high marginal tax rates.

In terms of the 2008 MTBPS, the audited main budget revenue outcome of R559,8 billion for 2007/08 was R15,2 billion higher than the original budget estimate in February 2007 and R1,8 billion higher than the revised 2008 budget review estimate. According Arntz *et al* (2003:106), the national government allocates an equitable share of the total State revenue to municipalities across the country to assist them in fulfilling their constitutional duty of providing equitable municipal services to all inhabitants of towns and cities.

A large percentage of the budget goes to local municipalities to invest in social and infrastructure services. National Treasury, through the 2008 Medium Term Expenditure and Revenue Framework confirms that financial transfers to municipalities will increase to enable them to deliver better-quality services and to expand the provision of basic amenities. A key determinant of progress is the ability of municipalities to make more efficient use of public funds.

Despite this huge financial investment, there is still poor access and use of social and infrastructure services by most of communities in South Africa. According to Moyo (2007), the challenge is that many South African municipalities have poor service delivery, especially with respect to providing housing, water, sanitation, electricity, roads and storm water. This crisis is clearly demonstrated by the introduction of Project Consolidate by the then Department of Provincial and Local Government (DPLG) (now called the Department of Cooperative Governance and Traditional Affairs), a hands-on support which was introduced in 2004 and also the *Siyenza Manje* programme introduced by the Development Bank of Southern Africa (DBSA) in 2005. All these projects entailed the deployment of service delivery facilitators to assist municipalities to improve in areas such as financial management, integrated development planning, billing system and performance management.

As with other South African municipalities, Polokwane Municipality has 86,46% of its capital budget allocated to infrastructure provision (Polokwane Municipality 2008-10 Multi-Year Budget). However, most of the communities in Polokwane still do not have access to some of the basic services and infrastructure. In terms of the financial expenditure report for Limpopo up to the end of March 2007, Polokwane Municipality was among the four municipalities which spent less than 60% of their allocation on infrastructure (Premier's Inter-Governmental Forum, 2007).

The delivery of basic services and provision of infrastructure is the most important element of poverty eradication. This includes services rendered directly to the communities, such as water, sanitation, electricity, waste management, environmental management, roads, housing and community facilities. The 2008-11 IDP of Polokwane Municipality indicates that only the City/Seshego and Mankweng

Cluster have access to full waterborne sewerage and a full network of piped water supply. The rural areas of the municipality generally rely on other means for water supply and sanitation.

Polokwane Municipality has not made significant inroads as far as the provision of sanitary services is concerned. According to the 2007 Statistics South Africa (Stats SA) *Community Survey Results*, the number of households using pit latrines increased from 50,4% in 2001 to 55,6% in 2007, making an increase of 5,2%. The provision of flush toilets (connected to a sewerage system) increased slightly from 32,6% in 2001 to 33,7% in 2007. The backlog of 8,3% could mean that at least 10 870 households are without access to sanitation services at all. The fact that 74% of rural households in Polokwane do not have Reconstruction and Development Programme (RDP) level sanitation constitutes a major risk in terms of ground-water pollution.

In terms of Water Service Development Plan (WSDP) of the Polokwane Municipality (2008:35), there is no village in the municipality that is without water, while 71 villages are still below the RDP standard. Below RDP standard is the way in which government explains the service levels to their communities and this means that 71 villages access water either from a distance of more than 200 metres from a dwelling or from a spring, rainwater tank, dam/pool/stagnant water, river/stream or water vendor.

The municipality has a licence to distribute electricity to the City/Seshego Cluster, which is the smallest of all clusters. This means that the other three clusters, which are rural, depend on Eskom for electricity. In terms of the 2008-11 IDP of Polokwane Municipality, there are about 61 000 households without electricity, and to meet the national target, about 8 800 connections at a cost of about R340 million would be required per year, which is not available.

According to Portfolio Municipalities of South Africa (2008:104), waste management is a major problem even in the world's industrialised country. In the United States of America, waste management has become the third most costly public expenditure after schools and roads. It remains a severe challenge in South Africa, which is

exacerbated by lack of legislative powers to enforce compliance with the internationally acceptable practice of managing waste.

During the 2007/08 financial year, National Treasury indicated that 80% of the landfill sites did not have permits and were therefore not likely to comply with the various legislative requirements. Polokwane Municipality provides waste-management services to only City and Seshego township and some parts of Mankweng and Sebayeng townships. There are no services that are provided in rural areas of the municipality. According to the *Stats SA Community Survey Report (2007)*, the municipality has not expanded the refuse removal services to any new areas for seven years.

Municipalities in South Africa face a severe backlog in the provision of houses, particularly to the indigent members of their communities (Portfolio Municipalities of South Africa, 2008). Polokwane Municipality, as the economic hub of the province, has experienced population growth as a result of the influx of people from rural areas into urban parts of the municipality. This influx has necessitated an increase in the provision of housing and other basic services that promote integrated sustainable human settlement.

Given the history of South Africa, the local government has a mandate to ensure the provision of subsidised or free housing to poor households and to eliminate housing backlogs. The housing backlog in the Polokwane Municipality is about 39 941 (Polokwane Municipality IDP, 2008-11:39). These backlogs include the beneficiary list, informal settlements and all blocked housing projects.

According to the 2008-11 IDP, Polokwane Municipality has a road network of about 4 200 km covering its area of jurisdiction. The city is situated at the point where national and provincial roads converge from where they radiate out in all directions, thus providing good regional accessibility. Currently, only 567 km of roads/streets are tarred and there is a dire need to undertake both scheduled and preventative maintenance on the tarred roads to preserve the full lifespan of the roads. In terms of the current analysis, it is only the City/Seshego Cluster that have Level 3 roads, which is the highest level in terms of the roads standards in the country. Mankweng

and Blood River have Level 2 roads. In all other clusters the roads are at Level 1, which is the lowest level.

It is within the above context that this study considers that there is a problem within the municipality that has a negative impact to the delivery of services. This study puts more focus on institutional capacity of Polokwane Municipality in the delivery of services to communities. Notwithstanding the fact that the lack of access to infrastructure is one of the key dimensions of poverty. In this municipality, communities are still faced with high levels of poverty and a majority of the population falls within the low-income category (Polokwane Municipality IDP, 2008).

1.3 AIM AND OBJECTIVES OF THE STUDY

- **Aim**

This study aims to investigate the institutional capacity of the Polokwane Municipality in the delivery of services to communities. The specific objectives of this research are to:

- examine how the strategies of service delivery and infrastructure development are formulated in the municipality.
- review how a PMS is designed, implemented and monitored in the municipality.
- determine the financial viability of the municipality.
- review the human resource development (HRD) strategies, policies and mechanisms in the municipality – those that are used to capacitate staff in delivering services.
- identify priority services and understand how these services have been identified and prioritised by the municipality.
- identify and analyse the implications of institutional challenges on the delivery of priority services to the communities.

1.4 RESEARCH QUESTIONS

1.4.1 Main Research Question

The main research question for this study is:

- Which institutional challenges have a major negative bearing on the delivery of services to communities in the Polokwane Municipality?

1.4.2 Sub-questions

Unpacking the main research question results in the following sub-questions:

- How are the service delivery and infrastructure development strategies formulated in the Polokwane Municipality?
- How is the PMS designed, implemented and monitored in the municipality?
- How is the financial viability of the municipality?
- What are the mechanisms and strategies that are in place in the municipality to capacitate the employees in the process of service delivery?
- What are the priority services and how they been identified and prioritised by the municipality?
- What are the institutional challenges facing the municipality in the delivery of priority services to communities and how do institutional challenges affect the delivery of services?

1.5 DEFINITION OF CONCEPTS

An operational definition gives precise indications as to what the fundamental characteristics of a concept are and how to measure the characteristics under the study. De Vos *et al*, (2000:113) define an operational definition as the process of defining certain central constructs to have the common working definition. For the investigation of institutional capacity of local municipalities in the delivery of services, the following concepts are selected as central and defined as follows:

- **Municipality:** is an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998), which consists of a political structure, administration and community, and functions in accordance with political, statutory and other relationships between its political structures, political office bearers, administration and the community. It has a separate legal personality which excludes liability on the part of its community for the actions of the municipality.
- **Services:** refers to all basic services rendered by the municipality to communities, which include roads and storm-water drainage, water, sanitation, electricity, social and low-cost housing, waste management services, transport systems and recreational facilities.
- **IDP:** it is the principal strategic planning tool that guides and informs all planning, development and decision-making in a municipality. It enables the prioritisation processes.
- **Service delivery:** it means the provision of sustainable services by the municipality to communities as required by the Constitution of the Republic of South Africa, 1996.
- **Institutional Development:** It is the process of enabling and facilitating an organisation to develop and increase its capacities and capabilities so as to meet its desired objectives.
- **Performance Management:** it is the process of harnessing all available resources within an organisation and ensuring that they perform to the maximum to achieve the desired results.
- **Capacity:** it refers to human, scientific, technological, organisational, institutional and resource capabilities of an organisation or institution.

- **Institutional capacity:** it refers to formal rules and informal norms, standards, requirements and procedures that provide the framework of goals and incentives within which an organisation and people operate.
- **Good governance:** is the exercise of political, economic and administrative authority in the management of a country's affairs at all levels.
- **Governance:** means the manner in which the power is exercised in the management of a country's economic and social resources for development.
- **Sustainable development:** balancing the need for development and growth against the need to protect the natural and built environment while meeting the needs of the present generation without compromising the needs and aspirations of future generations.
- **Economy:** is defined as the acquisition of all resources including finance, personnel, physical and information.
- **Efficiency:** refers to the use of the available and limited resources to maximise the outputs and focuses on the achievement of the intended outcomes.
- **Effective:** refers to the extent to which an activity or programme achieves its intended objectives.
- **Accountability:** is the capacity to account for the actions of the organisation.
- **Procurement:** it refers to the overall process of acquiring a product or service, depending on the circumstances. It may include some or all of the following: identifying a need, specifying the requirements to fulfil the need, identifying potential suppliers, soliciting bids and proposals, evaluating bids and proposals, awarding contracts or purchase orders, tracking progress and ensuring compliance, taking delivery, inspecting and inventorying the deliverable, and paying the supplier.

1.6 RESEARCH DESIGN

Research Design is the logic that links the data to be collected and the conclusion to be drawn to the initial question of the study (Yin, 2003:19). This is a logical plan used to move from one point to another, where one point could be defined as the initial set of questions to be answered and the other point will be the set of conclusions which will be used to answer the initial questions. It provides a detailed plan of how the research study is to be conducted by providing aims and objectives and identifying the unit of analysis.

1.6.1 Choice of research design

This is a qualitative study of investigating the institutional capacity of municipalities in delivering services to communities. The qualitative approach is concerned with the “insider”’s view on the problem and the natural and environmental context of the problem. According to Creswell (2003:18) qualitative approach is the situation in which the researcher seeks the meaning of a phenomenon from the views of participant.

A qualitative researcher interacts with the people and looks at the extent at which people understand, interpret and cope with the nature of the problem. A case study is one of the most common ways to do qualitative inquiry. A case study may be simple or complex and it is one among others (Stake, 2000:435).

1.6.2 Rationale for design choice

Creswell (2003:3) defines case study as one type of qualitative approach strategies in which the researcher explores in-depth a programme, an event, an active process or one or more individuals. A case study is the qualitative method that allows the researcher to retain the holistic and meaningful characteristics of real life events, such as individual life cycles, organisational and managerial processes, neighborhood change, international relations and the maturation of the industries (Yin, 2003:2). For this study, Polokwane Municipality is the case to study, and to

obtain an in-depth understanding of institutional capacity of municipalities impacting on service delivery.

1.7 SIGNIFICANCE OF THE STUDY

One of the difficult challenges facing the South African government is to enhance the process of transforming public-service delivery. According to Kroukamp (2001:23), what is required is not only the transformation from apartheid rule to democratic principles and a representative public sector, but rather transformation and renewal with a shift from the mere existence of representative public institutions, to centres delivering quality public services.

As such, this study contributes to the construction of knowledge in the development planning and management and other related disciplines. It should indirectly influence and guide the policy makers in ensuring quality service delivery at developmental local government levels.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This study reviews the current South African legislation and regulations relevant to the study, together with academic literature to understand institutional capacity challenges facing public institutions particularly municipalities.

Kroukamp (2001:25) indicated that the local government has been described as the “hands and the feet” of reconstruction and development in South Africa. It is certainly true that in the absence of effective local delivery bodies, government is powerless; it cannot implement its policies and provide the services to which the people are entitled. Municipalities are role players in policymaking, innovators and key players in the creation of local prosperity.

This study reviews literature in a wider context. It conducts debate around different challenges or problems that are experienced in public institutions, local government in particular. The scholarly literature about the institutional challenges facing local government in South Africa will be conducted around the following themes:

1. Global perspective on the role of local government in development
2. Policy and Legislative Framework for Local Government in South Africa
3. Overview of Polokwane Municipality
4. Challenges facing municipalities
 - Service Delivery and Infrastructure Development
 - Local Economic Development (LED)
 - Municipal Transformation and Institutional Development
 - Good Governance and Public Participation
 - Financial Viability.

2.2 GLOBAL PERSPECTIVE ON THE ROLE OF LOCAL GOVERNMENT IN DEVELOPMENT

The concepts and ideological currents that characterise development discourse are constantly changing. Neoliberalism remains a dominant approach, but it has been challenged in recent years by other ideologies associated with good governance and right-based development. According to Ribot (2002:2), such approaches have focused on issues of democracy, public sector reform, accountability, participation and equity.

In his case, Ribot (2002:3) singles out decentralisation as one prominent approach which involves the transfer of responsibilities from central to local government with the objectives of improving effectiveness, efficiency and accountability in public sector management, as well as the responsiveness of State agencies to local needs. Miller (2002:49) defines decentralisation as the transfer of national responsibilities or functions from central government to sub-national levels of government.

Decentralisation is the strengthening of local institutions to play a more representative, responsive and constructive role in the everyday lives of local populations and the countries in which they live. Modernising local agenda set out by various countries covers a wide range of issues, such as democratic renewal through restructuring political management, community leadership, community well being and best value on the provision of services.

In 1999, the World Bank reported that of the 75 developing countries with more than five million people, 63 are pursuing decentralisation policies that devolve functions and responsibilities to local governments. The report further indicated that the process of decentralisation was severely constrained in many countries by lack of institutional capacity among local governments, limited resources, mobilisation of local people and limited access to long-term financing for investment programmes.

Zarembski (2008) indicated that the world of social change is in transition and globally the national governments are no longer fulfilling the role of social change facilitator. This is confirmed by the findings of Martell (2000:1), that as the world economy grows, developing nations are moving towards decentralised arrangements

for providing goods. Local and municipal governments are becoming increasingly powerful and effective in promoting the social and economic development of communities.

According to Bovaird and Loffler (2002), the reform of local government internationally is going well beyond the normal scope of change. This argument was based on the number of changes undergone by local government in different countries. This includes changes such as democratic renewal, particularly through restructuring political management in local authorities, so that the local political decision-making process is more transparent to local communities.

It is the responsibility of the local government to provide community leadership, improvement of service delivery and ensure the economic, social and environmental well-being of the community. For instance, Priscilla and Kehew (1998:2) agree that the municipalities play an important role in national reconstruction, future disaster mitigation, and economic and social transformation in a way that ensures greater participation of all segments of society. This is supported by the findings of Harberson (1999), that sustainable development can only be realised by the active participation of the local communities with the strong leadership of local government.

Galvin (1999:2) acknowledges decentralisation as a solution to the problems of the developing countries. Decentralisation means the devolving of responsibility and authority for services and development projects to local government (Wunsch and Olowu 1990:06). This is in line with the findings of Miller (2002:50), that meaningful decentralisation of State power, manifested in the form of strong systems of local governance. It is the key prerequisite for facilitating sustainable development and promoting good governance.

Wunsch and Olowu (1990:3) identified local government as one area where African countries could control factors over which they have power, rather than pointing to natural disasters and the international economic system as the source of their problems. Internationally, development approaches favour decentralisation and no longer prophesy the need for central government to control development (Galvin, 1999:5).

2.3 KEY POLICY AND LEGISLATIVE FRAMEWORK FOR LOCAL GOVERNMENT IN SOUTH AFRICA

The attainment of democracy in 1994 brought the possibility for South Africa to address poverty, inequality and restore the dignity of citizens. The government promulgated the Constitution of the Republic of South Africa, 1996 as the supreme law of the country. It aims to protect human rights and promote democratic governance. Section 40 of the Constitution established three spheres of government that are distinctive, interrelated and interdependent. The three spheres of government refer to national, provincial and local government.

In line with the democratic Constitution, new policies and legislations were put in place to improve people's quality of life. Mashamba (2008) defines Constitution as the supreme law of the country aimed to protect human rights and democratic governance. The Constitution has entailed a systematic effort to dismantle the social and economic relations of apartheid and create a society based on equity, non-racialism and non-sexism (*Towards a Fifteen Year Review: Republic of South Africa: 2003:1*)

At the macro-level, the *White Paper on Reconstruction and Development*, which was promulgated in 1994, outlines the key policy objectives of government as to meet basic needs, building the economy, democratising the State and society, developing human resources (HR) and nation-building. Malefane and Mashakoe (2008:477), describe the *White Paper on Reconstruction and Development* as an integrated coherent socio-economic policy framework attempts to mobilise the country's resources towards the final eradication of apartheid by building a democratic, non-racial and non-sexist future for all.

The government developed the National Spatial Development Perspective (NSDP) in 2003, which provides a set of principles and a mechanism to guide investment in infrastructure development and all other development decisions. To contribute to the broader growth and development policy objectives of government, the NSDP (2006 updated version) put forward the following sets of five normative principles:

- Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, among which poverty alleviation is key.
- Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.
- Beyond the constitutional obligation identified in principle two above, government spending on fixed investment should be focused on localities of economic growth or economic potential in to gear up private-sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
- Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty relief programmes. It should also reduce migration costs by providing labour-market intelligence to give people better information, opportunities and capabilities, to enable them to gravitate (if they choose) to localities that will become the major growth nodes in South Africa and Southern African Development Community (SADC) region to create regional gateways to the global economy.
- To overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

The Constitution of the Republic of South Africa, 1996 provides for the developmental roles and responsibilities of local government. Section 152 of the Constitution provides objectives of local government as to provide democratic and accountable government to local communities, ensure provision of services to

communities in a sustainable manner, promote social and economic development, promote a safe and healthy environment and encourage the involvement of communities and community organisations in the matters of the local government.

Vatala (2005:225) describe municipalities in South Africa as the focus points for service delivery, economic development, tourism and infrastructure development, safety and security, job creation, poverty eradication and environmental sustainability. Local government is multidimensional, and it does not exist only as legal entity, it exist in and for communities as the grass-roots governments for those communities (Crythorne, 1997:28).

In 1998 the South African government promulgated the *White Paper on Local Government*. The white paper defines local government as a sphere of government that interacts closest with communities, responsible for the services and infrastructure so essential to people's well-being, and is tasked with ensuring growth and development in a manner that enhances community participation and accountability.

In their views, Pretorius and Schurink (2007:25) define the *White Paper on Local Government* as a blueprint for a final form of local government in South Africa after its progression from apartheid structures, through the democratisation of council, and the creation of developmental local government. It characterises developmental local government as maximising social development; inter spherical integration, coordination and democratising development within a developmentally oriented context (Mashamba, 2008:424).

Maserumule (2008:437) specified that the fundamental objective of *White Paper on Local Government* is to achieve sustainable development, which is about attempts to meet the needs of the present without compromising the ability of the future generations to meet their own needs. The white paper provides three approaches and tools for development in local government. These tools relate to integrated development planning, performance management and budget to assist municipalities to become more developmental.

Vatala (2005:227) define an IDP as the cutting-edge of a developmental municipality in which priorities and key competencies are identified in relation to the availability of financial resources. It is a participatory approach to integrate economic, spatial, social, institutional, environmental and fiscal strategies to support the optimal allocation of scarce resources between sectors and geographical areas, and across the population in a manner that provides sustainable growth, equity and the empowerment of the poor and the marginalised (Triegaardt, 2008:5).

Kroukamp (2001) cautioned the municipalities to take cognisant of an IDP to ensure equitable and effective service delivery. This could help local authorities to develop strategic policy and capacity to mobilise resources and be able to target its own activities. This is because the IDP is a key instrument of managing municipalities to transform local government into a developmental role (Mashamba, 2008:425).

Performance management is the holistic approach and process towards the effective management of individuals and groups to ensure that their shared goals, as well as the organisational strategic objectives are achieved (*HBST Training Manual*, 2008). It refers to all organisational processes that find out and control how well employees and teams perform in their work (Kleynhans *at al*, 2006).The introduction of PMS in the public sector promulgates different values, such as participation, a philosophy of improvement and concern for employee well-being (Williams, 2002).

In terms of the Performance Management Framework (2002:2) of the Polokwane Municipality, performance management is a vital process of enhancing performance and fostering a culture of continuous learning and development. It further defines performance management as the process of harnessing all available resources within an organisation and ensuring that they perform to the maximum to achieve the desired results.

According to Van Wyk (2004:412), the important objective of government in a post-1994 process is to turn public administration into a tool for development and social change, imbued with concern for performance and greater consideration for general interests of citizens by promoting moral values and civic trends. This is supported by the views of Donaldson (2002:21), that all municipalities should confirm their IDPs

and develop PMS's with specific and realistic measures and provide understanding of internal and external environment of the municipality, and be in a better position to respond effectively and efficiently to the needs of the constituencies.

The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) was also promulgated by the government to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality. It is also used to establish criteria for determining the category of a municipality to be established in an area and to provide an appropriate division of functions and powers between categories of the municipality. It further regulates the internal systems, structures, and office-bearers of municipalities.

On 3 July 1998, the government promulgated the Municipal Demarcation Act, 1998 to provide for criteria and procedures for the determination of municipal boundaries. Chapter 1 of the Act provides for the establishment of the Municipal Demarcation Board that is a juristic person, independent and impartial in exercising its functions without fear, favour or prejudice. The board is required to demarcate the boundaries of municipalities in accordance with the conditions set in Section 155 of the Constitution of the Republic of South Africa, 1996.

Thornhill (2008:498) argued that the original determination of the boundaries of municipalities created a number of challenges. Some municipalities extended over existing provincial boundaries. The result was that legislation had to be passed to regulate the administrative consequences of such municipalities. This resulted with the promulgation of Local Government: Cross-boundary Municipalities Act, 2000 (Act 29 of 2000). Cross boundaries proved to be unsuccessful as policies in the different provinces differed, and in some cases, local communities were totally opposed to be part of a particular province, e.g. Khutsong (North West), Matatiele (Eastern Cape), Bushbuckridge (Mpumalanga) and Moutse (Limpopo).

The government publicised Municipal Systems Act, 2000 to provide core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all.

In his findings, Donaldson (2002:21) concluded that the Municipal Systems Act, 2000 was published to establish a framework for planning, organising, coordinating and controlling the effective use of resources and organisational change in a business context in municipalities. It establishes a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change, which underpins the notion of a developmental local government.

To secure sound and sustainable financial management of municipalities and establish treasury norms and standards for the municipalities, the government promulgated the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003). The MFMA, 2003 aims to modernise budget, accounting and financial management practices by placing local government finances on a sustainable footing to maximise the capacity of municipalities to deliver services to communities. It also aims to implement a sound financial governance framework by clarifying and separating the roles and responsibilities of the council, mayor and officials.

Jackson and Hlahla (1999:9) state that efficiency and effectiveness of service delivery are not based on a huge amount of resources rather it is about the best use of the scarce resources, with the foremost being HR. This is supported by the findings of Collins (2000), that the increased funding in local government could be unrealistic, as attention should be given to the way service delivery is organised, executed and barriers of improving service delivery.

To enhance the ability of municipalities to deliver cost-effective and sufficient services to the communities, municipalities need more resources as they experience severe cash flow difficulties brought about by the non-payment of services and the non-existence of credit control policies (Kroukamp, 2001:24). This view is supported by the findings of Radhakrishna (2008:26), that municipalities are still grappling with financial performance and governance issues despite all the legislative and governance framework provided. For instance, municipal debt is currently estimated at R22 billion countrywide, a large proportion of which may be unrecoverable (Edwards, 2002:12).

In response to challenges relating to non-payment of property rates, the government has adopted the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004). This Act regulates the power of a municipality to value and rate immovable properties located within the boundaries of municipalities. It further stipulates that members of the public must participate in the determination of the municipal property rates. Moodley and Govender (2006:830) indicated that municipal property rates also attempts to achieve equity in the local tax regime.

The principle of cooperative government provided for by chapter three of the Constitution means that national, provincial and local investment in municipal jurisdiction must be coordinated to ensure that scarce resources are used to maximise impact. In line with this, the government promulgated the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005). The Act establishes a framework for the national, provincial and local governments to promote and facilitate intergovernmental relations.

Cooperative government is very important for the South African government to prosper in its core of integrated service delivery. Anderson (1960) points out intergovernmental relations as the important interactions occurring among governmental institutions in all spheres of government. Malan (2005:228) indicated that the system of intergovernmental relations and cooperative government in South Africa was rapidly evolving, not only because of the legal framework but also because of the statutory commitment of the various spheres of government to the implementation of the principles of cooperative government and intergovernmental relations. This is confirmed by the findings of Mavuso (2005:4), that in terms of the Constitution, all three spheres of government, as well as the private sector and communities, have a role to play in service delivery.

The above legislations are the cornerstones of municipal democratisation and transformation processes which must respond to the previous, current and future undertones of service delivery and infrastructure backlogs. The first 10 years saw significant progress, especially in unifying and rationalising the fragmented public services left by apartheid, and putting in place a framework for new structures, systems and ethos (Republic of South Africa: *Towards a Fifteen Year Review*, 2008:02).

2.4 OVERVIEW OF POLOKWANE MUNICIPALITY

Polokwane Municipality was established in terms of the Municipal Structures Act, 1998 as amended by Notice 307 of 2000 in *Extraordinary Gazette* No 615 of 1 October 2000. It is a category B Municipality as determined by the Municipal Demarcation Act, 1998 in terms of Section 4 of the Municipal Structures Act, 1998. The current municipality is an amalgamation of various settlements of the former Petersburg/Polokwane Transitional Local Council (TLC), Mankweng TLC, Maraba/Mashashane TLC, Moletjie/Matlala TLC, Dikgale/Soekmekaar TLC, Bakenburg TLC, Haenesburg TLC as well as Lebowakgomo TLC (*Polokwane Municipality Annual Report, 2005/06*).

2.4.1 Spatial Perspective of Polokwane Municipality

Polokwane Municipality is located within the Capricorn District in Limpopo. It covers a surface area of 3 775 km² and accounts for 3% of the province's total surface area of about 124 000 km². In terms of its physical composition, Polokwane Municipality is 23% urbanised and 71% still rural. The remaining area (6%) comprises smallholdings and institutional, industrial and recreational land (*Polokwane Municipality IDP: 2006-11:15*).

Polokwane Municipality emerged from the amalgamation of various disestablished local councils, with the re-demarcation process of wards; the municipality presently comprises 37 wards. However, the amalgamation and demarcation processes did not assist in erasing the spatial pattern created by past apartheid planning laws (*Polokwane Municipality Spatial Development Framework (SDF), 2007:5*).

It is the economic hub of Limpopo and is strategically located to be the administrative and economic capital of the province. It is situated at the crossroads of important national and provincial roads which radiate out into the hinterland, thus providing good regional access. There is a definite opportunity for Polokwane to become a logistics hub and freight interchange within the SADC region, also given its proximity

to the neighbouring Botswana, Zimbabwe, Mozambique and Swaziland. Three of the four Spatial Development Initiatives (SDIs) pass through Polokwane, which enhance the city's strategic location and its importance as far as the economy of the province is concerned (Polokwane Municipality IDP: 2006-11:15).

The municipal spatial pattern reflects that of the historic apartheid city model characterised by segregated settlements. At the centre of the area is the Polokwane economic hub, which comprises the Central Business District (CBD), industrial area, and a range of social services and well-established formal urban areas servicing the more affluent residents of Polokwane.

Less formal settlement areas, which are experiencing enormous influx from rural-urban migration trends, are situated on the outskirts of Polokwane. These areas are in dire need of upgraded services and infrastructure, both social and engineering, and are struggling to cope with the informal influx of more and more people who want access to an improved standard of living (Polokwane Municipality IDP, 2006-11:15).

In terms of the Polokwane Municipality SDF of 2007, the main clusters are as follows:

- Seshego: Located west of the CBD and railway line, it is nearest to the economic core of all settlement areas and thus has the best access to the formal economy of Polokwane.
- Mankweng: Located 30 km to the east of the city, it constitutes a large area and is a mixture of formal and informal. It accommodates the University of Limpopo (Turfloop Campus) and is a long-established settlement area.
- Sebayeng: Located 30 km to the north-east of the city centre it is less formal and newer than Mankweng. The area is experiencing an influx and is growing at a rapid rate.
- Maja: Located 20 km to the south, it comprises an informal settlement area, with very limited services and infrastructure. The settlement area sits on the fringe of the rural hinterland and is surrounded by a vast clustering of rural areas.
- Further away on the edges of the municipal area, there are extremely impoverished rural settlements scattered into the periphery with limited or no

services and infrastructure. Although the communities in these areas contribute to the economy of the city, they are deprived its benefits.

2.4.2 Demography

The Polokwane municipal area is home to about 561 770 people. With a provincial population of about 5,2 million people, it can be concluded that Polokwane houses over 10% of the province's population on 3% of the province's surface area. This is significant and reiterates the city's capital status and shows that it is an area of influence. **Table 01** below provides demographic features of a comparison of the Limpopo Province, Capricorn District and Polokwane Municipality.

Levels	Population	Households	% of population	% of households
National	48 502 063	12 500 610	100	100
Limpopo	5 238 286	1 215 935	10,8	9,73
Capricorn	1 243 167	285 565	2,54	2,28
Polokwane	561 772	130 361	1,16	1,04

Table 01: Stats SA Community Survey Report, 2007

Population growth in Polokwane has been significant. Growth figures from 1996 to 2001 showed that the municipal population increased by about 16,39%, which means an annual average population growth rate of 3,27%. Much of this growth is ascribed to an influx of people from other more rural municipal areas into Polokwane where the perception of more employment and greater economic wealth exists.

Since 2001, the population has increased from 508 280 to 561 770 (1,7% growth per year). The number of households has also increased from 124 980 (2001 Census) to 130 360 in 2007 (*Stats SA Community Survey Report, 2007*). This implies an additional 5 380 households that the municipality must provide with new services. What is further clear, as per the listing below, is that the urban areas within the municipality have experienced a higher population growth than the rural areas (Polokwane Municipality 2006-2011:19):

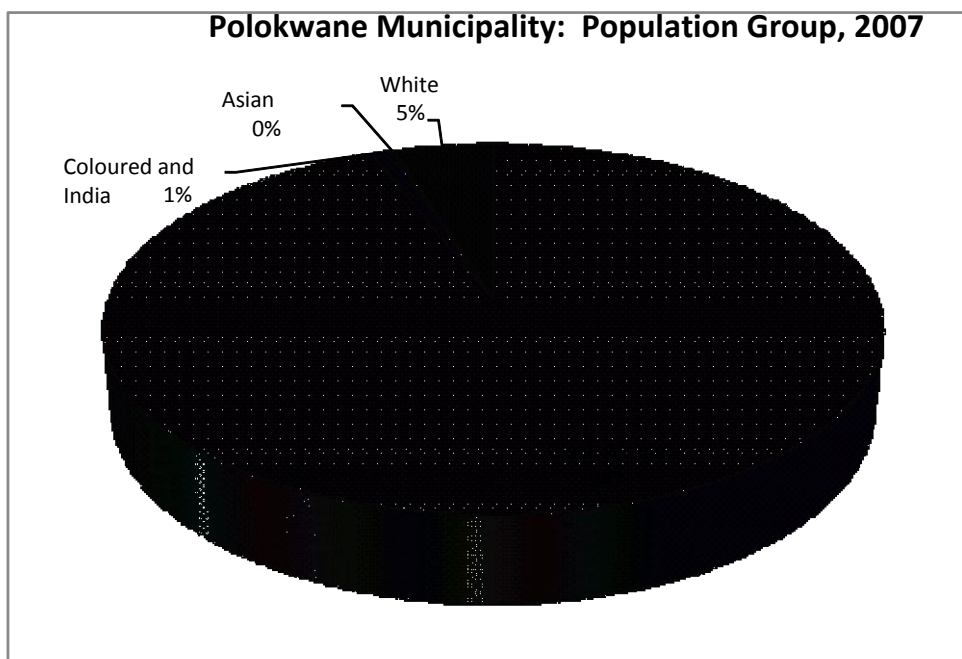
- Ward 19 (Westenburg, Nirvana and Ivydale areas) had a 69,53% increase in the population since 1996

- Ward 21 (Flora and Fauna Park areas) had a 95,56% increase in the population
- Ward 25 (Mankweng area) had a 154,58% increase in the population
- Ward 17 (Luthuli park areas) had a 88,39% increase in the population
- Ward 1 (the rural areas at Chuene) **decreased** by 7,45 %
- Ward 30 (the Leshoane rural area) **decreased** by 9,36 %.

The above clearly indicates that the population in the urban areas such as Polokwane City, Seshego, Mankweng and Blood River has increased. Much of this growth is ascribed to a substantial increase in rural-urban migration, as people seek an improved quality of life, employment and access to improved basic services and infrastructure.

As illustrated in Graph 1 below, the black African population accounts for about 94% of the municipal population, followed by the white population at 5%. The coloured and Indian population jointly account for 1% of the total municipal population. Owing to continued implications of the past political policies, the development implications to achieve upliftment and social renewal are significant and will largely be focused on the large black African population which is in greatest need.

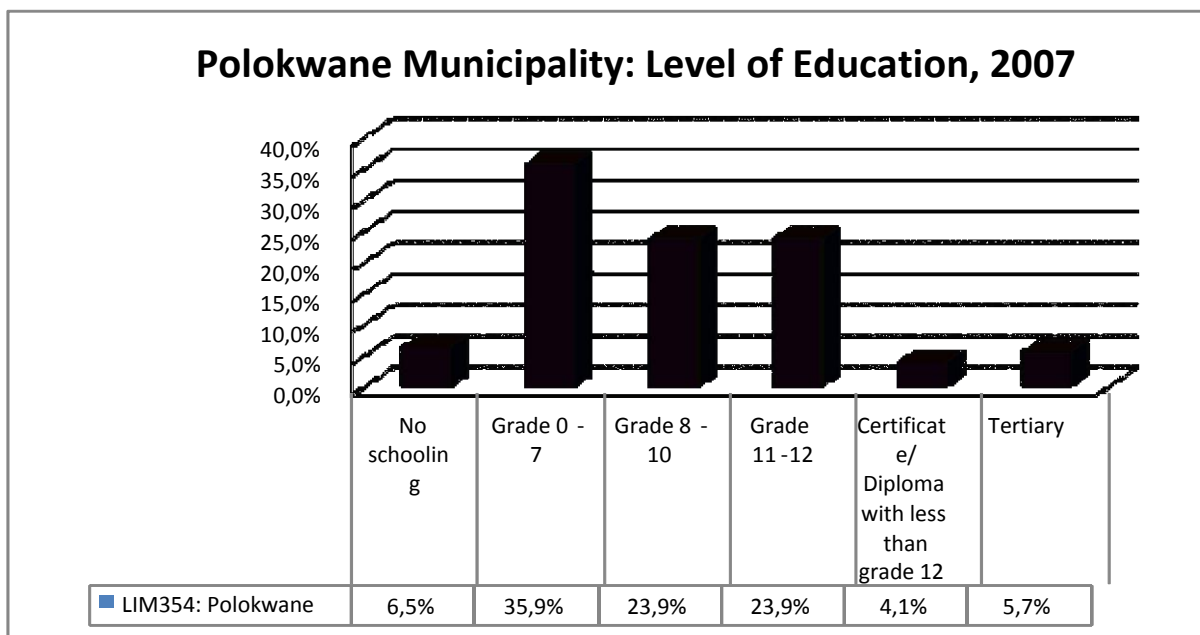
Graph 1: Polokwane Municipality: Population by Population Group, 2007



Source: Stats SA 2007 Community Survey Report

As far as education is concerned, illustrated in Graph 2 below, it is important to note that although the level of education improved slightly from 2001 to 2007, only 24% of the population has a Grade 12 education and only 5,7% achieved a tertiary education qualification. This is problematic and places the economy in a difficult position. There is a clear mismatch in terms of economic growth per market sector and the available skills base to be employed in those growing sectors.

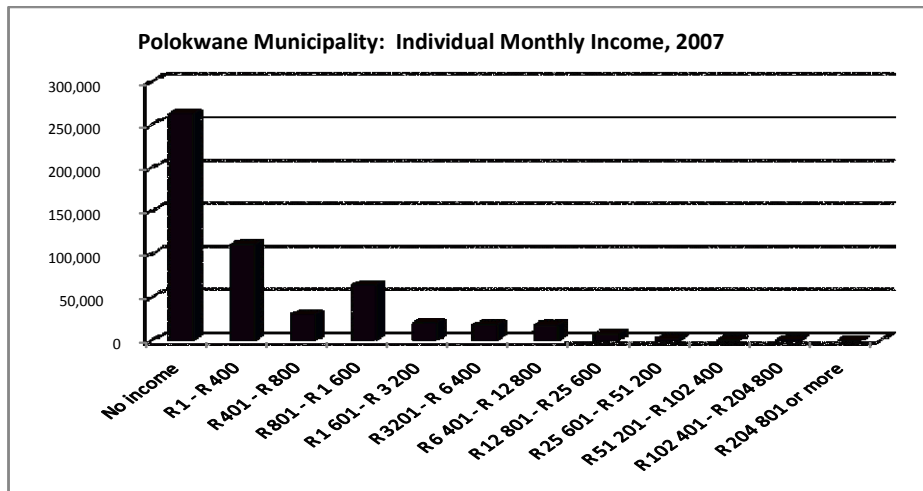
Graph 2: Municipality Level of Education



Source: Stats SA 2007 Community Survey Report

Graph 3 below reiterates that general education levels are low, as income earned by low-skilled labourers is lower than income earned by highly skilled workers. Since education levels are low, income earned is concentrated in the lower brackets, which suggests that the general population is poor. In addition, the graph shows that there is a tremendous amount of people who have no income. Hence, poverty is a major problem in the municipal area.

Graph 3: Polokwane Municipality: Individual Monthly Income, 2007



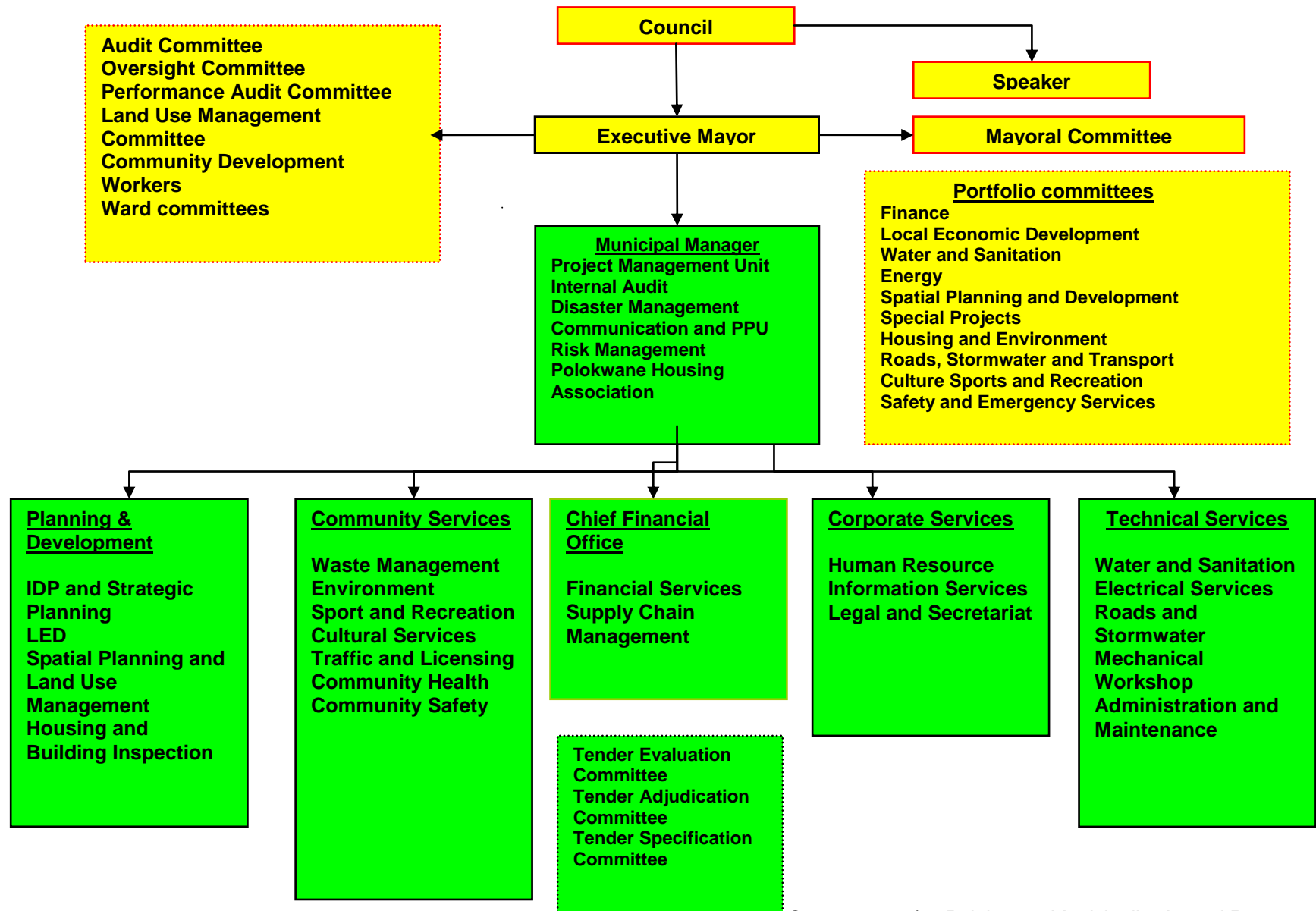
Source: 2007 Stats SA Community Survey Report

From the above, it is evident that more than 10% of the province’s population lives in the municipal area, and that migration into the municipal area has been noteworthy. Changes in settlement concentrations have also been noted as more and more people move from the more rural areas into the urban areas, seeking employment, access to social services and basic infrastructure to improve their quality of life.

The population is generally unskilled, which is of great concern, given the mismatch which emerges between the economic growth sectors and the ability of the general labour force to be absorbed in the economy. If the mismatch cannot be curbed, poverty will increase and social inequality will escalate. Serious efforts must be made to provide for adult education and to improve school attendance.

2.4.3 Organisational Structure of Polokwane Municipality

A number of writers has pointed the importance of an organisation’s structure and the relationship between it and an organisation’s size, strategy, technology, environment and culture. In line with this, Polokwane Municipality adopted the below attached organisational structure after a restructuring process in 2002:



Source: 2008/09 Polokwane Municipality Annual Report: 09

Mullins (1993:294) describes the structure of an organisation as the pattern of a relationship between roles in an organisation and its different parts. McMillan (2002:7) defines the organisational structure as the architecture, both visible and invisible, which connects and weaves together all aspects of an organisation's activities so that it functions as a complete dynamic entity. According to Mullins (1993:302), the objectives of the organisational structure are to provide:

- the economic and efficient performance of the organisation and the level of resource utilisation
- monitoring the activities of the organisation
- accountability for areas of work undertaken by groups and individual members of the organisation
- coordination of different parts of the organisation and different areas of work
- flexibility to respond to future demands and developments, and to adapt to changing environmental influences
- the social satisfaction of members working in the organisation.

2.4.4 Challenges facing municipalities in South Africa

According to Mashamba (2008:422), the main focus of the South African government is to improve the rate of service delivery, challenge the dualistic nature of the economy and generate sustainable economic growth. To achieve these goals, the planning process has to specifically address the following key challenges (Orange, 2002):

- restructuring the apartheid spatial form
- transforming local government structures to ensure that they promote human centre development
- establishing democratic, legitimate and transparent planning process
- fostering a culture of cooperative governance and developing multi-sector development plans.

Local development is multi-dimensional, underpinned by development dimensions relevant to the planning and delivery processes. Dimensions are simple aspects of development, including social, economic, institutional and environmental aspects

(IDP Guide Pack, 2000). The developmental local government imperative of integration is concerned with the importance of providing leadership in engaging different sectors with a critical role to play in achieving of local development goals. Coordination is about aligning the activities of different sectoral organisations and focuses them towards achieving the local development goals (Maserumule, 2008:438).

Post-1994 was not an easy journey for the new democratic government of South Africa. This notion is shared by Pretorius and Schurink (2007:19), that post-apartheid South Africa faces a major challenge in ensuring that municipalities provide optimal and professional services to citizens of heterogeneous cultures. It is, however, widely acknowledged that local government is also marked by dramatic deficiencies in terms of its capacity and structure to meet those demands of service delivery (Nyalunga, 2006:4).

The above is supported by the findings of Kroukamp (2001:23), that the onset of democratic transformation in South Africa in 1994 had a profound effect on local government, which progressed from being the third tier of government to an equal autonomous sphere, with implications for greater delivery responsibility. It is certain that local government and municipalities have become extremely complicated environments with a myriad of issues facing them.

Nyalunga (2006:4) stated that local government stands to inherit growing responsibility for service delivery, primarily because South Africa has inherited a public sector marked by fragmented and gross inequalities at all levels of State activity. Motshekga (2008:1) correctly pointed out that while acknowledging the critical role of municipalities for reshaping and strengthening local communities, as the basis for a democratic, integrated, prosperous and truly non-racial society, there is also a need to bear in mind that current systems of local government inherited a morass of administrative, financial, economic and political difficulties emanating from a legacy of decades of apartheid rule.

The South African government faces immense development challenges (Jackson and Hlahla, 1999:3). This is in line with the findings of Mufamadi (2008:11), that

municipalities continue to face challenges posed by the reality of having significant numbers of households that are without easy access to critical life-sustaining resources. Portfolio Municipalities of South Africa (2008:35) further affirm that every municipality in South Africa is faced with the challenges of delivering services in such a way as to promote the development of communities.

It is observed that the current situation of South African local government capacities represents major constraints towards the implementation of the constitutional mandate that local government has. They have been assigned the pivotal and distinctive role of promoting social development and democratic local governance. The challenge is to have capable and wise technocrats as well as collaborative politicians who have the interest of the citizens at heart and openness to the technical challenges of managing service delivery and social development projects (Cadogan, 2008:38).

Many local government structures suffer from a shortage of skills, particularly in the financial and administrative areas, which compromise their ability to change their approach to development and to deliver public services effectively and efficiently (Motshekga, 2008:2). This is confirmed by a number of events in South Africa, including huge pressure to municipalities to improve service delivery, protest against actual or perceived lack of service delivery, municipal workers go on strike for improved wages and violence erupts and individual ratepayers litigate against poor service delivery.

The new challenges of governing in South Africa appear to be increasingly complex, including the fast-paced economic and social changes, the growing complexity of policy issues, the need for a simpler and more transparent political process, the multiplication of controls, too many procedures that impede change, low morale of public servants, low administrative productivity, growing financial constraints and citizens' lack of trust in the public sector (Van Wyk, 2004:413).

In addressing the challenges facing municipalities, the Cabinet has promulgated Five Years Local Government Strategic Agenda in 2006 (Republic of South Africa: DPLG, 2006). The Five Year Local Government Strategic Agenda is a government-wide

programme approved by Cabinet aimed at ensuring that the three spheres of government consolidate the government resources and focus on improving local government service delivery and development programmes (Hanganu, 2007:8).

In terms of the 2006 Five Year Local Government Strategic Agenda implementation plan, all organs of State should mainstream hands-on support to local government to improve municipal governance, performance and accountability in five key areas, namely:

- Service Delivery and Infrastructure Development
- LED
- Good Governance and Public Participation
- Municipal Development and Institutional Transformation
- Financial Viability.

2.4.4.1 Service Delivery and Infrastructure Development

Pretorius and Schurink (2007:19) made it clear that in a post-apartheid South Africa, access to effective public services is no longer seen as an advantage enjoyed by only a privileged few in the community, but as a legitimate right of all residents, particularly those who were previously disadvantaged. The new status of municipalities goes hand-in-hand with considerable responsibility, particularly for basic delivery, which includes the provision of bulk infrastructure for water, sanitation, electricity, roads, stormwater and refuses removal (Innovation Insights, 2004:1).

The increase of functions and responsibilities to municipalities also has an impact on the capacity requirements of municipalities. This is confirmed by Van der Walt (2003), that municipalities in South Africa are facing the dilemma of reduced local funding, increased demand for services and the obligation of additional service-delivery functions not previously associated with municipalities. Local government infrastructure management is, without doubt, more complex than at provincial level (National Treasury, 2006). Local government is marked by some of the dramatic deficiencies in terms of its capacity and structure to demands of service delivery (Nyalunga, 2006:4).

The first five years of the RDP have seen some significant achievements in bringing infrastructure and related services to the people, but there are still enormous backlogs for basic services and a higher level of services for which most households aspire (Jackson and Hlahla, 1999:3). This is confirmed by Kroukamp (2001:25), that the state of growth and development in South Africa demonstrates a lack of progress in the delivery of infrastructure for water, electricity, housing, health services, education and others.

Government, through its *Towards a Ten Year Review report (2004)*, concluded that the advances made in the first decade by far superseded the weakness, yet if all indicators were to continue along the same trajectory, especially in respect of the dynamic of economic inclusion and exclusion, it could soon reach a point where the negative start to overwhelm the positives. This could precipitate a vicious cycle of decline in all spheres.

In terms of Innovation Insights (2004:1), the challenges facing municipalities include the expansion and provision of free basic services and acceleration of delivery to poor households. Portfolio Municipalities of South Africa (2008:76) affirm this that the trickiest and most controversial issues relating to the provision of free basic services is the funding of these services. The other challenge relates to the extension of services to areas not serviced before. Municipalities are also expected to address skewed settlement patterns which are functionally inefficient and costly and huge backlogs in service infrastructure in historically underdeveloped areas (Kroukamp, 2005). This is also confirmed by the SDF of Polokwane Municipality (2007), that the spatial pattern of Polokwane Municipality reflects that of the historic apartheid city model characterised by segregated settlement.

The Council for Scientific and Industrial Research (CSIR) (2003:1) indicated that conditions of municipal infrastructure in South Africa were a crucial element to ensure service provision to all communities. There is strong evidence that a greater majority of municipalities pays insufficient attention to the operation and maintenance of the infrastructure they own. In particular, there is frequent gross under-provision of budgets for infrastructure management (Haskins, 2008:1). There are indications of under-expenditure on maintenance, refurbishment and upgrading of municipal

infrastructure, leading to a decrease in the reliability and quality of services (National Treasury, 2006).

Haskins (2008) correctly indicated that the impact of increased infrastructure investment would be negated should that infrastructure fail to deliver services, hence the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) recognises the need to simultaneously address backlog for investment in maintenance. Furthermore, since there will be an ongoing need for maintenance, and most of the maintenance activities are repetitive, expansion of the maintenance activities will increase opportunities for long-term employment.

In terms of 2008-2011 multi-year budget of Polokwane Municipality, the delivery of basic services and provision of infrastructure is the most important element of poverty eradication. Polokwane Municipality allocated R505 680 000 for service delivery and infrastructure development. This refers to services rendered directly to the communities, such as water, sanitation, electricity, waste management, roads, stormwater drainage and housing.

- **Water**

In terms of *Stats SA Community Survey Report (2007)*, 88,6% of the South African population now has access to piped water, compared to 84,5% in 2001. Although the Eastern Cape, KwaZulu-Natal and Limpopo have significantly increased their water delivery in the past six years by 7,2%, 6,9% and 5,5% respectively, the percentage of households that have access to piped water is still below the national average (Portfolio Municipality of South Africa, 2008:93).

A total of 11, 4% of the population, mostly residents of informal settlements and rural areas, still do not have access to water (*Stats SA Community Survey Report, 2007*). They continue to fetch water from dams, rivers, and other unconventional sources that may be contaminated with faeces, urine, chemical and other types of waste, thus exposing them to various sorts of health risks (Portfolio Municipality of South Africa, 2008:93).

South Africa is a water-scarce country with limited water resources and opting for higher levels of services that require significantly more water at each household may not be compatible with the available water resources. About 95% of surface water is transferred from outside municipal boundaries to the Polokwane municipal area through three water transfer mains, namely Ebenezer, Dap Naude and Olifants-Sand transfer mains (Polokwane Municipality WSDP, 2008:5). Groundwater sources are the only source for the single, distant rural communities. In terms of Polokwane Municipality IDP (2008-11:29) there is no village in the municipality that is without water, however 71 villages are still below the RDP standard.

- **Sanitation**

Despite impressive figures indicating greatly improved service delivery across local government, some 203 out of the 284 municipalities are still unable to provide sanitation to 40% of their residents. This means in 71% of municipal areas, most people do not have access to a flush toilet, 887 329 people still use the bucket system and five million people (10,5%) of the population have no access to sanitation at all (Portfolio Municipality of South Africa, 2008:98). In terms of the IDP of Polokwane Municipality (2008-11), only the city, Seshego and Mankweng areas have access to full waterborne sewerage and a full network of piped-water supply. The rural areas of the municipality generally rely on other means for water supply and sanitation.

According to *Stats SA Community Survey Report (2007)*, Polokwane Municipality has not made significant inroads as far as the provision of sanitary services is concerned. According to the results, the number of households using pit latrines increased from 50,4% in 2001 to 55,6% in 2007, presenting an increase of 5,2%. The provision of flush toilets (connected to a sewerage system) increased slightly from 32,6% in 2001 to 33,7% in 2007.

The backlog of 8,3% could mean that at least 10 870 households are without access to sanitation services at all (IDP, 2006-11:31). The fact that 74% of rural households in Polokwane do not have RDP-level sanitation constitutes a major risk in terms of ground water pollution (Polokwane Municipality WSDP, 2008).

- **Electricity**

Like water, electricity is a scarce resource in South Africa, particularly as it is produced from coal and the demand for it far exceeds the present supply. Rolling blackouts have become part of every citizen's life (Portfolio Municipality of South Africa, 2008:88). In terms of national government's declaration of intent, all households should have universal access to electricity by 2012. According to the Polokwane Municipality IDP (2006-11:22), there are about 67 000 households without electricity in Polokwane Municipality and to meet the national target, about 8 800 connections at a cost of R340 million will be required per year.

The above scenario should be viewed within the context as stated by Jackson and Hlahla (1999), that most municipalities in South Africa are struggling to raise sufficient finance for meeting their capital expenditure needs. Raising finance in the private sector capital market requires that a municipality should demonstrate a degree of competence and financial soundness that is somewhat rare in South Africa.

- **Waste Management**

Waste management remains a severe challenge in South Africa and this challenge is exacerbated by lack of legislative powers to enforce compliance with internationally acceptable practice of managing waste (Portfolio Municipality of South Africa, 2008:104). The South African Environment Outlook (Department of Environmental Affairs and Tourism, 2006:11) indicates that the levels of municipal waste collection countrywide, has only improved by 2,7% between 1996 and 2001, with almost 50% of the South African population not receiving a regular waste-collection service.

In terms of South African legislations, waste management (removal and disposal) is the responsibility of the municipalities, however, an increasing trend of poor service delivery with regards to waste management is evident. Municipal capacity assessment showed that 59,7% of the 231 local municipalities could not perform their waste-management functions (Godfrey and Dambuza, 2006:1). According to Godfrey and Oelofse (2008:01), South African municipalities faced four broad challenges to

waste service delivery namely; financial management, labour management, equipment management and institutional behaviour.

The municipality provides waste management services to only the City/Seshego Cluster and some parts of Mankweng/Sebayeng Cluster. There is no service that is provided in rural areas of municipality (Polokwane Municipality IDP, 2008-2011). According to the *Stats SA Community Survey Report (2007)*, the municipality has not expanded the refuse removal services to any new areas for seven years. There has not been any significant improvement in areas that had no service at all since 2001. Table 2 below outlines progress made since 2001:

Table 02: Refuse removal by local authority/private contractor

	2001	2007	% change
National	57%	61,6%	4,6%
Limpopo	15,6%	18,8%	3,2%
Capricorn DM	19,9%	22,5%	2,6%
Polokwane Municipality	34,2%	37,1%	2,9%

Source: Stats SA – 2001 Census and 2007 Community Survey Report

The increase by the municipality is lower than both the national and the provincial percentage, and slightly higher than the District Municipality's increase. This could mean that over the period, the municipality has not expanded the service to any new areas, especially those that did not have any service at all. The 2,9% increase can be attributed to the newly developed areas particularly in the City/Seshego Cluster along the Strategic Development Area 1, 2 and 3 that have significantly grown over the last five years (Polokwane Municipality SDF, 2007:33).

Table 3 below indicates the percentage distribution of the household by type of refuse disposal:

Table 03: Polokwane Municipality: Refuse removal by local authority/private company

Removal by local authority/private company	2001	2007
At least once a week	32,8%	36,2%
Less often	1,4%	0,8%
Communal refuse dump	1,1%	1,0%
Own refuse dump	57,8%	55,0%

No rubbish disposal	6,9%	6,9%
Other	0%	0,1%

Source: Stats SA – 2001 Census and 2007 Community Survey

- **Housing**

Housing is at the forefront of the national agenda for delivery and the government is taking overall responsibility for providing houses to all. The government inherited a critical housing shortage, with the 1996 Census reflecting a housing backlog of 2 202 519. Polokwane Municipality, as the economic hub of the province has experienced population growth, which has resulted in the influx of people from rural areas into urban parts of the municipality. This influx has necessitated an increase in the provision of housing (Polokwane Municipality IDP, 2008-2011).

In terms of the Polokwane Municipality IDP (2006-11:27), the backlog for housing is amounts to 39 941. See Table 04 below, which outlines the housing backlog in Polokwane Municipality:

Table 04: Summary of housing backlog

Cluster	Waiting List
Seshego /City	22 693
Sebayeng/Mankweng	2 331
Rural housing backlog	5 555
Subtotal	30 579
Informal Settlements	
New Pietersburg	3 500
Greenside	509
Rainbow Park	104
Emdo Park	75
Seshego Zone F (Mohlakaneng)	350
Mankweng Unit F	150
Subtotal	4 688
Grant total	35 627
Blocked Housing Project (Without Top Structure)	
Seshego City Cluster	
Project	Outstanding Units
Polokwane Ext 44	18
Seshego (Individual Housing Project Zone 8)	06
Pietersburg Ext 44	250

Seshego 9L	30
Pietersburg Ext 44	330
Seshego Zone 1 Ext	41
Subtotal	1 675
Molepo/Maja/ Chuene Cluster	
Project (village)	Outstanding units
Thokgoaneng	490
Molepo/Maja/Chuene (different wards)	150
Subtotal	640
Mankweng/Sebayeng/Dikgale Cluster	
Project	Outstanding units
Mankweng Unit G	624
Mankweng Unit E	560
Mankweng Unit F	500
Sebayeng Unit D	319
SUB TOTAL	2 003
Moletjie Cluster	
Project (village)	Outstanding units
Matamanyane	190
Ga Chokoe	44
Mabitsela	36
Bergneck	50
Makgofe	36
Subtotal	356
Grand Total	4 674
Consolidated Backlog	39 941

Polokwane Municipality IDP, 2006-11:27

In terms of the Polokwane Municipality IDP (2008-11), the housing challenges facing the municipality are summarised as follows:

- Rapid urban growth
- Blocked housing projects
- Growing informal settlement households (internal and external growth)
- Land invasion
- Hostel redevelopment
- Informal dwelling/backyard shacks
- Unoccupied/missing beneficiaries
- Social Housing/Rental Housing

- Illegal occupation of completed low-cost houses
- Land availability for low-income housing development.

- **Roads**

The road network is a major asset that gives Polokwane Municipality a significant comparative advantage. According to the Polokwane Municipality IDP (2006-11:39), the municipality has a road network of approximately 4 200 km covering its area of jurisdiction.

Table 05 below summarises the current status of roads and quantifies the existing backlog, without which annual maintenance would escalate.

Table 05: Roads infrastructure

Infrastructure needs	Infrastructure provided	Backlog
Tarring of streets/public transport routes.	567 km of streets tarred.	137 km of streets to be tarred (Mankweng Township, Seshego, Sebayeng and SterPark).
Construction of low-volume sealed roads in rural areas.	Eight (8) km of public transport routes constructed and sealed with a low-volume seal (grav-seal).	About 800 km of roads needs to be upgraded (All population concentration points with provincial tarred roads).
Re-gravelling of roads.	Spot re-gravelling is done on 50 km of roads on an annual basis.	1 000 km needs to be re-gravelled (All clusters).
Provision of roads at RDP level (grading).	Grading is done on 1 900 km of roads in the townships, rural areas and small holdings.	1 800 km of tracks needs to be upgraded to bladed roads. (All clusters).
Provision of low level bridges.	15 low-level bridges have been constructed in the municipal area.	About 8 applications for low-level structure yet to be provided (All rural cluster).

Polokwane Municipality IDP 2006-11:34

2.4.4.2 Local Economic Development

In their findings, Pretorius and Blaauw (2008:156) argue that the failure of the top-down development policies, effects of globalisation and new trends towards decentralisation led to the development of the LED approach. The new development role of the local government in South Africa includes the active role in economic development through securing of investment to encourage economic growth (Maserumule, 2008:438).

Kroukamp (2001) cautions the government that transformation in South Africa should not focus on social upliftment objectives exclusively, since such upliftment can only be achieved if the South African economy is placed firmly on the path of sustainable economic growth and development. Municipalities should play an active role in guiding LED by mobilising the available resources and directing them towards the realisation of local government development goals (Maserumule, 2008:438).

In transforming the economy, the government of South Africa adopted the Growth, Employment and Redistribution (GEAR) policy in 1996. It is an orthodox macroeconomic framework introduced in 1996 which proposed labour market reforms, privatisation, trade liberalisation and reduction of the budget deficit (Triegaardt, 2007:3). GEAR's main aim was to focus on increasing economic growth and improving job creation.

In line with the above, the South African Constitution establishes a developmental local government, and this includes the responsibility for economic development (Meyer-Stammer, 2003). South Africa is a special case when it comes to LED, whereas in other countries LED tends to be a voluntary activity of local government, in South Africa it is a statutory activity. It has been described as one of the most committed country to LED policies in the world (Pretorius and Blaauw, 2008:165).

LED offers local government, the private sector, the not-for-profit sectors and local community the opportunity to work together to improve the local economy. It aims to enhance competitiveness and thus encourage sustainable growth that is inclusive (World Bank, 2006). The National LED Framework (2006-2011), indicated that any

LED programme needs to recognise that people, business and governments at local levels are best able to restructure an economic situation that will stimulate the kind of growth that is required to create jobs and thereby reduce poverty.

Kroukamp (2006:22) found that the local economy in South Africa is characterised by a massively differential access to resources. This is supported by findings of Portfolio Municipalities of South Africa (2008:173) that South Africa faces economic challenges and some of the challenges are as follows:

- government wants to ensure an economic growth rate of 6% by 2010, an enormous goal in a country with a marginalised Second Economy.
- government aims to halve poverty by 2014, requiring growth rates of 4,5% between 2005 and 2009, and 6% from 2010 to 2014.
- the First Economy in South Africa, with its global reach, is experiencing growth but is not generating job opportunities for those in the Second Economy.
- distinct economic and human settlement spaces exist (metropolitan areas with cities and towns, declining cities and towns, rural development nodes) and these have not responded sufficiently to government's attempts to correct apartheid and market inadequacies.
- twenty municipal areas (district and metropolitan) account for 82,8% of total Gross Value Add, yet only eight of these grew above the national average of 2,5% and none grew at 6% or above (between 1996 and 2003).
- the unemployment rate remains critical.

As an emerging democracy, South Africa had to contend with demands of national issues, such as rising unemployment, poverty and inequality. At the same time, it has to become the contender in the globalised world of capital, trade and technology flows, as it subscribed to the World Bank and International Monetary Fund's requirements of reducing national debt, fiscal prudence, increasing economic growth and liberalising the economy (Triegaard, 2007:2).

Pretorius and Blaauw (2008:164) argue that the LED in South Africa has recorded some impressive results at micro level, although a shortage of skills, a limited number of non-governmental organisations (NGOs), resource constraints, lack of strategic

guidance, facilitation and role models have impeded its applications. The state of local government indicates many shortcomings in its capacity to deliver services in an efficient and effective manner and therefore to raise capital. This was supported by the notion of Kroukamp (2005:74), that whatever appropriate means chosen by a local authority to deliver services, its ability to achieve social and economic objectives must be strengthened through close cooperation with the private sector.

Jackson and Hlahla (1999:1) state that South Africa's development challenges include over R100 billion for infrastructure investment over the next 10 years. Municipalities lack the institutional and financial capacity to address this alone and have to raise private sector finance to supplement their own resources and government grants. The country is still in transit from an undemocratic state to one based on partnership. It cannot be assumed that the public sector will be the only instrument of choice in future to promote social and LED (Kroukamp, 2005:74).

2.4.4.3 Municipal transformation and institutional development

The attainment of democracy in 1994 presented government with twin challenges: significant institutional transformation and at the same time introducing new policies in line with the democratic Constitution. The constitutional change that paved the way for a democratic dispensation in South Africa directly impacted on a public sector that is undergoing major structural changes to undo and unlearn some of the aberrations of the past (Kroukamp, 2001:24).

The above confirmed the findings of Cameron and Topscott (2000:81), that the South African Public Service is experiencing a paradigm shift on its attempt to govern effectively and efficiently. This emerging paradigm is marked by:

- the desire to provide high-quality services valued by citizens
- increased autonomy from centralised control
- a shift to performance measurement of both individuals and institutions
- the provision of human and technological resources needed to meet performance targets.

Since 1994, the democratic government put more focus on legislative and administrative reform. Cameron and Topscott (2000:82) indicated that the legislative reform agenda had its roots in the principles drawn from both the 1993 and 1996 Constitution. Administrative reform was to replace the rule-bound, command and control approach of apartheid regime with one that aimed to reorient public servants to serve the public in a customer-focused way.

In providing a framework for people-centred public-service delivery, the South African government promulgated the *White Paper on the Transformation of the Public Service* in 1995 and the *White Paper on Transforming Public Service Delivery (Batho Pele)* in 1997. In line with this, Kroukamp (2001) indicated that what was required in the new South Africa, was not only the transformation from apartheid rule to democratic principles and representative public sector, but rather transformation and renewal with a shift from the mere existence of representative public institutions, to centre on delivering a quality public service, which require strategic public management.

The *White Paper on the Transformation of the Public Service* deals with how public services should be provided, and it is specifically about the relentless search for increased efficiency and reduction of wastage within public institutions (Mafunisa, 2001). This initiative strives towards moving public servants to become service-oriented, to pursue excellence in service delivery and to commit them to continuously improve service delivery (Pretorius and Schurink, 2007:19).

Kroukamp (2001:23) identified the following factors that complicate the governing challenges, fast-paced economic and social changes, the growing complexities of policy issues, the need for a simpler and more transparent political process, the multiplication of controls, countless procedures that hamper change, low morale among public servants, low public administration productivity, growing financial constraints, and the citizens' lack of confidence in the Public Service. Rapid changes fuelled by the world economy and technology have been forcing organisations to transform themselves to become more responsive and competitive (Pretorius and Schurink, 2007:19).

Sanderson (1992) argued that the quality in local government is dominating discussion of improvements of services; every initiative to improve public services is launched under the banner of quality and as such, there is belief that a form of strategic planning is one of the prerequisites to achieve quality at local level as quality requires planning, monitoring and evaluation. It is the people (both appointed officials and elected councillors) and their ability to manage the organisational dynamics, the systems and processes at hand as well as social development project management capability that will make the constitutional objectives to be met (Cadogan, 2008:38).

Strategies are frameworks guiding the choices of an organisation that determine the nature and direction to attain the set objectives (*www.idga.org*, 2004). There has to be a strong correlation between good management and the implementation of a strategy for an organisation to succeed. This is confirmed by the findings of Donaldson (2002:21), that if there is lack of strategic approach to the plan, the implementation of the plan will be difficult and mounting problems and pressure will arise both inside and outside the organisation.

For municipalities, the IDP serves as the principal strategic document, which should help develop strategic policy, capacity and mobilise resources (Kroukamp, 2001). Pycroft (1998) defines the IDP as a mechanism for overcoming the inadequacies of the past and repositioning the new local government within its new developmental mode. The IDP should reflect the council's vision for the long-term development of a municipality, with emphasis on developmental and internal transformation needs (Donaldson, 2002:21).

The challenge facing municipalities is that many new councillors do not understand their roles and have inadvertently demotivated the officials through interference in their professional duties and responsibilities (Jackson and Hlahla, 1999). In his case, Maserumule (2008:442) argued that the imperatives of a developmental local government system, dictate that a strong human intellectual capacity established within municipalities to provide knowledge leadership at both political and managerial levels in pursuance of the developmental agenda of government.

According to Kroukamp (2001), administrative reforms have a political dimension, which is becoming increasingly important at a time when the roles of stakeholders in governing (citizens, public servants, non-governmental groups, and elected representatives) are completely being redefined. Municipal councillors and officials need all types of knowledge (innovative, advantage, base and trivial knowledge) to ensure that decisions that they take, and the programmes that they embark upon reflect the needs and expectations of the members of the community (Maserumule, 2008:443).

Pretorius and Schurink (2007:19) identified leadership qualities as a very important aspect to improve service delivery in the local government, adjusting to the ever-changing demands of local authority as well as addressing the inequalities of the past. Municipalities as the local sphere of government should conduct their businesses of government in accordance with constitutional values. These values are critically important to guide the behaviour of municipal councillors and officials in execution of local government duties. The values such as transparency, community orientation, accountability, integrity, non-racialism, and non-sexism (Maserumule, 2008:442).

Jackson and Hlahla (1999:3) have blamed amalgamation, reorganisation and transformation processes in local government for some of the problems experienced by municipalities today. For instance, some experienced staff members took early retirement, staff and systems from separate administrations have not always combined successfully and lack of trust between new councillors and old officials has sometimes caused near paralysis. In addressing this challenge, Kroukamp (2001:23) recommended that there was a need for strategic intervention for succession planning, HRD and the promotion of leadership in the local government arena.

HRD in the South African public sector has been a major challenge following the new political dispensation, in terms of how to address the challenges of reconstruction, development and economic competitiveness (Horwitz, and Chew, 1996). It is acknowledged that in both the public infrastructure and private investment programmes, the single greatest impediment is the shortage of skills, including professional skills such as engineers, scientists, managers and skills for technical

employees such as artisans and Information Technology (IT) technicians (AsgiSA, 2006).

Feiock *et al* (2003) pointed out the high turnover of municipal managers as one of the characteristic of discouraging service delivery in local government. The turnover in top administrative positions is linked to management difficulties in public, private and non-profit organisations. Sheehan (2001:65) long established that the turnover has critical effects on organisational performance and remaining personnel. Executive turnover in the municipality increases the transaction costs of negotiating agreements and influences the ability of local government to make credible commitment (Feiock *et al*, 2003:4).

The world has seen extraordinary development in information and communications technology with significant global dimensions. It is impossible to ignore the importance of IT wherever and whenever good governance is pursued (Kroukamp, 2001). Bovaird and Loffler (2002:13) identified the use of IT as the other challenge facing the transformation of municipalities, both within local government agencies and also regarding to external stakeholders (traditional leaders, citizens and local businesses).

The effective and intelligent use of IT has been an essential component of modern administrative science (Schwella *et al*, 1996:205). This is in line with the findings of Cameron and Topscott (2000), that IT has great potential to speed up the transformation process. However, the public service track record in the use of IT is far from ideal.

Zhou (1997:6) established that the IT has brought a bright perspective to the human condition, but two factors must be taken into consideration, in order to take advantage of it and to facilitate public participation; accessibility and availability. If this aspect is not addressed, the use of IT for more efficient public-service delivery might become a value which serves the vested interests of a few stakeholders, while others view them as constraints to their freedom.

IT plays an important role in strengthening democracy, as it improves the relationship between citizens and public administration (Kroukamp, 2001:28). The relationship includes the information privacy of citizen boundaries within and between the organisations; political and public accountability; and citizenship in a consumer democracy (Bekkers and Zouridis, 1999:191-193). Huizendveld (1998:54) list the following characteristics as the strategic potential of IT in a public service environment:

- Speed or quality of service delivery
- Increased public access to service agencies or departments
- The facilitation of remote communication and transactions
- Enhance transparency
- The integration of public services and the destruction of the administrative walls separating bureaucratic departments and government agencies.

2.4.4.4 Good Governance and Public Participation

According to Kyreboah-Colemena (2008:1), effective corporate governance is a critical element to all economic transactions, especially in emerging and transitional economies. Corporate governance has been accepted as the best practice for the organisation and management of sustainable development planning and implementation in the run-up to and into the 21st century (Mashinini, 2008:96).

The question is whether corporate governance is also applicable to public-sector entities. Mpehle and Qwabe (2008:261) believe that the public sector has a moral obligation to provide quality services to citizens, but has been receiving negative publicity in this regard. It is therefore very important to improve its performance and on social issues, and to contribute positively to economic sustainable development (Blumberg, 2001).

The International Federation of Accountants, 2001 refers to corporate governance as structures and processes for decision-making, accountability control, and behavior at the top of an organisation. Van Wyk (2004:413) defines corporate as a body or institution and the use of the term “corporate” in corporate governance can be

extended beyond companies and business corporations in the private and public sectors.

Corporate governance has therefore had a broader application and should also form the base of financial management in the public sector (*King Report II*, 2002). The primary objective of corporate governance in the public sector is to ensure that government deliver services in a way that is equitable, efficient, effective and affordable and sustainable. Van Wyk (2004:413) supported this view by stating that corporate governance deals with controls, decision-making and structures for accountability in an entity that will assist in ensuring that objectives of sound financial management practice are achieved.

De La Harpe *et al* (2008:2) argue that the debate on good governance started in reaction to the inefficient and corrupt administrative structures of developing countries eligible for financial loans. This was confirmed by Van Wyk (2004:412), by indicating that the reality in post-1994 South Africa is the demand for a new public management which aims not only to improve administrative output technically, but also to develop public relations techniques based on communication skills, simplified administrative formalities and procedures, cooperation in public affairs, safeguarding the public interest, developing partnership practices, transparency, fighting corruption, promoting code of ethics and conducting citizen participation in public affairs and consultation.

Kaure (1999) defines good governance as the exercise of political, economic and administrative authority in the management of a country's affairs at all levels. Governance means the manner in which the power is exercised in the management of a country's economic and social resources for development (De La Harpe *et al*, 2008:3). Mashinini (2008:96) pointed economic performance, financial management, democracy, social equity and institutional capacity as the basic indicators used to judge good governance.

Bovaird and Loffler (2002:16) define governance as a set of formal and informal rules, structures and processes which determine the way in which individuals and organisations can exercise powers over the decision that affect their welfare. In

providing good governance in South Africa, Section 195 of the Constitution provides the following basic values and principles governing public administration:

- a high standard of professional ethics must be promoted and maintained.
- efficient, economic and effective use of resources must be promoted.
- public administration must be development-oriented.
- services must be provided impartially, fairly, equitably and without bias.
- people's needs must be responded to, and the public must be encouraged to participate in policy-making process.
- public administration must be accountable.
- transparency must be fostered by providing the public with timely, accessible, and accurate information.
- good human resource management (HRM) and career development practices, to maximise human potential, must be cultivated.
- public administration must 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.

In terms of the Constitution, the above principles apply to administration in every sphere of government, organs of state and public enterprises. In 1992, the King Committee on Corporate Governance was formed to consider corporate governance in South Africa. The committee published its first report known as *King I Report* in 1994. The social, political and economic transformation that took place since 1994 in South Africa stimulated a second study which gave birth to the *King II Report* of 2002.

Hover (2005:115) defines the *King II Report* as a non-legislated code addressing the South African context. The principles and values as outlined in the report are not foreign to those provided in the Constitution for public service administration. The *King II Report* provides the following seven characteristics of good corporate governance:

- Discipline – a commitment by senior management to adhere to behavior that is universally accepted as correct and proper.

- Transparency – this reflect the level at which investors can obtain a true picture of what is happening in a company, and is characterised by management’s ability to make information available in a candid, accurate and timely manner.
- Independence – this refers to a mechanism that has been introduced to minimise potential conflicts of interest and dominance such as an audit committee.
- Accountability – mechanisms must exist and be effective to allow decision-makers to be accountable for their decisions and actions.
- Responsibility – this refers to behaviour that allows for corrective actions and for penalising mismanagement, and requires that the board act responsibly towards all stakeholders.
- Fairness – systems must be balanced in taking into account all those who have an interest in the company.
- Social responsibility – response to social issues with a high priority, based on ethical standard.

Apart from general corporate governance principles, the *King II Report* also recommended various entities to adopt the code of good practice, including State organs such as municipalities and all those governed by the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). This perspective shows that governance assumes a multiple stakeholder scenario where collective problems can no longer be solved only by public authorities but rather through the cooperation of other players such as citizens, business, NGOs, media and civic organisations.

Mashinini (2008:96) requires that good governance should be used to highlight the extent of democratisation through the decentralisation of decision-making, devolution and community participation in the planning process. It refers to the realisation of the fundamental values of democracy, rule of law, human rights and social justice by all governmental or non-governmental authorities whose legal acts or activities affect the position of citizens in the process of the formulation, the creation and the implementation of binding and non-binding legal norms (De La Harpe *et al*, 2008:4).

Mpehle and Qwabe (2008:261) state clearly that African governments have been plagued by corruption, general low levels of work ethics and a lack of professionalism for decades. South Africa is no exception to this. This effectively has a negative impact on the performance of the public sector (Lloyd and May, 2005). Principles that promote ethical behaviour are essential if municipalities want to realise their development mandate. Mafunisa (2002:192) defines ethics as a branch of philosophy dealing with values that relate to human conduct with respect to the rightness or wrongness of specific actions and to the goodness or badness of the motives and end of such actions.

In her findings, De Villiers (2001) indicated that democracy requires that citizens should be continuously engaged in governance through interaction with those who make decisions. A key component of the quality of services is the extent to which it achieves the purpose for which it is intended or more specifically, meet the requirements of those who are intended to benefit from it (Sanderson, 1992). Those who are elected to make policies and laws on behalf of the people are required to fulfill their mandate in continuous consultation and dialogue with the citizens on whose behalf they act.

Consultation with the wider community about the delivery of services has a positive impact to the quality of services to be delivered by government, private sector, NGOs and community-based organisation, academic institutions and the citizens themselves (Kroukamp, 2001:29). "By failing to create and maintain the channels through which the majority of the people may express their views and participate in decisions that affect their lives, we will reinforce patterns of marginalisation and exclusion" (De Villiers, 2001:9).

The South African Constitution creates a requirement that government engage with citizens when making decisions that affect their lives. In line with this, the government adopted the *White Paper on Transforming Public Service Delivery (Batho Pele)* in 1997. This serves as the effective channel to consult with various stakeholders. The white paper provides eight principles to serve as an acceptable policy and legislative framework regarding service delivery in the Public Service, namely setting service

standards, ensuring courtesy, increasing access, consultation, providing information, openness and transparency, redress and value for money.

At local level, the Municipal Systems Act, 2000 mandates all municipalities to develop clear procedures, mechanisms and channels that will create a culture of community participation in the municipality's affairs. According to Crythorne (2008), public participation and consultation is a means of reducing autocratic behaviour and involving the people in government so as to direct governmental efforts at the real needs of society.

2.4.4.5 Financial viability

For South African municipalities to be able to deliver on constitutional mandates invariably has financial implications. Whether it is the extension of infrastructure for basic services or promotion of economic development, municipalities require resources to perform their constitutional functions.

Since 1980, budget deficits were a major motive for local government reforms regardless of whether they were imposed by national government or initiated by local authorities themselves (Crython, 2008). Municipalities suffered from severe financial pressure owing to unstable tax incomes and rising demands for municipal services (Bovaird and Loffler, 2002:19). Fast (2007:1) argued that many municipalities in South Africa were financially in dire straits. In the public discourse, the focus is often on operational issues such as poor revenue collection, unsustainable debt burdens, and lack of financial-management capacity.

In addressing this problem, the South African government introduced financial management reforms, such as, Constitution of the Republic of South Africa 1996, PFMA, 1999 and MFMA, 2003. Chapter 13 of the Constitution of the Republic of South Africa, 1996 provides general financial matters. Section 215 of the Constitution requires national, provincial and municipal budgets and budgetary processes to promote transparency, accountability and the effective financial management of the economy, debt and the public sector. Section 217 further required that any organ of

State, national, provincial or local sphere should ensure that its supply chain management system is fair, equitable, transparent, competitive and cost effective.

The MFMA, 2003 aimed to secure sound and sustainable financial management of municipalities and established treasury norms and standards for the municipalities. It further assists in creating a culture of performance by having managers manage, but simultaneously holding them accountable for their use of resources in service delivery (Erasmus, 2008:106).

It should be noted that within this endeavour to improve performance, there are still many instances of poor financial management or poor financial performance, which in many cases are causally related to poor service delivery. According to Erasmus (2008:403), financial performance in the Public Service is more closely related to service delivery. This is confirmed by Ajam (2006:56), that performance in the public sector concentrates on service delivery and then financial performance is only a means to the end and not the end in itself.

During the 2006/07 audit outcomes briefing of the committee on finance, the Accountant-General and the Auditor-General indicated that of the nine provinces, only four provinces (Western Cape, Gauteng, Northern Cape and Mpumalanga) had submitted their financial reports on time. Limpopo at 53% recorded the lowest percentage of submissions.

The Accountant-General said that many municipalities did not have the internal capacity to adequately manage their financial reports, but did note that there had been a slight improvement by provinces in terms of adverse opinions and disclaimers. The World Bank (www.worldbank.org, 2005) define capacity as the capacity of individuals, organisations and institutions to set goals and achieve them, the capacity to budget resources and use them for agreed purposes, the capacity to manage the complex processes and interaction that constitute a working political and economic system.

The Auditor-General had identified the following as challenges to municipalities:

- Many municipalities had problems with compliance, as they did not have the relevant capacity to address their challenges.
- Lack of proper oversight and supervision was also identified as problematic.
- Municipalities were urged to cease their suspicion of deployed officials, and that political officials should enforce proper management of public funds entrusted to them.

During the 2005/06 financial year, Polokwane Municipality obtained qualified opinions from the Auditor-General based on the following matters reflected in the report:

- Presentation and disclosure – as the high capacity municipality, Polokwane was expected to present its 2005/06 financial statement in terms of General Acceptable Municipal Accounting Principles (GAMAP)/General Recognised Accounting Principles (GRAP) standards, not in terms of standards of Institute Municipal Financial Officers (IMFO).
- The inability of the municipality to present the debtors analysis which lead to question the existence, rights to and valuation of individual debtor balance that could not be confirmed. Itemised debtor listing was not submitted for consumer debt totaling R113 million.
- The provision of bad debt in the financial statements was not based on an individual or reasonable basis or on the non-payment rate, as evidence and an approved policy to substantiate the basis used to provide for bad debt could not be provided. In the absence of an itemised debtor listing and an age analysis, the Auditor-General was unable to perform alternative procedures to determine a reasonable provision.
- In line with long-term debtors, the Auditor-General was unable to conclude on the existence, rights and valuation of the balance of R24 million, since individual files and documentation could not provided.
- An unexplained and unreconciled difference of R1,9 million existed between the balance per financial statements and the stock movement report.

Van Wyk (2003:1) identified the inadequate and knowledgeable of personnel, poor integration of budgets and strategies, and outdated control and reporting systems as

the main shortcomings impacting negatively on the financial management of public institutions, including municipalities. The priority areas for capacity building in the local government should be based on financial, institutional management, change management, strategic and integrated development planning, housing and infrastructure investment, implementation management, operation and maintenance, environmental management, LED and poverty alleviation, community awareness and private sector and NGO participation in the process of service delivery (Reddy *et al*, 2000:7).

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Study area

Kroukamp (2001:27) indicated that the present state of growth and development in South Africa demonstrates a lack of progress in the delivery of infrastructure, housing, education, health services and other services. This study focuses on the institutional capacity of the Polokwane Municipality in delivering services to its communities.

Polokwane is the local municipality within the Capricorn District Municipality in Limpopo. It shares the Capricorn District boundary with other four local municipalities, namely Aganang, Molemole, Blouberg and Lepelle-Nkumpi. Polokwane Municipality is the host of the capital city in Limpopo and is located on the N1 highway, 275 km north of Pretoria and the main railway to Zimbabwe. Given the fact that Polokwane City serves as the economic hub of Limpopo, it makes the municipality to have the highest population density within the Capricorn District.

3.2 POPULATION

Qualitative information about the institutional capacity of local municipalities was collected from Polokwane Municipality officials (senior managers of different directorates of the municipality), Executive Mayor, mayoral committee members, Speaker and corporate governance committees. The Executive Mayor, Speaker and mayoral committee members provided information from the political perspective, while the senior and middle managers gave information in respect of planning, administrative and a management of the organisation. The Executive Mayor and Speaker were interviewed separately and focus-group interviews were conducted with the 10 mayoral committee members.

The corporate governance committees provided information independently as per their expertise and role in the municipality. The corporate governance committees

refer to Audit Committee, Performance Audit Committee and Oversight Committee as mentioned in chapter 2 (Organisational structure). Only the chairpersons of the committees were interviewed.

In terms of the size of the targeted population, it was practically and economically feasible to involve all required participants. This study did not draw a sample from the population.

3.3 DATA COLLECTION METHOD

Research design is the plan that guides the researcher in the process of collecting data (Yen, 2002). The various data-collecting methods are complimentary and a good case study will therefore want to use as many methods as possible in collecting data (Yen, 2003). In this study, qualitative methods were used to collect data from the officials and politicians of the municipality.

Information about the institutional capacity of local municipalities in the delivery of services to communities was collected from both the secondary and primary sources. The data collection methods that were used applied at the primary and secondary sources.

Data collection methods that were used to collect data from primary sources are as follows:

3.3.1 Interviews

An interview is the essential method of case study in collecting data, since most case studies are about human affairs that should be reported and interpreted through the eyes of specific interviewees, well-informed respondents can provide important insights into a situation (Yin, 2002:92).

An interview schedules (see annexure A-K attached below) was used in this study to allow the key respondents to give more detailed information about the problems or challenges facing the municipality in delivering services. It was applied in a face-to-

face approach, where each municipality official, Executive Mayor, Speaker and corporate governance committee heads was interviewed at a given time alone. A face-to-face approach was used to ensure that each respondent be secured in giving information about the nature of the problems within their working environment. Focus-group interviews were conducted with 10 mayoral committee members.

Data-collection methods that were used to collect data from secondary sources are as follows:

3.3.2 Documentation

The documentation method is likely to be relevant to every case study topic. According to Yen (2003:106), documentation data could take many forms such as letters, memoranda, minutes of the meetings, written reports, administrative documents, proposals, progress reports, newspaper clippings and other articles appearing in the mass media of the community newspaper. Because of their overall value, documents play an explicit role in any data collection to prepare case studies.

However, in collecting data from the Polokwane Municipality, this study selected and used the most appropriate documents related to the problem, such as old and recent IDPs, Multi Year Budget, internal operational policies, PMS strategies, annual reports, strategic sectoral frameworks and other relevant documents.

3.3.3 Archival Records

Yin (2003:109) defines records as the service records showing the number of clients served over a given period of time. It can be in a form of organisational records, organisational charts, budgets over a period of time, maps and charts of geographical characteristics, list of names and other relevant items, survey data such as census records or data previously collected about a site. It is as important as the object of extensive retrieval of quantitative data. In using this method, the organisational records, survey data such as census records or data previously collected, budget records will only be considered as other methods of collecting data.

CHAPTER 4

ANALYSIS, INTERPRETATION AND PRESENTATION OF FINDINGS

4.1 INTRODUCTION

This is a qualitative study that covers a spectrum of qualitative techniques that are intended to achieve the main study objectives. The centrepiece of which is interviewing, observation and document analysis. Devos (2002:78) defines data analysis as the process of bringing order, structure and meaning to the mass of collected data. It is at this stage that this study gave order, meaning and findings of the mass of collected data from the Polokwane Municipality. The process of giving meaning, structure and order to the collected data is the messy, ambiguous, time consuming, creative and fascinating one.

Analysis is a reasoning strategy with the objective of taking a complex whole and resolving it into its parts. In analysing data, this study applied a classification, triangulation and interpretation framework. Classifying simply means categorising collected data in different themes while triangulation means seeking out several different types of sources of information that can provide insights or confirm the same events or relationships of the collected data. Interpretation simply refers to making sense of the collected data, "lesson learned". The primary aim and objectives of this study are outlined in Chapter 1 of this report.

4.2 SUMMARY OF INTERVIEW PROCESS AND KEY ISSUES DISCUSSED

This part provides a summary of the interview process and key issues discussed during the interview process. This includes participants interviewed for this study, key issues discussed during interviews and specific issues raised under each theme. For detailed analysis, interpretation and presentation of findings the next part of this chapter will come handy.

The primary data was collected from different sources, namely the Executive Mayor, Speaker, Acting Municipal Manager, and 10 members of mayoral committee,

chairpersons of corporate governance committees (Audit Committee, Performance Audit Committee and Oversight Committee and directors from five directorates. The Executive Mayor is in his second term as the political head of the municipality, which gives him more knowledge and experience about the municipality. The Executive Mayor appointed 10 mayoral committee members. Each member serves as the chairperson of a portfolio committee. The municipality has 10 portfolio committees, namely; finance, LED, water and sanitation, energy, spatial planning and development, special projects, housing and environment, roads, stormwater and transport, culture, sports and recreation, safety and emergency services.

The Speaker, as a chairperson of the Council was also interviewed to provide a perspective on this problem. In terms of good cooperative governance, the municipality has established an Internal Audit Unit, Audit Committee and Performance Audit Committee under Sections 165(1) and 166 of the MFMA, 2003. Among other issues that the unit must do is to advise the Municipal Manager and report to the Audit Committee on issues relating to performance management.

Functions of the Audit Committee include, among others, to advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipal entity on matters relating to the adequacy, reliability and accuracy of financial reporting and information, performance management and performance evaluation.

Both chairpersons of the Performance Audit Committee, Audit Committee and the Oversight Committee were interviewed. The Acting Municipal Manager and all five directors reporting directly to the Municipal Manager were also interviewed. It should be noted that the Municipal Manager and all five directors form the executive management, which is the highest decision-making committee in the administrative component. Each of the directors is responsible for five directorates, namely Planning and Development, Technical Services, Community Services, Finance and Cooperate Services.

The interview schedules were developed in line with the main research questions of this study. Each participant was interviewed using a specific interview schedule, taking into consideration the position and the role of the participant in the

municipality. The focus group was conducted for 10 mayoral committee members. The interviews with all participants were centred on the following key issues:

- Service delivery and infrastructure development strategies
- PMS
- Financial viability of the municipality
- Capacity development
- Institutional Challenges
- Priority services.

For service delivery and infrastructure development strategies, the discussions were centred on the processes and procedures followed by the municipality when developing IDP. The interviews were also based on the period the strategy served and how other stakeholders including communities, made inputs on the development of these strategies. The issue of strategic leadership and its role in the strategic management of the municipality were also discussed with participants. Finally, the discussion looked on what is required in terms of the existing legal and policy framework regarding the development of service delivery and infrastructure development strategies in the municipality. The detailed analysis and findings on this theme will be presented later on this chapter.

In terms of PMS, the discussion focused mainly on how it is designed, implemented and monitored. The legal frameworks informing the PMS were also discussed with all participants to understand the status quo and the future plan for the PMS in the municipality. The third theme is the financial viability of the municipality, on this one the discussions with the participants were looking on how the municipality performed financially in the previous years. This was conducted within the context of the findings and opinions of Auditor-General in the municipality in respect of the 2006/07 and 2007/08 financial years. It also includes the question around the required capacity in the finance directorate to ensure financial viability of the municipality. Finally, the discussion touched on the budget as provided by the municipal revenue sources and National Treasury and how it adds value to service delivery to communities.

For the theme on the capacity development, the interviews were more centred on the capacity-development approach applied by the municipality, and how it assists towards achieving the mandate of the municipality. The national and provincial intervention of assisting municipalities to build capacity such as *Siyenza Manje* and Project Consolidate were also discussed. The problem on overall institutional challenges and how they impact on service delivery were also discussed with all participants mentioned above. The interview schedule concluded about the question on key services priorities of the municipality and how they had been prioritised. This was more concerned about the processes and procedures that the municipality uses to conclude some of its priorities for a particular period.

In terms of the South African legislation, the municipality comprises the council, administration and communities. In line with the problems investigated, this study focused mainly on the administrative and political leadership of the municipality. This was done with the understanding that administration is purely responsible for implementing policies, bylaws, strategies and also to provide technical advice to the council, which is responsible for political oversight.

It is on this basis that any individual appointed or elected for these positions at administrative or council level must have basic knowledge of issues related to HRM and HRD, planning, performance management, and financial management. This is the foundation for developing the interview schedule for this study. There are number of same questions in the interview schedule repeating for different participants, for instance all the participants were expected to respond to a question relating to the PMS, service delivery and infrastructure-development strategies, financial viability, capacity development and priority services.

The data analysis, interpretation and presentation of findings are organised according to the following themes in line with the main research objectives and questions:

- Service delivery and infrastructure development strategies
- PMS
- Financial viability of the municipality

- Capacity development
- Institutional challenges
- Priority services.

4.3 DATA ANALYSIS AND INTERPRETATION

4.3.1 Service delivery and infrastructure development strategies

Like any other municipality in the country, the Polokwane Municipality has adopted a five-year IDP after the 2006 local government elections. The IDP adopted by the Council in 2006 serves as a short, medium and long-term strategy of the Polokwane Municipality. It is referred to as the 2006-2011 IDP. The then DPLG and German Technical Cooperation (GTZ) guidelines (2001) define IDP as a process through which municipalities prepare strategic development plans for five-years.

The adoption of an IDP by the Polokwane Municipality is in line with the requirements of Municipal Systems Act, 2000, which states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality.

The IDP of the Polokwane Municipality complies with the legislative prescriptive as stated above, but the challenge indicated by a number of participants during the interviews is the lack of capacity to plan for long term and effective project implementations. The municipality is using external consultants for project planning and management. The role of lines functions managers is relegated to coordination and monitoring the projects to achieve its intended objectives. One director during interviews said “this approach of using external service-providers is more entrenched in the system, officials are now viewed as liabilities by politicians, and they trust external service-providers than us as officials”.

The indication and observation during the interviews, is that the municipality on a year-to-year end results with a huge amount of money being unspent on service delivery. In terms of the Polokwane Municipality Annual Performance Report (2008:47), the capital budget for the Polokwane Municipality was R366 048 728 and

only R350 393 845 was spent by the end of the financial year. It should also be noted that out of a total capital budget, the technical service directorate was given R278 914 967 and spent R165 747 203 by the end of the year.

The Technical Service Directorate is responsible for priority services that are rendered directly to the communities, such as water, sanitation, electricity, community facilities, roads, stormwater and fleet in the council. In terms of budget allocation, it is the directorate which receives a major portion of the budget.

The municipality has not managed to meet its 2006/07 and 2007/08 spending targets. The reasons indicated by a number of participants during interviews varied. Some cited the lack of necessary financial, project management and business planning capacity for the development of suitable project business plans. Others, especially those aligned to technical services, pointed the problems with the political administrative interface. One participant indicated that “some of politicians have interests that are not in line with the strategic agenda of this municipality. They are then using the trust given to them by the community to pursue such interests at the expense of the municipality. This is visible in most of the mega projects implemented by the municipality, where we feel political interference”.

The capacity to align all strategic documents in the municipality was also raised by most participants as a challenge. The municipality has developed and adopted the SDF, Land Use Management Scheme (LUMS) and the IDP. The SDF guides the development in the municipality, while LUMS controls development in the municipality. Most of the line-function managers find it difficult to understand their roles within this broader planning framework.

What transpired during the interviews with five participants is that there is still a gap between IDP, SDF and budget in the municipality due to capacity, information and structural constraints. This was raised by the officials related for planning and development within the municipality. The municipality still view IDP and budget as separate processes. Carter (2002) cautioned the public servants that all planning initiatives and budgets in the three spheres should be coordinated and aligned. The MFMA, 2003 confirms this notion by stating that the efficient budget process that

incorporates the IDP review will facilitate community inputs, encourage discussions, promote better understanding of community needs, provide an opportunity for feedback and improve accountability and responsiveness to the needs of the local communities. This will position the municipality to represent the needs of the community and to provide useful inputs to the relevant provincial and national department strategies and budgets for the provision of services.

4.3.2 Performance Management System

Section 38 of the Municipal Systems Act, 2000 mandates municipalities to establish a PMS that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in its IDP. The Act mandates municipalities to promote a culture of performance management among its political structures.

Chapter 3 of the Municipal Planning and Performance Regulations (2001) requires municipalities to develop the PMS that complies with all requirements set out in the Municipal Systems Act, 2000. Polokwane municipality does not have a PMS. In terms of all participants and documents, Council approved Performance Management Framework in 2003 and it was never revised. It is not the PMS rather a framework within which performance in the municipality can be managed. Motshekga (2008:7) warned government that many municipalities are still not implementing PMS.

All participants acknowledge and accept that the municipality is not complying with legislative requirements. In response to this they all indicated that the process of developing a fully fledged PMS was underway, coordinated by the Directorate of Corporate Services.

There was also an understanding among participants about the importance of having a fully fledged PMS. In their responses all directors including the Acting Municipal Manager, raised concerns about difficulties experienced when trying to evaluate staff performance. However, they indicated that it is essential that prior to the adoption and implementation of the PMS, a conducive environment for the proper implementation and smooth running of the system be created by way of a substantial review and upgrade processes of human-resource policies, internal systems and

procedures, delegation of powers, supply chain management (SCM) policy, development of simple in-house rules, such as turn-around time for filling of posts and project approvals.

In contrast to the situation of Polokwane Municipality, Mpehle and Qwabe (2008:258) disagree that government institutions must subscribe to statutory performance measures, including efficiency, effectiveness, economy and professional ethics, thus ensuring an outcomes-based governance approach to service delivery. This was supported by Donaldson (2002:21) that with the high quality of PMS and the ability to have a clear understanding of the environment, both internally and externally, the municipality should be in a better position to respond efficiently and effectively to address the needs of their constituency.

The Council has established a Performance Audit Committee to evaluate the measures instituted by management, to ensure that resources that have been acquired economically, are used efficiently and effectively and to report to Council. According to the chairperson of the Performance Audit Committee of Polokwane Municipality the lack of a fully fledged approved PMS makes it difficult for the committee to function properly. The Performance Audit Committee relies solely on the Service Delivery and Budget Implementation Plan to execute its mandate. In her own words, the chairperson emphasises the need for a reliable system that will not only look at municipal-wide performance, but also question the individual performance of senior managers and their subordinates.

All three chairpersons of corporate governance committees interviewed emphasise the importance of having all required systems available, including the immediate filling of critical vacant posts in the municipality. They believe that no system can serve as a panacea for all problems in the municipality. What is needed is the implementation of a systematic approach of addressing all internal bottlenecks. For instance, the development of a PMS requires the effective SCM, delegations, recruitment and succession planning systems.

The point given by the three chairpersons is that the alignment of systems and plans should be stressed by both council and administration in order to address all

institutional challenges. Mpehle and Qwabe (2008:258) agree with this sentiment that for the public sector to achieve its objectives, systems needs to be in place, such as a performance audit, that could extend pressure on the labour force to be concerned with acceptable quality performance. The only concern raised by some of participants is the required institutional capacity to align all available systems towards one vision of the municipality.

4.3.3 Financial viability of the municipality

During the interview, the new Chief Financial Officer (CFO) had only two months from the date of his appointment. The municipality operated for one and a half financial year with the Acting CFO. This is the main reason the municipality got a disclaimer opinion from the Auditor-General for the 2007/08 financial year. In terms of the new CFO, the disclaimer opinion was the result of a breakdown of a control for the period when the municipality had no CFO. This sentiment is supported by the Auditor-General report (2008:2) that pointed the following as the reasons for the basis of a disclaimer opinion:

- The existence, completeness, rights to and valuation of assets totaling R1,7 billion as disclosed on the face of the statement of financial position as at June 2008 could not be confirmed.
- The Auditor-General was not able to conclude on the accuracy and completeness of depreciation totaling R61, 1 million.
- The problems relating to conversion from IMFO basis to the GRAP/GAMAP.
- The accumulated surplus, including the revenue findings that were carried over from the previous year (Lack of supporting documents, unexplained differences between the general ledger and the supporting documents and unexplained differences identified between the financial statements and conditional grants published in the Division of Revenue Act).
- Unrecognised expenditure of R2 million in the financial statements due to inadequate cut-off procedures resulted in the understatement of expenditure and trade creditors by an unknown amount.
- Lack of sufficient supporting documents for debtors amounting R3,1 million.

In his personal views, the new CFO think the non-compliance with legislation was the culture of the day during the days without the CFO, as some critical legislative components were not complied with which affected the municipality. This was also confirmed by Young (2006:97), that a sound internal control process is critical for the ability of an organisation to meet goals and maintain financial viability. Abedian (2000:8-9) mentioned the following as the prerequisites for effective internal controls:

- sound expenditure management
- effective external controls system
- embedded culture of sound public finance
- effective management information system.

In terms of the 2007/08 financial statement, 54% (R961 million) of the budget is from government grants and 44% (R756 million) is from the revenue sources of the municipality. These revenue sources include service charges, licenses, permits, fines, interest earned (outstanding debtors), rental facilities and equipments. The municipality is doing fairly well in terms of revenue collection; apparently the municipality is collecting 96% of its revenue.

There is a need for Polokwane Municipality to explore ways of maximising its revenue sources because the revenue sources referred to are only from the urban areas, the entire rural part of the municipality does not pay services to the municipality. The rural villages purchase electricity from Eskom and receive free water and sanitation from municipality. The municipality does not provide waste-management services to rural villages.

The government conditional grants provided to the municipality include the Municipal Infrastructure Grant, provincial LED projects, Housing Accreditation, Local Government Restructuring Grant, Local Government Transitional Grant, Municipal Systems Improvement Grant, Grant by National Electricity Regulations of South Africa, the then Department of Water Affairs and Forestry (now called the Department of Water Affairs), 2010 stadium and by the Limpopo Provincial Government. The bulk of this government grants are on a conditional basis to municipalities and if a municipality does not perform on the donor's expectations, the money is withdrawn. A

lack of capacity to plan appropriately by most of line-functions managers affects the effective and efficient usage of these grants.

The lack of capacity to spend available budgets is evident on strategic business unit managers, especially those responsible for priority service delivery, such as water, sanitation, electricity, roads and stormwater and maintenance. The overall observation from the interviews is that the problem is not only a lack of funding from the national government to assist municipalities, but also the lack of capacity by municipalities to effectively spend available funds to deliver a basic infrastructure to support service delivery, especially in poverty-stricken dense areas. It is clear from the interviews that the Polokwane Municipality was not doing well on expenditure management.

The following challenges were raised during interviews and observed from the municipality as affecting financial viability of the municipality:

- Increased demand for services
- Inability of a large proportion of municipal households to pay for services
- Resistance to payment in communities where there was dissatisfaction with the levels of service delivery
- Discrepancies in the indigent policy
- Incomplete indigent data
- Weak billing system and inadequate data to ensure correct and timeous billing
- Inadequate implementation of MFMA, 2003
- Weak political will not willing to go after government departments and other large consumers

During the interviews, the CFO referred to HR in the finance section as qualified and relevant. The challenge is in terms of succession planning and retention of most of this staff as the municipality is competing with other organisations, especially from scarce skills such as financial management. The culture of non-payment of services by residents and other sectors of communities was raised as a threat to financial sustainability. This is in line with the views of Kroukamp (2001:33), that the non-payment of services can be singled out as the one factor with the potential to destroy local government in South Africa. The irony of the non-payment for services is that for

every R1 million not collected, R5 million will have to be cut from the capital budget, the only instrument in the hands of political leaders that enables them to make a meaningful difference to the quality of life of and the improvement of services for citizens (Kapp 1995:6).

The strategic intention of the Polokwane Municipality is to balance the new investment with the maintenance of existing infrastructure. The non-payment of services makes it difficult for the municipality to balance the two and in most cases, the maintenance part is compromised and this appears as if the municipality is not delivering services. This is contrary to the warning by the CSIR in 2007 that if the insufficient attention paid to maintenance, the effect will be that the infrastructure will deteriorate well before the end of its designed life-span.

The money owed to Polokwane Municipality by consumers is R126, 718, 344 (Polokwane Municipality, *Audited Financial Statements*, 2008:9). This figure refers to those who are supposed to pay for services; there are those who get free services, such as poor people, through the indigent policy, and also rural residents. With this amount of money owed, the municipality is still expected to provide and maintain service infrastructure to residents and also meet the national targets.

4.3.4 Capacity development

A large amount of commitment is required from local government. The service delivery, management, financial and accountability demands placed on the local government sector are enormous. In cases where municipalities do not stand up to these demands, skills shortages are often cited as the cause. In any organised human activity, human beings naturally take precedence over other resources, as it is only them who are capable of directing and using other resources. Capacity development involves human, social, physical, financial and natural capital. Human capital refers to the capability of individuals and social capital might include the ability of social networks. Physical capital refers to infrastructure and equipment, while financial capital refers to goods and services produced through human effort, including both physical and financial knowledge.

It has been confirmed during interviews with the Acting Director of Corporate Services that Polokwane Municipality has a skills-development strategy which focuses both on the municipality and community members. In his response, the acting director indicated that the municipality had a bursary scheme for employees and community members as a means of addressing the skills shortage problems in the city.

It was also found that a number of employees also attend short courses and other skills-development initiatives that are accredited by the South African Qualification Authority. The community members are able to access the bursary scheme for a specific field that is required for development in the community, such as medicine, engineering and accounting. The skills development for the councillors is coordinated by the South African Local Government Association (SALGA). The Acting Director said during the interview that “the primary objective of all these skills-development initiatives is to address the capacity deficiency experienced in the municipality over the previous financial years and some of deficiency that resulted with qualified and disclaimer opinion from Auditor-General”.

In his 2008/09 budget speech the Executive Mayor told council and residents that in 2000, the current Council inherited an institution whose structure, policies, mindset and ethos were designed and geared on the one hand to serve the social, political and economic interests of a geographically and racially defined minority and on the other, to control, suppress and exclude the vast majority of residents. All participants during the interviews echoed this sentiment by emphasising the importance of looking at capacity problem within the historical context of the municipality.

In addressing the above, three participants in the study identified the placement process as one of the strategies being applied by the Polokwane Municipality since 2000, which resulted with unintended consequences. The Acting Director of Corporate Services was very specific in terms of the far-reaching implications created by placement process which was completed in line with Municipal Systems Act, 2000. He said “this placement process resulted with the problems that are visible today”. “For instance, a manager who was responsible for HRM is now placed as a manager for a mechanical workshop without a technical background”.

After probing on this one, it was found that the specified manager has a degree in labour relations and certificates relating to HR, but today he is responsible for the mechanical workshop. He does not possess any technical or mechanical qualifications. It was also observed that during the period of this study, the manager for the mechanical workshop was undergoing disciplinary process after a long forensic audit on the allegation of mismanagement in the Strategic Business Unit. Efforts to meet with the manager of mechanical workshop were unsuccessful.

In different discussions with the Acting Manager HR, it was clear that the placement process by the Polokwane Municipality focused on the staff level and income of the employees and less focus on the job content, qualifications, and career development. Most line-function managers are not correctly placed and this makes it difficult for them to give maximum results on their responsibilities, hence it is difficult to have PMS.

The following were echoed by different participants including 10 Mayoral Committee Members as capacity challenges in the municipality:

- Local government is extremely complex and multi-dimensional and as such, all officials and elected representatives need to know, understand and be able to apply all local government legislation, with full realisation of the impact of such laws and related actions. In addition to the legislation, there is a myriad of policy, guidelines, targets and other pointers to be taken into account.
- Management experience and skills is weak, particularly for the types of complex managerial situations encountered.
- Internal systems are poorly developed, and those systems are frequently badly supported and managed.
- Staffing structures are badly designed and many functions are left unperformed due to delay by job evaluation committee.
- Lack of formal job description.
- Knowledge management is poor, coupled with a rapid staff turnover leading to loss of organisational memory.
- Strategic leadership is weak.

- Insufficient integration between strategic planning, integrated development planning, budgeting, community participation and national imperatives.

The common position of participants is that the capacity challenges in the municipality do not warrant national or provincial intervention. All the participants emphasise a united strategic leadership both in the political and administrative arm as the solution to all these challenges.

4.3.5 Institutional challenges

A change and implementation in any sector leads to unusual surges in expenses, as the affected parties have to rework and redesign their systems. These may include IT systems, implementation of new legislations, change of the operating structure, and training of staff to be aware of the changed requirements for compliance. It brings not only financial costs, but also affects staff morale. This is the summarised version of the participants referring to the introduction of different legislation, policies and systems to local government since 2000. The essence of this is that the current council inherited a system which needs to be changed to this new legislative and policy framework, which is not straightforward matter as it includes also the human mindset.

On these transformation issues, Kroukamp (2001:24) once stated that the constitutional change that paved the way for a democratic dispensation in South Africa directly impacted on a public sector that is undergoing major structural changes to undo and unlearn some of the aberrations of the past.

Three of directors indicated during the interviews that while they were struggling with transformation issues, the problems with political administrative interface were delaying their progress. They argued that the political administrative interface resulted with the divisions in the municipality. According to them, important issues and matters are engaged on the basis of divisions or factions rather on the constitutional principles of the local government. In supporting these sentiments, one of the directors showed a project approval report that was submitted on several occasions to the mayoral committee and was not approved. The director felt that it

was not approved because there were existing differences in the municipality, with some officials perceived to be aligned to the influential political leadership.

Cameron (2003:55) cautioned that the relationship between administration and politics is not one of servant and master relationship. The relationship is much more multi-faceted and complex. The interviews confirmed that the intra-and interpolitical party issues were negatively affecting governance and service delivery in the municipality. This is confirmed by the *State of Local Government Report in South Africa (2008:10)* that the reasons for distress in municipal governance are:

- tensions between the political and administrative interface
- poor ability of many councillors to deal with the demands of local government
- insufficient separations of powers between political parties and municipal councils
- lack of clear separation between the legislative and executive.

It was raised as an example by some of the participants that even the Municipal Manager who was suspended during the study period was appointed by the Executive Mayor under pressure from the African National Congress (ANC) Provincial Executive Council (PEC) and some of the councillors in the municipality. It was clear during interviews, especially with some of the politicians, that they don't trust the suspended Municipal Manager. They pointed out that all institutional problems experienced by the municipality were due to his lack of managerial skills, such as his failure to implement the PMS and some of the council's resolutions.

The participants indicated that the appointment of Municipal Manager under the pressure of the PEC of the ANC resulted in divisions in the municipality and untrustworthy relationship between the Executive Mayor and Municipal Manager. Jackson and Hlahla (1993:3) warned the local government authorities that a lack of trust between councillors and officials has sometimes caused near paralysis. According to Cadogan (2008:38), organisation paralysis can result when a Municipal Manager is not in tandem with the Executive Mayor. This is the case of Polokwane Municipality the two are not in a good working relationship since from the beginning.

It must be indicated that during the interviews for this study, the Municipal Manager was suspended on allegations of corruption. Other participants indicated that the suspension of the Municipal Manager was expected since the relationship between him and Executive Mayor was hostile since his appointment. On the other hand, others indicated that the suspension was legitimate due to allegations forwarded by the Executive Mayor to Council. Among the allegations is corruption, non-implementation of council resolutions and the inability to develop and implement a fully fledged PMS.

The following challenges were raised by all participants as the main institutional challenges facing the Polokwane Municipality:

- Problems with political administrative interface
- Intra-and inter-political party issues negatively affecting governance and delivery
- Lack of a PMS
- Low staff morale
- Weak strategic leadership
- Lack of capacity for long term planning
- Insufficient municipal capacity due to lack of some scarce skills.

4.3.6 Priority services

The phenomenal growth, as well as some changes within the Polokwane municipality, has resulted in the municipality adopting the IDP for 2006-11. In line with the 2006-11 IDP, the following five strategic priorities have been adopted:

- Service Delivery and Infrastructure Development
- LED
- Municipal Development and Institutional Transformation
- Good Governance and Public Participation
- Sustainability.

In terms of the participants, the new status of municipalities went hand-in-hand with a considerable responsibility, particularly for basic service delivery, which includes the provision of bulk infrastructure for water, sanitation, electricity, roads, stormwater and

refuse removal. This is confirmed by Kroukamp (2001:23), that the local authorities face an enormous task as there is a huge backlog in access to basic services in South Africa. In addition to operating basic services, municipalities have a particular role to play regarding basic infrastructure development in general as well as informal-settlement upgrading.

The participants indicated that delivering basic services and providing infrastructure was the most important element of poverty eradication. They also agree that the provision of economic and social infrastructure to communities facilitates the LED. This includes priority services rendered directly to the communities, such as water, sanitation, electricity, waste management, environmental management, roads, storm water, housing and community facilities. The municipality has resolved to accelerate the provision of these priority services, especially water, sanitation, roads and electricity through a three-year budgeting cycle. The priority services are identified in consultation with communities and other stakeholders through annual IDP/Budget consultation meetings.

4.4 FINDINGS

In investigating the institutional capacity of the Polokwane Municipality to deliver services to communities, this study comes up with the following findings. The main aim of this study was to investigate the institutional capacity of the Polokwane Municipality to deliver services to communities. In line with this aim, this study found out that the municipality has the required institutional capacity to deliver services to communities, although there are specific capacity challenges.

The findings are presented in terms of the following themes in line with the research questions and research objectives.

- Service delivery and infrastructure development strategies
- PMS
- Financial viability of the municipality
- Capacity development
- Institutional challenges
- Priority services.

4.4.1 Service delivery and infrastructure development strategies

The objective of this theme is to understand how the strategies of service delivery and infrastructure development are formulated in the municipality. Polokwane Municipality adopted the IDP as the short, medium and long term plan of the municipality. The reality is that five years is very short for a city like Polokwane. The specific findings under this theme are as follows:

- Polokwane Municipality does have an IDP as a principal strategic document guiding infrastructure development in the municipality. The municipality has a capacity to develop a long-term strategy that goes beyond the five-year term.
- Most line functions managers have required capacity to implement the IDP, but the interference by politicians have demoralise them, especially those aligned to technical service.
- The municipality does not have enough capacity to perform the planning function, but there is effective way of addressing planning issues in the municipality. For instance the municipal approach of delivering water through various water schemes which indicate a strong element of sustainability. This was done through consultants with a strong monitoring and evaluation model by Project Management Unit of the municipality.
- There is more focus on government grants, and the intentions to mobilise other role players such as the private sector and donors to play a role in service delivery and infrastructure development of the municipality is visible.
- The municipality has a draft infrastructure investment strategy which is realistic, just need to be approved by Council.

4.4.2 Performance Management System

The objective of this theme is to understand how PMS is designed, implemented and monitored in the municipality. It was clear from the document analysis and the interviews conducted that the Polokwane Municipality does not have a PMS as required by the Municipal Systems Act, 2000. The municipality has a Performance Management Framework which was adopted by council in 2003, and it was never

reviewed. The framework is focused on top management and does not address the tactical and operational levels of the organisation.

The municipality has established a Performance Audit Committee in line with Municipal Planning and Performance Management Regulations of 2001. The role of the Performance Audit Committee is to:

- review the quarterly reports submitted to it by the Municipal Manager.
- review the municipality's PMS and make recommendations in this regard to the council of that municipality
- at least three times during a financial year submit an audit report to the municipal council.

It is concluded that the municipality does not have a fully fledged PMS. There seems to be an understanding of what is required in this area but the process to develop, design and implement PMS seems to take long. Among other issues that make it difficult to implement PMS is the lack of a clear job description, discrepancy of job levels, and unclear delegation of systems. Some of these issues are beyond the control of municipality such as development of job description, is handled at SALGA level by job evaluation committee.

4.4.3 Financial viability of the municipality

The objective of this theme is to understand the financial viability of the municipality. It is evident that the municipality was able to manage its finance well until the former CFO resigned. The lack of a permanent CFO for one and a half year affected the municipality negatively. The finance section is not a service-delivery department, but a support department, as such, lack of capacity for forward planning from line-function departments/manager affects the financial viability of the municipality.

Based on the assessment of 2007/08 and previous financial statements and the interview with CFO in terms of the financial position, change and performance, this study concluded that the municipality is financially viable. There are problems caused by the resignation of the CFO, which created a leadership vacuum. It was observed

that the required financial policies and procedures are available. Although the Polokwane Municipality is financially viable, the following discrepancies have been identified:

- Inability of a large proportion of the municipal households to pay for services
- Discrepancies in the indigent policy
- Incomplete indigent data
- Weak billing system and inadequate data, to ensure correct and timeous billing
- Poorly trained employees to deal with managing billing, collection and queries
- Outdated IT system. The municipality was in the process of acquiring new financial system
- Weak political will to go after government departments and other large consumers.

4.4.4 Capacity Development

The purpose of this theme is to understand the HRD strategies, policies and mechanisms in the municipality that are used to capacitate the staff in delivering services. It is noted that the municipality does not have a comprehensive integrated HRD strategy to guide HRD in the municipality. The municipality has a skills development strategy, but this is not enough for HRD and career development practices.

The high level of staff turnover is an indication that the municipality does not have the credible HRD. During the interviews some of the critical positions were vacant, such as, Manager: Strategic Planning and IDP, Manager: HR, Manager: Legal and Secretariat and Director: Corporate Services. Through observation and interviews this study concluded that the municipality has the required capacity to develop a comprehensive HRD strategy.

The placement of staff in line with the Municipal Systems Act, 2000 was not conducted properly. The placement was based on the assumption that a manager should be able to manage in every field. It has resulted with the placing of other

managers in the wrong portfolios which resulted with low morale among staff, especially in middle management.

4.4.5 Institutional challenges

The primary objective of this theme is to identify and analyse the implications of institutional challenges on the delivery of priority services to the communities. The following are identified as institutional challenges affecting delivery of services in the Polokwane Municipality:

- Problems with political administrative interface
- Intra-and inter-political party issues negatively affecting governance and service delivery
- Lack of PMS
- Low staff morale
- Weak strategic leadership
- Lack of forward planning
- Lack of some of scarce skills.

4.4.6 Priority services

The objective under this theme is to identify priority services and understand how they have been identified and prioritised by the municipality. The Polokwane Municipality adopted a strategic approach in identifying the priorities. The following are identified as strategic priorities:

- Service Delivery and Infrastructure Development
- LED
- Municipal Development and Institutional Transformation
- Good Governance and Public Participation
- Sustainability.

Emanating from the above strategic priorities, the following were identified as service priorities for the municipality during 2005-2011:

- Water
- Sanitation

- Electricity
- Waste Management
- Roads and Stormwater
- Housing
- Environmental Management.

The identification of these priorities is done through the IDP and budget review consultation process. The IDP and budget review consultation meetings is the process in which the Executive Mayor, municipal officials, councillors and the members of mayoral committee meets with all stakeholders regarding the overall planning and allocation of resources in the municipality. It is in this process where the council, communities and administration prioritise the provision of services in line with the budget.

CHAPTER 5

5.1 RECOMMENDATIONS

It is apparent from this study that Polokwane Municipality has the necessary institutional capacity to deliver on its constitutional mandate. This is evident through the available systems and policies in the municipality and the understanding and knowledge of the local government mandate reflected by the participants during the period of study through interviews. While acknowledging the knowledge of the officials and politicians there are also shortcomings identified in the systems.

It is on this basis that this study recommends the strategies that the municipality may choose to apply in order to provide sustainable service delivery to their communities. As mentioned, these are not resolutions but recommendations based on the interaction of the researcher and the Polokwane Municipality as an institution during the period of study.

This study recommends the following:

- That the municipality explores more effective and efficient approach of capacity development. Currently the skills development strategy of the Polokwane Municipality focuses mainly on a bursary scheme for employees and short courses. There is a need for the council to look on the training academy model which is very effective and able to generate funds for responsible institutions. Some of the successful and credible institutions follow this model, such as DBSA, *Vulindlela* Training Academy and also the City of Tshwane Training Academy.

The training academy can be done by consolidating all fragmented capacity development activities in the municipality under one umbrella. In implementing this approach, the council should consult extensively with all relevant stakeholders such as tertiary institutions in the province, national and provincial government, private organisations, especially from training and development perspective, business, organised labour and NGOs in the

province. The reason for consulting with stakeholders is that the training academy should serve both the internal staff and also the external community members. The outcome and impact of this will not only be the skills development in the province, but also the sustainable service delivery in all provincial sectors.

- The City of Polokwane is the capital city of Limpopo. The development experience taught development practitioners that there is no magic formula for urban and rural success. It is important for the Polokwane Municipality to strengthen its quality on the strategic thinking to serve as the basis for operational actions. Secondly, it is important to look for the visionary individuals as leaders and embrace creative organisations and a political culture sharing clarity of purpose. It is clear that these two important aspects cannot be achieved through a compulsory five year IDP and three year budget as principal strategic documents at the current moment.

Polokwane Municipality should develop a long-term (20 – 30 years) development strategy that will be based on three principles, namely enablement, participation and capacity development. Participation refers to meaningful contribution to development by all local stakeholders and it should result in local ownership of the local development process. For this participation to be meaningful, all stakeholders, including the municipality, need a solid institutional and technical capacity. The goal of this long-term strategic development strategy should include a collective municipal vision and strategy, improved municipal governance and management, increased investment and systematic and sustained reduction in both urban and rural poverty. The strategies for service delivery and infrastructure development and the IDP should then be developed within this long-term development vision and strategy

- Polokwane Municipality should with immediate effect establish the PMS. It is also important that the PMS be established in line with the effective and efficient internal processes and systems such as supply chain management, delegations, recruitment and training. For proper development and implementation of PMS, the Council should appoint an external service

provider to first conduct an overall audit on shortcomings on all systems, processes and procedures and recommend how they should be addressed. This will ensure that the environment is conducive for the proper implementation and smooth running of the PMS.

- While the municipality has appointed a permanent CFO, it is equally important to staff and capacitate the internal audit unit. It is also critical to have a hands-on, visible and competent Audit Committee that understands the dynamics of local government and this will help council to mitigate financial risk.

There must also be a financial skilling programme for all senior managers in the municipality, because every manager is expected to understand basic financial management. This skilling programme should include basic information on budget, revenue, expenditure, asset, liability, adjustment budget and all other basic financial modules. The new CFO should commence with the succession planning in the finance directorate to avoid problems at the end of his contract. This will assist council to ensure that after the five-year contract with the current CFO, the council will have capable people within the system to replace him. It will also be viewed as creating upward mobility for the current staff, which will also serve as a motivating factor.

5.2 CONCLUSION

The issue on the capacity of municipality to deliver on its constitutional mandate cannot be overemphasised. It is evident that the national government has allocated huge sums of money to build municipal capacity over the years. There has been a number of other government initiatives and programmes to advance service delivery and institutional support. These include the former Planning and Implementation Management Support Centres, the Integrated Sustainable Rural Development Programme, urban renewal nodal programmes, the IDP analysis and training weeks, the Bucket Eradication Programme, *Siyenza Manje programme*, the *Ilima Project* (Old Mutual), and the donor-supported Consolidated Municipal Transformation Programme.

It is concluded that the Polokwane Municipality has the necessary institutional capacity to deliver on its mandate. It is clear that the effective functioning of the municipality begins with its political and administrative leadership. The Polokwane Municipality requires strategic leadership to coordinate all available resources within the municipality towards service delivery and infrastructure development. There is, however, a critical developmental challenges which constitute the root of the success or failure of this municipal leadership.

To achieve success, specific leadership skills are needed for the leadership of the Polokwane Municipality. The skills to address the ever-changing demands for improved services, establishing public-private partnerships and small, medium and micro-enterprises, as well as improving conditions of service, and the quality and sustainability of the internal working environment.

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Interview schedule for the mayoral committee members

1. In your own view, which institutional challenges have a major negative bearing on the delivery of services to communities in your municipality?
2. How is the service delivery strategies formulated in your municipality and your role in it?
3. How is the Performance Management System designed, implemented and monitored in the municipality?
4. What are the priority services and how have these services been identified and prioritised by the municipality?
5. What will you refer as institutional challenges facing your municipality in providing services in a sustainable manner?
6. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

Interview schedule for the Chairperson of Audit Committee

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in the Polokwane Municipality?
2. Polokwane Municipality received a qualified opinion from the Auditor-General during 2005/06 and a disclaimer for 2006/07 and 2007/08, why this?
3. In your view, the internal controls, systems and procedures of Polokwane Municipality support service delivery and if yes, elaborate how?
4. This municipality collects 98% from revenue and gets grants such as MIG, MSIG, Equitable Share, but still have communities without basic services, why?
5. Do you consider this municipality being financially viable in terms investment versus maintenance of infrastructure, revenue versus expenditure and assets versus liability management?
6. In most cases, the Supply Chain Management process is referred to as the most factor delaying service delivery. Is this the case in your municipality and if not, how do you handles the entire procurement process?
7. What will you refer as institutional challenges facing this municipality in providing services in a sustainable manner?
8. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional Mandates?

Interview schedule for the Chairperson of Oversight Committee

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in the Polokwane Municipality?
2. In terms of report of the Auditor-General since 2005 up to 2008, Polokwane is not doing well, what do you think might be leading to this?
3. In line with the comments of Auditor-General for the 2007/08 financial year, what are your findings on that as the chairperson of oversight committee?
4. What will you refer as institutional challenges facing this municipality in providing services in a sustainable manner?
5. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

Interview schedule for the Chairperson of Performance Audit Committee

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in the Polokwane Municipality?
2. How is PMS structured and how it is supporting service delivery in your vie?
3. In terms if report of the Auditor-General since 2005 up to 2008, Polokwane is not doing well, what do you think might be leading to this?
4. In line with the comments of the Auditor-General for 2007/08 financial year, what are your findings on that as the Chairperson of Performance Audit Committee?
5. What will you refer to as institutional challenges facing this municipality in providing services in a sustainable manner?
6. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

Interview schedule for the Chief Financial Officer

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in Polokwane Municipality?
2. You got qualified opinion from Auditor-General during 2005/06 and disclaimer for 2006/07 and 2007/08, why this?
3. How your municipality design, Implement and monitor Performance Management System?
4. You are able to collect 98% from revenue and get grants such as Municipal Infrastructure Grant and Equitable Share, but you still have communities without basic services, why?
5. Do you consider your municipality being financially viable in terms investment versus maintenance of infrastructure, revenue versus expenditure and assets versus liability management?
6. In most cases, the Supply Chain Management process is referred to as the most factor delaying service delivery. Is this the case in your municipality and if not, how do you handle the entire procurement process?

Interview schedule for the Director: Community Services

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in the Polokwane Municipality?
2. How is the service delivery and infrastructure development strategies formulated in your municipality?
3. How does your municipality design, Implement and monitor Performance Management System?
4. In terms of your 2008-11 IDP, the municipality has not extended waste management service beyond City/Seshego and some parts of Mankweng Cluster since 2001. What is your view on this?
5. In terms of your 2008-11 IDP most of social services are concentrated (p43) in the core city area, what about the rural part of the municipality?
6. In terms of your 2008-11 IDP, a great challenge facing your municipality is limited, technical and management capacity (p72) in service delivery areas, can you elaborate more on this issue?
7. Managing the environmental impact, conserving natural resources, changing consumption patterns and eradicating poverty are high on the developmental agenda, what do you think is the role of municipality in this regard and how much have you done?
8. What will you refer to as institutional challenges facing your directorate (Community Services) in providing services in a sustainable manner?
9. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

Interview schedule for the Director: Corporate Services

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in the Polokwane Municipality?
2. How is the service delivery and infrastructure development strategies formulated in your municipality?
3. How does your municipality design, Implement and monitor the Performance Management System?
4. In terms of 2008-11 IDP, the training and development of staff is centralised under your Directorate, how effective is this in ensuring the provision of services to communities?
5. *Siyenza Manje* and Project Consolidate were developed to address the capacity of municipalities. How do you rate the capacity of your municipality within this view?
6. What will you refer to as institutional challenges facing your directorate (Corporate Services) in providing services in a sustainable manner?
7. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

ANNEXURE H

Interview schedule for the Director: Planning and Development

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in the Polokwane Municipality?
2. How is the service delivery and infrastructure development strategies formulated in your municipality?
3. How does your municipality design, Implement and monitor Performance Management System?
4. You are responsible for overall planning and development of the municipality/. What do you think are internal and external challenges affecting planning of service delivery?
5. The Department of Provincial and Local Government has indicated lack of capacity on planning as the main problem affecting municipalities to deliver services to communities, what is your view on this?
6. What will you refer to as institutional challenges facing your directorate (Planning and Development) in providing services in a sustainable manner?
7. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

Interview schedule for the Director: Technical Services

1. Which institutional challenges have a major negative bearing on the delivery of services and infrastructure to communities in Polokwane Municipality?
2. How is the service delivery and infrastructure development strategies formulated in your municipality?
3. How your municipality design, Implement and monitor Performance Management System?
4. In terms of your 2008-11 IDP, a great challenge facing your municipality is limited, technical and management capacity (p72) in service delivery areas, can you elaborate more on this issue?
5. In terms of South African National Target, all people should have access to a functioning water at or above RDP level by the end of 2008, Would you be able to meet this target with the 18 000 household without water at RDP level?
6. In terms of South African National Target, all people should have access to a functioning sanitation at or above RDP level by the end of 2008; would you be able to meet this target with 61% of household without sanitation in terms of your 2008-11 IDP?
7. In terms of South African National Target, all people should have access to a electricity by the end of 2012, would you be able to meet this target with 31 000 households without electricity in terms of your 2008-11 IDP?
8. How do you balance investment in the eradication of backlog on services and maintenance of the current infrastructure?
9. What will you refer as institutional challenges facing your directorate (Technical Services) in providing services in a sustainable manner?
10. Do you think Polokwane Municipality has necessary capacity to deliver on Constitutional Mandates?

Interview schedule for the Executive Mayor

1. In your own view, which institutional challenges have a major negative bearing on the delivery of services to communities in your municipality?
2. How is the service delivery strategies formulated in your municipality and your role in it?
3. How is the Performance Management System designed, implemented and monitored in the municipality?
4. Managing the environmental impact, conserving natural resources, changing consumption patterns and eradicating poverty are high on the developmental agenda. What do you think is the role of a municipality in this regard and how much have you done?
5. You received a qualified opinion from the Auditor-General during 2005/06 and a disclaimer for 2006/07 and 2007/08 –, Why?
6. What are the priority services and how have they been identified and prioritised by the municipality?
7. What will you refer to as institutional challenges facing your municipality in providing services in a sustainable manner?
8. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?

Interview schedule for the Municipal Manager

1. In your own view, which institutional challenges have a major negative bearing on the delivery of services to communities in your municipality?
2. How is the service-delivery strategy formulated in your municipality and your role in it?
3. How is the Performance Management System designed, implemented and monitored in the municipality?
4. Managing the environmental impact, conserving natural resources, changing consumption patterns and eradicating poverty are high on the developmental agenda. What do you think is the role of the municipality in this regard and how much have you done?
5. You received opinion from the Auditor-General during 2005/06 and a disclaimer for 2006/07 and 2007/08, why this?
6. What are the priority services and how have these services been identified and prioritized by the municipality?
7. What will you refer to as institutional challenges facing your municipality in providing services in a sustainable manner?
8. Do you think the Polokwane Municipality has the necessary capacity to deliver on constitutional mandates?