

# Local government is in good health

The core principles, values and features of the new local government system are sound. This is the conclusion of the national Portfolio Committee on Local Government after a major study tour of municipalities at the beginning of 2003.

The challenges of the new system are not about policy issues, but about implementation. The issues concern plans, programmes, funding and resources, quality of leadership, capacity building and training, and cooperation between all spheres of government. The biggest concern is the implementation of a new financial system for developmental local government. Another major concern is effectively implementing the division of powers and functions between district and local municipalities.

## Study tour

In January 2003, the Committee, under chairpersonship of Yunus Carrim MP, visited 41 municipalities, three metro sub-councils, seven MECs and provincial departments, four ward committees, three urban and rural nodes and three Planning and Implementation Management Support Centres. In all it interacted with over 2 200 people. A few of the key issues dealt with in its report are summarised below. (The full report can be obtained from [www.hologram.org.za](http://www.hologram.org.za).)

## Establishment of new municipalities

Significant progress has been made in creating single municipalities out of the pre-existing ones over the past two years. There are now single administrations and budgets and the appointment of senior officials is progressing reasonably. Significant numbers of performance contracts for municipal managers have

## key points

- The core principles of the new local government system are sound.
- Relations between councillors and senior managers are far from satisfactory and it is the ultimate responsibility of councillors to address this.
- A challenging issue is the division of powers and functions.
- There is a need for clear provincial and national development plans, which must shape – and be shaped by – IDPs and budgets.
- Better links are needed between IDPs and budgets.
- Municipalities need assistance with implementing the Municipal Finance Management Bill.
- Traditional leaders can play an important role in municipalities.

not yet been concluded. In most municipalities visited the system of delegations was finalised but there was less progress with the consolidated fixed assets register and rationalising by-laws.

## Function of councils

The Municipal Structures Act requires that a council must meet at least quarterly. This has been interpreted to mean there should only be four council meetings a year, and that any additional ones are 'extra' or 'special'. With the power given to executive committees, the sense is that council meetings have been de-emphasised, leading to frustration among ordinary councillors.

Relations between full-time and part-time councillors are not always cordial. In most municipalities,

the respective roles of the mayor and the speaker have been defined in practice; however, tensions exist due to personal and political differences rather than inadequacies in the legal framework. Relations between councillors and senior managers are not satisfactory. Officials complain that councillors unduly interfere in their work, particularly in staff appointments.

A small minority of councils report a very co-operative relationship between different political parties.

The Committee recommends paying attention to alleviating the frustration experienced by councillors. Relations between councillors and officials should be improved, with the ultimate responsibility resting on councillors to effect this. Municipalities should seek broad consensus among councillors and officials on key issue. The roles of councillors and officials should be clearly defined and be in writing. Preemptively, effective structures should be established to bring councillors and officials together on a regular basis. Regular workshops should be held to address any significant tensions that arise.

## Division of powers and functions

Perhaps the most challenging issue is the division of powers and functions between district and local municipalities. Relations between the two vary from cordial and cooperative to conflictual and unproductive. The lack of certainty about the division of powers and functions is a concern for most. Larger and stronger local municipalities question the need for district municipalities. Others feel they should only play a coordinating and policy formulation role, with local municipalities fulfilling all major service delivery functions. Weaker and more rural local municipalities are in favour of the district municipalities, often seen as their source of salvation.

There is a need for greater certainty on what, precisely, the new division of powers and functions are that came into effect on 1 July 2003 (see *LG Bulletin* 2003:1 8); and on the technical meanings and financial implications of these allocations.

The two-tier system has also, in some cases, become the site of intra-party political differences. However, there are significant numbers of success stories where district and local municipalities have productive relations.

The Committee regards the difficulties experienced with the system as to be expected in implementing a fundamentally new system. The core objectives and principles of the system are not doubted: bringing together several municipalities can ensure regional development planning, provide bulk infrastructure and services, build the capacity of weaker municipalities, ensure modest levels of redistribution and strengthen local government's relationship with provincial and national governments. However, for the new system to work all local government stakeholders, led by the DPLG, should do much more to clarify:

- the need for the two-tier system;
- the role of district municipalities, and
- the precise division of powers and functions.

Municipalities should also be given considerable support to implement the new allocations (namely, authorisations by the Minister of Provincial and Local Government and the adjustment by MECs).

## Integrated governance and planning

Although all the municipalities visited had completed their IDPs, many acknowledged that their quality was poor. Having internalised the notion of development planning, they intend to improve them through their annual reviews.

District municipalities find it difficult, in the absence of a ward committee system, to consult communities. Consultation appears to be mostly a formality – getting the endorsement for IDPs prepared by consultants or officials.

Though the need to link IDPs with budgets is appreciated, in practice it is not always adequately made and municipalities need assistance in this.

Almost all municipalities complained that provincial and national government largely ignore municipal IDPs, and do not communicate their own plans for an area. Provincial and national departments then go ahead with programmes that are inconsistent with municipal IDP priorities. Clear provincial and national development plans that could shape – and be shaped by – municipal IDPs are thus also needed.

The IDPs of district and local municipalities should be integrated.

## Finances

Though most municipalities have credit control and debt collection policies, they either cannot, or do not, implement them effectively. They will have to be much more effective in collecting debts owed by the private sector, government departments and civil servants. They must thus do more to establish efficient billing and financial systems, and DPLG, the National Treasury and other stakeholders must offer more support in this regard. Some municipalities – those without a minimal revenue base – are simply not viable. Provincial and national government must take drastic measures, including reconsidering municipal boundaries.

To implement the new system effectively, more money, resources and support must be allocated to local government. Municipalities will need considerable assistance in implementing the Municipal Finance Management Bill. The implications of the restructuring in the electricity industry should also be better communicated to municipalities.

The review of the local government financial system already underway must be speeded up.

## Community participation

Community participation in IDPs, budgets, tariff policies and municipal services takes place through a variety of measures. Ward committees, established in most of the municipalities visited, play an important role in this regard. There is still a need to ensure greater and more consistent community participation. The Committee recommended that all metros and local municipalities should have ward committees. Municipalities should allocate more resources for community participation, particularly to ward committees. To make them more representative and effective, serious consideration must be given to amending the Municipal Structure Act so that members serve for two-year periods and so that more than ten can be elected.

## Delivery of services

There is significant progress in the provision of free basic services, especially water. However, free basic water is not yet reaching people in the rural areas. The transfer of water projects and schemes from the

Department of Water Affairs and Forestry to municipalities from July 2003 is causing concern. Many municipalities feel they cannot afford the accompanying salary bill or maintenance of schemes that are in disrepair. The Committee urged that the handover should be phased in. Also, although local government's equitable share has considerably increased, it would have to increase significantly more for municipalities to be able to deliver services to the people effectively and comprehensively.

## Role of traditional leaders

Traditional leaders are either officially or informally active in the municipalities, leading to the conclusion that they are more active in municipal affairs than it often appears. The potential for them to play an extremely important role in municipalities is not being realised. Disputes about their role thus need to be addressed urgently.

## Relations with provincial government

The Committee stressed the crucial role of provincial governments in supporting the consolidation of the new system of local government. While they have limited funds, resources and personnel to assist municipalities, they can do more, without undue interference. In particular, they must cooperate with municipalities on IDPs and pay them what they owe for service fees, rates and agency functions.

## Conclusion

The Portfolio Committee has produced the most extensive report undertaken so far, dealing with all aspects of local government transformation. The Committee's analysis of the challenges facing local government is penetrating and its suggestions are valuable. The question is now one of follow-up and prioritising challenges. As the Committee noted, the long process of transition has led to a measure of 'transformation fatigue'. While changes will be ongoing, a measure of stability is now necessary.

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