



Forum Report:
*Towards accelerated municipal performance.....the betterment
of the lives of the people*

Forum Date	23 May 2006
Venue	Holiday Inn- Elangeni
Guest Speaker	Mr Mvusi Mgeyane (SALGA-KZN) Ms Jacque Subban (eThekweni Municipality) Mr BB Biyela (Uthungulu Municipality)

Introduction

On 23 May 2006 the Democracy Development Programme (DDP) has held another political forum. The forum was attended by over 80 participants representing various NGOs, civil society organizations, youth, political parties, academics and municipalities.

Purpose of the Forum

The aim of this political forum was to trigger a debate around the performance of municipalities. The forum was premised on the fact that the local government elections 2006 have come and gone, and the results are in. The process of electing local councillors and mayors is complete, and municipal managers have been

appointed. Then the big question is: what should municipalities and elected leaders do to improve performance, deliver quality services, and promote development to improve the lives of all South Africans?

The March 2006 local government elections marked another important milestone in South Africa. People went to the polls for the second time within the new framework of democratic local government in order to elect their municipal representatives. Citizens and communities are concerned about access to basic services and economic opportunities, crime, safety, and so on. Municipalities can impact on all of these facets of our lives.

Critical issues that were explored were:

- What should be done in order to curb abysmal performance, and corruption, mismanagement and maladministration at the municipal level
- What should municipalities learn from the past five years in order to improve performance?
- How do we ensure stability, predictability and efficiency in the governance system?
- What is the position of the law in respect to performance appraisal of municipal managers?
- What should be done to rescue and assist struggling municipalities to improve performance and to deliver on their mandate?
- How can one address service backlogs in order to accelerate the delivery of free basic and the extension of these services to the poor?
- The importance of capacity building i.e. providing an induction programme for newly elected municipal councillors and mayors through addressing the key areas of expertise and values that they will be expected to display while conducting their mandate and responsibilities;
- Progressive policies and legislative frameworks are in place to ensure that the afore-mentioned issues are successfully addressed. However, such policies are proven to be inadequate in practice. What accounts for this?
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Background information

Now that the local government elections held on 1 March 2006 are over, it is imperative that the emphasis on local government performance gain momentum. It follows, therefore, that current debate around public sector delivery depends much on raising the performance of municipalities. Local government, being the sphere of government that is literally “the closest to the people”, is viewed by government as the primary vehicle for service delivery and reconstruction in democratic South Africa. The achievement and demonstration of credible improvements in service delivery, job creation and economic development depends primarily on improved performance at the municipal level.

Since the establishment of the democratic local government in 1994, South Africa rightly focused on creating new structures of governance and municipal institutions. With regard to development, the emphasis was on improving access to basic municipal services and the creation of infrastructure to support housing development. New local government institutions continue to strengthen and progress has been made with the provision of basic services. However, widespread dissatisfaction with local government “performance” and the “lack of delivery” persist despite some success in rolling out basic services and achieving compliance with a new regulatory framework. Third tier government is increasingly singled out as the weakest link in the three sphere system of government. Municipalities, in particular, are called upon to articulate and implement a developmental agenda that can go beyond satisfying basic needs towards transforming the way our towns and cities function and reinventing the way they perform as engines of growth.

Constitutional mandates of municipalities

The Constitution of South Africa places a developmental mandate on local government, with the express purpose of them providing effective and efficient services to their communities and to promote local social and economic development.

Chapter 7 of the constitution of the republic of south African stipulates the following:

Objects of local government

152. (1) the objects of local government are -

- a. to provide democratic and accountable government for local communities;
- b. to ensure the provision of services to communities in a sustainable manner;
- c. to promote social and economic development;
- d. to promote a safe and healthy environment; and
- e. To encourage the involvement of communities and community organizations in the matters of local government.

(2) A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Developmental duties of municipalities

153. A municipality must

- a. structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b. Participate in national and provincial development programmes.

The White Paper on Local Government sets out a broad vision for establishing Developmental Local Government, calling on municipalities to find means of confronting the legacy of underdevelopment and poverty within their local areas. Herein recognition is given to integrated development planning, performance management and community participation as crucial mechanisms to achieve this.

Further to this, the Municipal Systems Act of 2000 provides a legislative framework for municipalities to embark on integrated development planning. Thus all municipalities require an Integrated Development Plan (IDP) to be in place in order to fully realize their objectives as set out in Section 152 of the Constitution.

Section 25 of the Municipal Systems Act indicates that the strategic plan must embody the following key factors when finalized:

- Link, integrate and co-ordinate plans and take into account proposals for the development of the municipality;
- Align the resources and capacity of the municipality with the implementation of the plan;
- Form the policy framework and general basis on which annual budgets must be based; and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

In addition the Municipal Systems Act provides a further legislative imperative on municipalities to undertake the following:

- establish a performance management system that is
 - commensurate with its resources;
 - best suited to its circumstances; and
 - in line with the priorities, objectives, indicators and targets contained in its integrated development plan;
- Promote a culture of performance management among its political structures, political office bearers and councillors and its administration; and administer its affairs in an economical, effective, efficient and accountable manner."

Performance management systems

The Municipal Systems Act requires from municipalities to develop their own Performance management systems and to set performance targets and to monitor and review their performance based on indicators that are linked to their Integrated Development Plan (IDP). Involving the community in setting indicators and targets and reviewing municipal performance are explicitly required.

The purpose of a Performance Management system is to assure accountability on the basis of a simple, effective and management tool for the Municipal Manager and as a control tool for the Council. The Municipal Management System will assist the Municipal Manager and the Executives in meeting their goals and objectives by having in place a systematic process designed to articulate and measure employee

performance to IDP as well as individual (or team) standards and to help each employee reach his/her full performance potential and IDP responsibilities.

Performance management in local government is used as a tool to ensure accountability of the:

- The municipality to its constituents, citizens and communities;
- The Executive Committee of the Council
- The Administration to the Executive Committee or Executive Mayor;
- All line, functional and sectoral managers to the Executive Management and the portfolio and standing committees; and
- All employees to the organization

It is critically important that municipalities take the precepts of the Performance Management System very serious. In general, performance management can positively impact on the municipality in the following ways:

- More effective and efficient service delivery;
- Better planning process;
- Higher degree of accountability
- Allow for improved decision making processes;
- Integration of work, leading to cost efficiency
- Provide early warning signals regarding the implementation of the IDP;
- Motivate staff

The successful implementation of the Performance Management System at all municipalities will certainly serve as a yardstick in objectively measuring the performance of staff members at all levels. Improved performance at the level of municipalities will invariably prompt better delivery of services to the people. Source: Municipal Performance Management System Sector Plan: May 2003

Delivering municipal services

What does accelerating service delivery mean? It means:

- a) Meeting the infrastructure for basic services backlog targets; and
- b) Putting in place the right institutional and financial arrangements to ensure the

ongoing provision of sustainable services

c) Making better use of existing delivery mechanisms and systems.

Acceleration is not only about access to services but is also about the quality of services and how efficiently and effectively the services are provided. Service provision must achieve the intended impacts and benefits for communities if it is going to improve quality of life.

Despite extraordinary advances over the last ten years, we are still faced with the challenge of extending the fundamental benefits of basic water supply and sanitation, electricity and housing to all people. The lack of basic household services to all remains an obstacle to achieving sustainable development and remains a root cause of relentless poverty. It is the poor that suffer most and it is the poor who are without basic household services. This is a violation of basic human rights. Is there any task more urgent and more important than addressing the quality of life of those who do not yet enjoy the most basic of human rights? Accelerating service delivery to the most deprived should not simply be treated as a development challenge; it should be treated as a crisis, as the highest priority - as the responsibility of government and society as a whole. As local government we sit at the forefront of that responsibility because we are the sphere of government that has to drive implementation, and that has to make basic services for all a reality (Source: ACCELERATING SERVICE DELIVERY DRAFT 2 SALGA PROVINCIAL GENERAL COUNCIL DISCUSSION DOCUMENT JULY 2004).

Municipalities should be capacitated to delivery free basic services, especially to the poor. The riots over slow service delivery by local municipalities have spread countrywide are symptomatic of institutions that do not have the necessary capacities in place. Section 154 states that national and provincial government must “by legislative and other measures support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions”.

“We must therefore do everything in our power to support municipalities throughout the country to become sustainable institutions. The basic policy frameworks are in place. The task that we have as the entire public service is to devote time, skills and effort to implement the programme of Government in these localities, nearer to our

people and where it matters most”- Quote cited from the speech by Ms Lindiwe Msengana-Ndlela, Director-General of the Department of Provincial and Local Government (dplg) at the Senior Management Services Conference, 21 September 2004, Cape Town International Convention Centre (CTICC). At the conference, Provincial and local government delegates agreed to devise and implement a uniform reporting template on service delivery. This will also evaluate and monitor the work done by SA's 248 municipalities, of which minister Sidney Mufamadi has placed 36 under Project Consolidate to receive help with human resources or finance management. Project Consolidate, a hands-on programme of support and engagement for local government, will assist those municipalities that are struggling with the provision of free basic services to make sure that the dignity of the poor is restored.

Municipal salaries

Awarding performance bonuses totalling millions of rands to municipal directors and senior officials in KwaZulu-Natal has come under criticism over the past couple of months. Dr Len Mortimer, who has done an extensive study on the process of awarding performance bonuses, said in the majority of KwaZulu-Natal municipalities, inflated bonuses were awarded without a process or agreement in place, which did not comply with the Municipal Systems Act. According to the law, all municipalities should follow key performance indicators which are in line with the vision and programmes of the municipality when awarding bonuses.

Two national government departments - Provincial and Local Government, and Public Service and Administration - have crafted two laws that will arrest this scourge. The laws - the Municipal Employees Bill and the Public Service Act - will, among other things, put all civil servants under one salary structure and allow the government to have more control over the salaries and bonuses of municipal managers. The new laws were announced by Lindiwe Msengana-Ndlela, Director-General of the Department of Provincial and Local Government, at the parliamentary briefing on the transformation of local government. The intention of the laws is to regulate hefty performance bonuses that are being awarded to municipal managers and senior officials.

Summary of issues that transpired during presentation and discussion

The forum revealed that the sole purpose for the establishment of municipalities as separate sphere of government is to render essential services to local communities. The local government is the sphere of government closest to the people and therefore it is mandated to improve the wellbeing and the livelihood of the people. Mr Biyela - Municipal manager of the Uthungulu district municipality said that local government has a constitutional obligation to play a developmental role and to strive to achieve developmental objectives. “If local government fails, then government itself has failed”- he added. Commenting on corruption, Mr Biyela was quoted as saying “it is sad that fraud and corruption seem to plague many municipalities in our new democracy. If we are serious about restoring the faith of our communities in the new system of local governance, then local government leaders need to ensure their administrations are squeaky clean and need to have a no tolerance approach when it comes to financial mismanagement and dishonesty”.

Mr Mvusi Mgeyane Head of training at SALGA-KZN acknowledged the fact that municipalities in their quest to roll out services to communities are faced with enormous challenges. The challenges that confront municipalities on daily basis eventually impact of their overall performance, he added. It has been noted that the challenges which municipalities need to respond to and address relates to capacity which encompasses institutional and human resources capacity. He further reiterated that municipal performance should manifest itself through service delivery. Mr Mgeyane however noted that municipal performance is a multifaceted affair which can not be achieved only within the institutions of local government. It requires a combined effort which reflects the inputs of the public and all interested and affected parties. It was suggested that municipalities need to encourage citizen participation and should regard local citizens as active role players in the endeavour to accelerate and render quality services.

Jacque Subban -Head of Geographic, Information and Policy emphasised the importance of leadership at the municipal level. Municipalities need to strive to acquire strategic leadership which is output driven. Leadership is intrinsically linked to performance. Jacque added that in order for municipalities to be in a position to respond positively to the challenge of service delivery, it imperative that they forge

links and partnerships with relevant stakeholders such as civil society organizations and academic institutions. She further reiterated that municipalities need to cooperate and guide one another and also share best practices and expertise, especially technical capabilities. In order to speed up delivery, it became apparent that municipalities will need the support and assistance of the national and provincial governments. The oversight role of councillors was emphasized as critically important in order to promote accountability and elevate the performance of municipalities to new frontiers. It was suggested that councillors need to be equipped with the necessary know-how to enable them play their roles in a professional and efficient manner.