CHAPTER 4
THE CAPACITY CHALLENGES FACING THE PIETERSBURG/POLOKWANE MUNICIPALITY

4.1 Introduction

The purpose of this chapter is to demonstrate that the changes that resulted in the incorporation of adjacent villages and townships into the municipality, have some implications for the capacity of the municipality to deliver services in its extended area of jurisdiction. This chapter will further investigate the impact of the increased area of jurisdiction on the ability of the municipality to accomplish its basic service delivery mandate in terms of the generic administrative processes already discussed in chapter 3. The assumption is that an enhancement of capacity in these processes would imply an enhancement of the overall capacity of the municipality as a development mechanism on the local level.

The essential question remains: How can capacity be built in terms of all the generic administrative processes? This question will be the focus of this chapter especially in the light of the municipality’s extended area of jurisdiction. The new villages to be incorporated within the municipality do not have a revenue base for initial investment in infrastructure. This may necessitate cross subsidisation of these villages and township by the town. This poses a serious challenge in that the municipality has to ensure that service standards within the town itself do not drop while commencing with establishment of infrastructure in the rural villages and the township.
According to the President of the World Bank, Lewis T. Preston, the developed world must help the poor countries to help themselves by increasing the flow of concessional resources for poverty reduction and environmental protection (Fairlough, 1993:68). This can also be said of the rich and poor within the Pietersburg/Polokwane municipality: this area represents the world in micro terms.

According to the Specialist at the DBSA for 1998 (and who is very conversant with the Pietersburg/Polokwane municipality), there is hardly any capacity in the municipality, due to the fact that there was a loss/outflow of experience of 435 years in 8 months from the municipality, just after the 1994 democratic elections. The reason for this brain drain was pure uncertainty on the part of experienced personnel. He strongly attributes the lack of sufficient capacity to this brain drain. Some more experienced personnel felt very unsafe and pessimistic about the new government and prematurely decided to resign. Lack of co-ordination among the role-players in local government which led to a lack of common vision was also singled out as being a definite threat to the existing capacity. Capacity in this perspective should be viewed very broadly. He specifically cited a practical example to elucidate what he meant: an engineer in Pietersburg may know all the pipelines and connections and their life-spans without any reference to a map. Thus, if the whole team of such engineers were to leave the service at the same time, and without having conducted any mentoring, the council may struggle to replace such capacity, especially if this was not anticipated and proactively prepared for.

In an interview with the Acting Chief Executive Officer (CEO) of Pietersburg/Polokwane municipality for 1999, he identified skills drainage to
be an obstacle to effective service delivery within the municipality. He argued that training is essential to build capacity lost since 1994 in order for the municipality to accomplish its developmental role. The cause of this skills drainage to him was, more than anything else, fear of change. Capacity building programmes need to be put in place to make up for the capacity lost. There is also an urgent need to clarify the role of councillors vis-a-vis that of officials. According to him, they (officials) do not experience problems when interacting with the political component of the municipality. He views the relationship as being characteristically cordial, with the councillors intervening rather than interfering.

He also acknowledges that the Pietersburg/Polokwane municipality is not sufficiently capacitated to effectively render services in the neighbouring or adjacent rural villages and towns. He views integration as a further threat to the already insufficient capacity within the municipality and feels that it will negatively affect the existing capacity. It will necessarily affect the capital budget of the municipality, because there are no sewerage lines, water and over and above that, the land in most rural areas belongs to the tribal authority. The threat already mentioned relates to the potential erosion of the capital base in order to cater for integration. While he is optimistic about the future of local government, he feels that the municipality requires initial capital from the Central Government to put into place the infrastructure before they can expect a return. Such an approach, he maintains, will encourage the residents to pay, as most would like to pay for what they see.

Against this background, the question arises as to how capacity can be built in terms of the generic administrative processes, i.e:

- policy-making;
- planning;
- organisational ability;
- staffing;
- control function;
- co-ordination;
- reporting; and
- budgeting.

4.2 Spheres of capacity building

Using these processes as yardsticks for purposes of measurement, should not, however, be interpreted to mean that such an approach is indicative of a particular disciplinary vantage point. It is merely a practical method of improving capacity.

As far as capacity building in terms of the referred to generic administrative processes are concerned, it is necessary to look at each sphere separately with one objective in mind, viz: How can each process be improved in Pietersburg/Polokwane to enable the municipality to improve service delivery to the people in its extended area of jurisdiction?

4.2.1 Policy-making

In view of the fact that the Demarcation Board recommended that the Pietersburg/Polokwane municipality incorporate the neighbouring villages and towns, including Seshego township, Perskebult, Makgofe, Dalmada, Nobody, etc, the discussion of the capacity levels of the Pietersburg/Polokwane municipality necessarily has to consider the effect
integration of the adjacent townships and villages will have on both the financial and human capacities of the municipality to effectively deliver services to the communities of these localities.

An interview with the Mayor of Pietersburg/Polokwane Municipality for 1997 on the subject of integration revealed that the ANC councillors support integration of adjacent villages into the municipality, while the NNP and FF view the move as embodying a threat to the existing capacity of the local authority as an effective service delivery mechanism (Northern Review, 11 December 1998: 4). Their argument is based on the low income levels in the traditionally black rural villages. The Mayor, however, argued that people from these rural villages contributed to the development of the city through their labour and almost all their income earned is spent in the city. People with low income have a high Marginal Propensity to Consume (MPC). An argument therefore exists that initial capital funding should be injected into the neighbouring townships after which the “user - has-to-pay-principle” shall apply. This has to take into account the fact that there are some families within the municipal area of jurisdiction who do not have any income.

At the time of conducting this study, the Pietersburg/Polokwane municipality was busy with a policy on “indigent people”, the objective of which was to make provision for people who really cannot afford payment for services. The implementation of this policy must necessarily be preceded by the creation of a watertight database of the genuinely poor in order to avoid its abuse, because lack of control during the implementation of such policy may be chaotic, despite the good intentions of municipalities. If the economy grows, the municipality can then levy more rates and taxes, a portion of which will accordingly be reinvested in the interests of the indigent as well.
In order to enhance the ability of officials, politicians and beneficiaries alike to achieve effective policy formulation, a continuous capacity-building programme has to be put in place. What also has to be emphasised is that the policy-making process should be a two-way process between the councillors and the people they represent. The policy formulation process must be guided by the needs of the people on the ground. The Head of Local Government for the Northern Province cited the provision in Section 195 (e) of the Constitution in terms of which “people’s needs must be responded to, and the public must be encouraged to participate in policy-making”.

4.2.2 Planning capability

Planning is defined as clarifying one’s objectives and then determining what action shall be taken, by whom, when, by what methods, and at what costs in order to achieve the desired goals. Thus, planning means looking ahead, anticipating and making arrangements for dealing with future problems by projecting trends. Planning cannot be separated from practical administration, because plans must be put into effect, or they remain in the realm of intention (Craythorne, 1997:401).

Planning relates to the implementation of policy, describing a plan as “a predetermined course of action”, a “blueprint for action”, adding that planning requires information, sound decisions and group effort, although complete information is rarely obtained. Local authorities can adjust to changing needs, problems, opportunities and to changing knowledge. This requires
an emphasis on planning the style of administration as opposed to the mere administration of services (Craythorne, 1997:401).

The above exposition of “planning” was cited by the Acting CEO as prevailing within the municipality. The challenge for the development planners therefore is to re-orientate the behaviour of both technical and administrative personnel in the Pietersburg/Polokwane municipality towards collaborative planning with clients, towards responding to, rather than directing or planning for, those clients.

The Mayor of the Pietersburg/Polokwane municipality for 1997 mentioned that the planning process has to take into account the needs of all the residents of the extended municipality. This will, he was convinced, result in the improvement of the allocation of resources.

According to the Mayor for the Pietersburg/Polokwane municipality for 1998, they have at the time of this study completed their Integrated Development Plan for the municipal area of jurisdiction. The beneficiaries and other interest groups have been fully involved in this plan. To him, it is very important that the municipality keep residents informed about the progress made towards the accomplishment of the plan. This is said against the background of the fact that there are insufficient resources to meet all the elements of the plan at the same time. The plan needs to be financed and as the level of backlogs within the municipality’s expanded area of jurisdiction far exceeds available resources, it becomes a useful tool for prioritisation.
The communities have a vital role to play in influencing the planning decisions taken in a municipality. However, this should be done in a systematic way. It is always advisable and effective for a local authority to deal with associations and forums as opposed to dealing directly with the whole community. For participation to be effective, the roles of stakeholders must be clarified. In general, the councillors take primary decisions about the budget while communities review specific priorities. The communities are fully involved in the planning process within the Pietersburg/Polokwane municipality.

The fact that residents of the Pietersburg/Polokwane municipality were involved when the Integrated Development Plan was drafted implies that they can influence council resolutions. Community involvement during the planning phase determines the sustainability of development in the municipality and it is actually a meaningful way in which real capacity among the beneficiaries can be enhanced. The views of the Mayor in this respect are reinforced by Southgate (1987:65): "The augmenting of the people’s capacity is vital because people involvement is the key to success in development".

4.2.3 Organisational capabilities

An organisation is seen as a system of continued activity pursuing a goal of a specified kind (Craythorne, 1997:279).

All the interviewees agree that Pietersburg/Polokwane municipality has the necessary organisational capability to act as an agent of service delivery. However, there is consensus that this capacity is not unlimited and thus
needs to be augmented with capacity-building programmes, and equally as important, vigorous and well co-ordinated Masakhane campaigns to maximise the income streams of the municipality through the broadening of the revenue base.

Also emphasised, in the context of capacity building, was the issue of a common vision for both municipal councillors and officials alike. Such an approach is seen as a way to increase performance as officers become aware of the “common goal” and become more economical, efficient and effective at each level.

The Head of the Department of Local Government and Traditional Affairs for 1997 in the Northern Province argued that the municipality has the organisational capability (although this may not be sufficient) for the increased area of jurisdiction. He also supports the incorporation of the traditionally rural townships and villages into the new municipality.

The structure of the organisation depends upon the type of services to be provided, and the most important factor in determining the structure is the functions to be performed. A local organisation like a municipality will be less complex than a national institution, i.e. the nature of an organisation is based on a structure which is usually hierarchical and through which a diverse range of services is rendered. This diversity in services means that the many parts of the organisation will tend to be specialised. According to the Acting Chief Executive Officer for the Pietersburg/Polokwane municipality for 1998, the municipality has adopted a pyramidal organisational structure, and this seems to be the most effective under the existing circumstances.
4.2.4 Effectiveness of the control function

According to a member of the Pietersburg/Polokwane Executive Committee, who was also a member of the Audit Committee for the Municipality for 1999, effective control is indispensable to the overall liquidity of the Municipality. If an organisation is to be structured so as to be efficient and effective, then it is necessary to insert controls, because not all the members of the organisation can be expected to meet high standards voluntarily. An organisation may formulate correct plans and policies, but under-perform or mal-perform, either because of a lack of necessary controls or because the wrong controls have been introduced. Control is also strongly linked to accountability.

The member of the Audit Committee confirmed that effective control should be a concerted effort by both the councillors and the officials in the Pietersburg/Polokwane municipality. He asserts that one way to improve control is through the involvement of all the stakeholders within the municipal area of jurisdiction. This may involve the participation of politicians, e.g. elected representatives, political parties and members of the public may complain or comment to the political level, resulting in questions being asked about why certain actions were or were not performed in a certain way, and this, in turn, results in a review at the political level of the performance of a local authority or a part of it, and may lead to changes being made, or sometimes, disciplinary action being taken.

The Pietersburg/Polokwane municipality has a strong and well-established mechanism to deal with, for instance land development applications and land use control in terms of existing legislation, namely Ordinances 15 of 1986
and the Pietersburg Town Planning Scheme of 1981. Furthermore, township establishment and the development of residential erven in the eastern parts of Pietersburg are functioning well and are sustainable in terms of market forces (Pietersburg/Polokwane TLC IDP, 1998:21).

4.2.5 Staffing

According to the Director for Management Services for 1997, human resources development is high on the agenda of the Pietersburg/Polokwane municipality. He mentioned that an amount of R450 000 was budgeted for training in the financial year 1997/98.

For the Pietersburg/Polokwane municipality to accomplish its mission and objectives, capacity needs to be built within the municipality and obviously training is a very important vehicle to use. To this end, the municipality has taken a resolution to allocate funds towards training of personnel (Pietersburg/Polokwane TLC Council Resolution no 4/8/1 of 23 September 1997). It has furthermore established a working relationship with the Provincial Training Board in the sense that most of the municipal personnel attended courses offered by the Training Board.

The Director of Management Services also indicated that there was insufficient capacity to address the needs of the enlarged municipal area and that a staff complement of about 500 is also considered insufficient for the municipality’s extended mandate (Pietersburg/Polokwane TLC Finance Report, 1998: unnumbered).
The IDP report confirms the skills shortage allegations by the Senior Local Government Specialist from the DBSA Local Government Unit for 1998, in terms of which the Town Planning Department of the Council has a severe shortage of town planners to deal with a large number of land use applications (Pietersburg/Polokwane TLC IDP, 1998:23).

Although the Pietersburg/Polokwane municipality has a fully fledged Town Planning department, it outsources a greater portion of its work to the accredited private Town Planning firms as a way of augmenting capacity. In view of this, it is clear that the Pietersburg/Polokwane Municipality will have to strengthen its personnel component with a view to capacity building.

4.2.6 The nature of co-ordination

According to the Acting Chief Executive Officer of the municipality interviewed during November 1998, the ability of local authority officials and councillors to co-ordinate their functions is vital for the successful functioning of a municipality. Many local authority staff will have to effectively adjust to the demands of the extended area of jurisdiction and competitive environment. In doing so, they have to acquire and develop many new skills, as managers operating under a very new regime from that traditionally associated with local government services. The broader challenge of competition now faced will make it necessary for these skills to be understood by other managers as they face the challenge of competition and the extended area of jurisdiction. These newly required management skills and processes have not generally been part of the managers’ role in the public service, but have had to become so. Local authorities will have to strive for efficiency improvement in order for them to compete for funding in
the financial markets. To this end the Pietersburg/Polokwane municipality will have to intensify the already existing training programmes targeted specifically at senior management to ensure that there is effective coordination of activities within the municipality.

It is appropriate to move on to the issue of public participation and consultation as a means of reducing autocratic behaviour with a view to enhancing effective co-ordination and involving ‘the people’ in government so as to direct governmental efforts to the real needs of society. The Mayor mentioned that there is a need to build decision-making capacity among the beneficiaries in order for them to meaningfully participate in the decision-making processes of the municipality.

This will serve to enhance the coordination process. On-the-job training and vocational training are used to empower the officials and councillors to effectively coordinate municipal activities.

4.2.7 Reporting

As already stated, the Pietersburg/Polokwane municipality, in compliance with the Local Government Transition Act no. 209 of 1993, discussed its audit report for the financial year ended 1996/97 at a meeting open to the public on 24 April 1998. This presented an opportunity for the community to have full information about the performance of the municipality. Through a meeting of this nature, the Pietersburg/Polokwane municipality actually gave feedback to its client in terms of performance during the year under review.
The Pietersburg/Polokwane Municipality must continue to practise a transparent policy. To this end, information about the municipality is readily available. This information can be requested in writing from the Chief Executive Officer who is the custodian of the records of the municipality. For effective reporting purposes, the records must be kept safe at all times. It should be emphasized that the CEO made the records about the municipality available during the conducting of this study. This is evidence of the policy of transparency that the municipality adheres to. The Pietersburg/Polokwane Municipality should also establish a website on which information about the Municipality can be accessed at any time.

There is consensus among all the interviewees that the Pietersburg/Polokwane Municipality is doing its best in terms of constant reporting to the residents about the affairs of the municipality. However, the following issues and problems were mentioned by the community at a community workshop held on 14 March 1998 at the Library Gardens in Pietersburg:

- The community does not understand why it has to pay assessment rates.
- The community wants a tangible return on the rates it pays to the municipality (Pietersburg/Polokwane TLC IDP, 1998:194).

4.2.8 Budgeting

The total income for the municipality for the 1998/99 financial year was R289 756 215, with an expenditure of R246 701 395, leaving an expected surplus of R4 305 482. According to the Local Government Transition Act
of 1993, a municipality may not budget for a deficit. The expected surplus is in this case positive (Pietersburg/Polokwane TLC IDP, 1998:184).

The main sources of income are as follows:

- Electricity: R156.6m
- Refuse removal: R11.8m
- Water: R58.9m
- Sewerage: R12.5m
- Assessments rates: R41.5m
- Licensing: R3.3m
- Traffic: R4.4m
- Intergovernmental grant: R0.8m
- Total: R289.8m

An additional R8m is made up of various smaller sources of revenue. As can be seen, electricity accounts for more than 40% of the gross income. The municipality sends out 27,000 accounts per month of which 17,000 are for Seshego township. According to the Chairperson of the Executive Committee of the Pietersburg/Polokwane municipality, meetings are regularly held with the communities to encourage them to pay for their services. These campaigns have tremendously improved the cashflow position of the municipality. The Pietersburg/Polokwane municipality maintains a uniform tariff structure for all the residents within and including its extended area of jurisdiction (Pietersburg/Polokwane TLC IDP, 1998:184).

The Acting CEO mentioned that the municipality might consider external funding in the form of loans to finance capital projects and for initial investment in the adjacent villages to be incorporated. This, however, requires Council recommendation for approval by the National Minister of
Finance. It is never advisable to burden a municipality with debts. It is advisable to establish priorities within the budget and not attempt to satisfy all the municipal needs at once. Income-generating project investment should be a priority for the Pietersburg/Polokwane Municipality and the return on investment so accrued should be further reinvested in the increased municipal jurisdiction. This will broaden the revenue base of the municipality.

4.3 Summary

This chapter focussed on the empirical data collected about the Pietersburg/Polokwane municipality in relation to the generic administrative processes already mentioned. Pietersburg/Polokwane municipality has the developmental capacity, however this capacity is seen as insufficient should more rural villages be incorporated into the municipality. The impact of the extended area of jurisdiction on the overall capacity of the municipality was also explored. The following chapter contains some recommendations as to how can further capacity in practice be enhanced within the Pietersburg/Polokwane municipality taking into consideration the extended area of jurisdiction.