

**THE MANAGEMENT OF CHANGE  
IN LOCAL GOVERNMENT :  
A CASE STUDY OF THE  
NORTH LOCAL COUNCIL**

**1999**

**JOSEPH EDWARD DAVID**



**THE MANAGEMENT OF CHANGE**  
**IN LOCAL GOVERNMENT :**  
**A CASE STUDY OF**  
**THE NORTH LOCAL COUNCIL**

by

**JOSEPH EDWARD DAVID**

Submitted in fulfilment of the requirements  
for the degree of Magister Administrationis  
in the Department of Public Administration  
in the Faculty of Commerce and Administration  
at the University of Durban-Westville

Supervisor: **Professor P S Reddy**

Date submitted: **14 December 1999**

**Dedicated to my wife SANDRA, and  
my daughters, MELANIE & LYNN**

## DECLARATION

I hereby declare that except where acknowledged, this research is entirely my own work, that all resources used or quoted have been acknowledged and that this dissertation has not previously been submitted for a degree or diploma at another tertiary educational institution.

A handwritten signature in black ink, appearing to read 'J. Edward David', with a horizontal line underneath the name.

**Joseph Edward David**  
Student No. 9707431

10 December 1999

## **THE PATH OF THE CALF**

Once upon a time there was a calf. One evening he walked home through a thick jungle. The distance to his home was only one kilometre but he walked three since, like all calves, he wandered here and there, left and right, up and down.

The next morning a shepherd's dog passed that way and saw the calf's hoof marks, and followed the path of the calf through the woods. Shortly thereafter, the first sheep of a flock followed the path and behind him all the other sheep. Thus, a path through the woods was made.

Men began to use that path, cursing its twists and turns as they did, but doing nothing about it.

The path gradually became a lane, the lane became a road and horses and bullock carts followed it - followed the steps of the wandering calf.

A century later the road became a street, and then a city's crowded thoroughfare, with thousands following in the footsteps of the wobbly calf.

Three centuries later the road became the main street of a very large city. Buses, lorries, trams and cars followed the path of the zigzag calf.

**"A HUNDRED THOUSAND MEN WERE LED  
BY ONE CALF NEAR THREE CENTURIES  
DEAD - THEY FOLLOWED STILL HIS  
CROOKED WAY AND LOST ONE HUNDRED  
YEARS A DAY ...**

**FOR MEN ARE PRONE TO GO IT BLIND  
ALONG THE PATH CALF OF THE MIND  
AND WORK AWAY FROM SUN TO SUN  
TO DO WHAT OTHER MEN HAVE DONE.**

**THEY FOLLOW IN THE BEATEN TRACK,  
AND IN AND OUT AND FORTH AND  
BACK, AND STILL THEIR TWISTING  
COURSE PURSUE ...**

**TO KEEP THE PATH THAT OTHERS DO  
THEY KEEP THE PATH A SACRED  
GROOVE, ALONG WHICH ALL THEIR  
LIVES THEY MOVE."**

**From a poem by Walter Foss (1895)**

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Joseph E David.

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**By**

**Joseph Edward David**

**SYNOPSIS**

<b>Supervisor:</b>	<b>Prof. P S Reddy</b>
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In this dissertation a study of the management of change in local government is undertaken with specific focus on the North Local Council area of the Durban Metropolitan Council.

In the previous era municipalities were structured to coincide with the system of separate development under apartheid. The new democratic order in South Africa at national and provincial levels ushered in the need to transform municipalities in various ways as follows:

From a system of apartheid to a system of democracy.  
From being financially unsustainable to being sustainable.  
From merely providing basic services to being developmental in nature. From being tiny enclaves to covering broader catchment areas. From doing isolated

land use planning to undertaking integrated development planning holistically. From being the sole service provider of municipal services to being service facilitators in certain instances. From being the regulator of development to being the facilitator of development.

The above challenges were presented to all the roleplayers in municipal government to transform municipalities to meet these challenges.

Change impacts on everyone in one way or another within the system that has changed. In a public environment this could mean millions of people.

Municipal government was programmed to change over three phases, namely, the *pre-interim phase*, the *interim phase* and the *final phase* of transformation. Municipal government is currently in the interim phase of transformation and will reach the final phase of its transformation after the next municipal elections which are expected to take place any time between November 2000 and February 2001.

During the apartheid era municipal government had numerous failings. The system of separate development saw the White minority having the best land which was close to economic activities and tourist facilities much to the detriment of the Black majority who were only allowed to occupy land that was far from any economic activity. Based on this method of land allocation there were wealthy White municipalities and poor Black municipalities. Blacks, mainly the labourer class, contributed to the economic growth of White municipalities whilst the areas in which they lived lacked the infrastructure and other municipal services some distance away from where they worked.

The challenge to transform municipalities means that the basic needs of people ought to be linked to economic activities. This is quite a challenge given the innumerable constraints in the environment. Separate developments coupled with abject poverty the majority of people suffered from, will take time to overcome. The Indians in Chatsworth, Whites in Umhlanga Rocks and the Africans in Kwa-Mashu will be with us for a long time to come. It must be accepted that real change to overcome the effects of apartheid will not happen overnight. It will take time. However, every effort must be made to speed up the process of change to enable South Africans to benefit sooner rather than later from its

chosen course of democracy. The key to achieving this would be to integrate development for which integrated development planning is a prerequisite.

This dissertation provides a historical overview of municipal government in South Africa during the apartheid era and thereafter proceeds to document the post apartheid transformation of municipalities, with special focus on the North Local Council of the Durban Metropolitan region. The study also documents and evaluates new legislation that will set municipalities on the 'final phase' in its transformation. The penultimate chapter is dedicated to 'change management' which includes the theory of change and the final chapter make's general conclusions and offers several recommendations.

## **RECOMMENDATIONS:**

The following recommendations have been made at the end of the study. These include:

- ☛ **Municipalities must be democratic and transparent**  
Democracy and transparency must be prevalent at the local sphere of government before South Africans can claim that their country has transformed from the legacy of apartheid to a fully fledged democracy. The way municipalities are structured is therefore important to the measure of transparency and democracy that could be achieved. If, for example, they are too large, with vast areas that are inaccessible, democracy and transparency could be compromised.
- ☛ **Municipalities must be financially viable**  
For municipalities to be effective they must be financially viable. Many of the apartheid structured municipalities relied on the national government for their funding which was grossly insufficient. This position needs to be remedied in the restructuring and demarcation of municipalities so as to ensure their financial viability.
- ☛ **Promote mixed use zoning of land wherever feasible**  
Bringing people closer to their places of employment will reduce travelling time and costs as well as improve their social well-being.
- ☛ **Recognise that each town or area will have features that are unique**

**and must be taken into account in any transformation**

The legislature is required to establish a framework for the orderly transformation of municipalities from apartheid to democracy. In so doing the legislation must be flexible to enable people to live out their new found democracy.

☛ **Change must be processed in manageable portions**

To enable change to be managed properly it must be processed in manageable portions to enable resources allocated to manage change cope.

☛ **Any new system must be given adequate time to settle**

Change and especially major change takes time. It must be afforded the time to settle. For example, the Durban Metropolitan Council started to reap the benefits of its transformation in 1999 although the transformation process began in 1994 and took effect in 1995 with the establishment of the transitional councils. However, in March 1998 the national government pronounced that the transformation of municipalities across the country was inadequate and embarked on a new transformation process.

☛ **Senior management must be made part of the change process**

The technical expertise and experience of senior management must be utilised by their councils during the transformation of municipalities.

☛ **The organisation must fit reality on the ground**

Municipalities must be able to meet the requirements of its citizens and consumers. When municipalities are being transformed the realities on the ground must be taken into account.

☛ **A process for change must be determined and then change must be implemented according to that predetermined process**

Change must be planned and managed and must be recognised as a process and not an event.

☛ **Avoid organisational change that is ineffective**

Change is instituted to improve any given situation. If change does not

improve the situation or makes it worse than it already is, then such change must be avoided.

## CHAPTER ONE

### INTRODUCTION

This chapter describes the research objectives of the study, the research methodology used in this study and the limitations encountered during the study whereafter a brief outline of each chapter is provided.

#### 1.1 INTRODUCTION

Transformation or metamorphosis is a process which depends on many integrated aspects. The quality and well being of successful transformation depends solely on the role of integrated aspects. In order to ensure success it is essential that the impact of transformation be properly managed.

The South African government changed radically from a system of apartheid to a fully fledged democracy in April 1994. Such dramatic change impacted on every facet of human life in South Africa and even beyond its borders. This change sets off a series of further changes that impacted on every institution, whether public or private in one way or another. The lives of ordinary citizens changed dramatically.

Along with the transformation of central and provincial governments at the birth of the new South Africa, local government bodies were also required to undergo significant change. The country could never be transformed until municipalities were completely restructured. This process which commenced in the early 'nineties' and really gained momentum with the enactment of the **LOCAL GOVERNMENT TRANSITION ACT, ACT NO. 209 OF 1993**, is proving, as this study will demonstrate, to be an extremely complex task.

#### 1.2 RESEARCH OBJECTIVES

In light of the background issues discussed above, the broad research goals of this study include *inter alia* the following objectives:

- To understand and evaluate the system of municipal government that prevailed during the apartheid era in South Africa;

- Determine the scope and extent of the transformation of municipalities that have been effected immediately after the apartheid era ended and to evaluate the final legislative arrangements proposed for their further transformation;
- To analyse how the legislative arrangements took effect in the Durban Metropolitan area and how the various structures within the North Local Council of the Durban Metropolitan region were established to render municipal services to all its citizens;
- To provide a theoretical analysis of the management of change;
- To devise and propose a model for Metropolitan governments in South Africa; and
- To draw conclusions and make recommendations on the restructuring of municipalities that may contribute to a smoother transition during the 'final phase' of the restructuring process.

The research findings of both the apartheid and post apartheid eras were statistically analysed and reported, and taken into account in the proposed model for metropolitan governments.

The study intends to answer the following questions:

- What do the terms "change" and "transformation" mean?
- Was the transformation of municipalities theoretically sound?
- Could the further transformation of municipalities follow the theoretical guidelines detailed in this dissertation?
- How a practical model for metropolitan governments can be devised within the purview of the Municipal Structures Act?

### **1.2.1 Research Methodology**

A literary study of available texts comprising relevant books, minutes, journals, legislation and written commentaries have been undertaken.

In order to obtain a global perspective on the structuring of municipalities information was obtained through several mediums including the *e-mail*. It was necessary to communicate with numerous practitioners and councillors in the field of municipal government and administration as well as the general public to ascertain their views on the impact of the changes municipal government is experiencing.

A survey was conducted in Durban on a metropolitan wide basis by the Urban Strategy Department of the Durban Metropolitan Council with the cooperation and on behalf of the associated local councils. This survey was conducted by distributing questionnaires designed to measure the quality of life in the Durban Metropolitan area. Although it was a random survey, households were selected throughout the metropolitan region in both informal and formal dwellings. The interpretation of the data consisted *inter alia* of analysing and evaluating the data to enable policymakers to gauge the success of the changes municipal governments have undergone.

### **1.3 LIMITATIONS OF THE STUDY**

A research undertaking of this nature always presents limitations. The key concerns are the following:

> further legislation that will emanate out of the White Paper on Local Government is still being developed and could therefore not be critically analysed;

> the transformation process is still in progress and will continue for some time to come. It is therefore not possible to comment factually on its success or failure.

> There are numerous options in the Local Government: Municipal Structures Act (Act No. 117 of 1998) that will be available to municipalities. Some of them are new types of structures for South African municipalities, for example an

executive mayor type as opposed to an executive committee type of municipality. Whether this structure will work or not must still be tested. All one can do at this stage is analyse the changes to date and measure such changes against the relevant theory.

#### **1.4 OVERVIEW OF CHAPTERS**

The chapters in this study are organised as follows:

##### **CHAPTER 1:**

##### **INTRODUCTION**

Government institutions were the key targets for marked change. In this regard municipalities received special legislation to effect their transformation. In this dissertation the study will focus on the management of change in municipal government in general and the North Local Council of the Durban Metropolitan area in particular.

##### **CHAPTER 2:**

##### **HISTORICAL DEVELOPMENT OF LOCAL GOVERNMENT IN THE NORTH LOCAL COUNCIL AREA**

In order to appreciate the full extent of the transformation of local government that has become necessary, an understanding of the history of municipal government and development in South Africa is a prerequisite. This history is provided in chapter two of this study. Chapter two begins with an analysis of the system of municipal government in South Africa during the apartheid era. The history is then narrowed down to the Durban Metropolitan region in general, and the North Local Council in particular. The analysis includes a survey of legislation that existed prior to the democratization of local government. Also included in this historical review were the types of structures that existed which shaped municipalities during the apartheid era to propagate that system of government. The focus will then shift to the transformation of local government which really began with the enactment of the Local Government Transition Act. The three phases of transformation as envisaged in this Act will be elucidated

upon in some detail. The different models of metropolitan government that exist in the country are also examined.

### **CHAPTER 3:**

#### **LOCAL GOVERNMENT RESTRUCTURING IN SOUTH AFRICA**

The Local Government Transition Act (Act 209 of 1993) outlines three phases of transition, that is, the pre-interim, interim and the final phases of transition. In chapter three the study focuses on the restructuring of municipalities as outlined in the said Act. Part of the study includes the 'Second Amendment' to the Local Government Transition Act.

Also included in this chapter is the White paper process. This was an important process from which all the legislation that will move municipal governments into their final phase of transformation will emanate. Other legislation that impacts on local government is also briefly highlighted.

### **CHAPTER 4:**

#### **THE ESTABLISHMENT AND DEVELOPMENT OF THE DURBAN METROPOLITAN AREA**

Chapter four deals with the transition itself. This is a study of the Durban Metropolitan region and an in-depth study of the North Local Council.

### **CHAPTER 5:**

#### **CHANGE MANAGEMENT WITH PARTICULAR REFERENCE TO THE DURBAN METROPOLITAN AREA**

Chapter five deals with the management of change in local government and the relevant theory on the management of change. This theory can be used to test whether the practice to date has been undertaken against sound theoretical guidelines. This is a prolonged transition of municipal government and one can still learn much in preparation for the final phase which will commence immediately after the next election of local governments.

The transition thus far has been fairly awkward and impacted on all roleplayers in one way or another. These roleplayers have been identified and the impact the transition had on them is carefully examined. Municipal government is currently still in the transformation phase and the key legislation for the further restructuring of municipalities, that is, the Local Government: Municipal Structures Act, is already in place. Role players in municipal government would have to grapple with this new Act and prepare for the next phase. The preparation taking place in the Durban Metropolitan region is recorded in chapter five.

## **CHAPTER 6:**

### **GENERAL CONCLUSIONS AND RECOMMENDATIONS**

Chapter 6 contains general conclusions and recommendations arising from the empirical research. It will be seen that it was necessary to transform municipal government but that the measure of such transformation may have been excessive.

#### **1.5 TERMINOLOGY**

It is important for the purposes of this study to clarify the meaning of certain key concepts.

##### **1.5.1 Municipality, local authority and local government**

'Municipality', 'local authority' and 'local government' have been used interchangeably in this study. Some literature and legislation especially stemming from the apartheid era used the terminology 'local authority' or 'local government', whereas current legislation, including the Local Government: Municipal Structures Act, utilises the term 'municipality'. In all instances these terms refer to municipalities as defined in the Local Government: Municipal Structures Act.

##### **1.5.2 Transformation and change**

'Transformation' and 'change' are defined in the text (see chapter 5) and for the purposes of this study these words have been used interchangeably.

### **1.5.3 Organisational culture**

According to van Niekerk in van der Waldt & Knipe (1998:52) organisational culture is about an institution's distinctive traditions, habits, policies, values, goals, expectations and practices.

According to Hodge & Anthony in van der Waldt & Knipe (1998:52) organisational culture is "the mix of values, beliefs, assumptions, meanings and expectations that members of a particular organisation, group or subgroup hold in common and that they use as behaviour and problem solving guides".

## CHAPTER TWO

# HISTORICAL DEVELOPMENT OF LOCAL GOVERNMENT IN THE NORTH LOCAL COUNCIL AREA

**“Dear Lord ...**

**grant me the serenity to accept the things I  
cannot change, the courage to change the  
things I can, and the wisdom to know the  
difference”.**

*(Anon.).*

### 2.1 INTRODUCTION

A history of how municipal governments were structured in South Africa is a prerequisite to grasping the magnitude of their transformation that has become necessary in this country. To put it simply, municipalities were structured along racial lines. The result was catastrophic. White municipalities were wealthy and did effect sustainable service delivery. On the other hand, development in “Black areas” was neglected. This meant that the vast majority of South African citizens were deprived of basic services such as water, electricity, housing, refuse removal and so forth. Until a few decades ago there were no formal authorities to institute development in Black areas. As some sort of authority started to emerge for the development of “Black areas”, they were extremely poor and therefore financially dependent on other levels of government and other outside support they could solicit.

In this section, the impact the system of apartheid had on municipal government is dealt with and covers the constitutional aspects as well as the Group Areas Act. This is followed by a brief overview of municipalities in and around the former City of Durban. The focus then shifts to the North Local Council area and the impact the system of apartheid had on the former municipalities that existed in this area during the previous era. This is an in-depth section and it should become apparent that in any system of government that denies all its citizens true freedom to develop and excel will in the course of time prove to be a failure.

## 2.2 THE CONSTITUTIONAL DEVELOPMENT OF LOCAL GOVERNMENT: 1910 TO 1993

Prior to independence, local government activities in South Africa were undertaken on a small scale, based mainly on the principles of British local self-government (Hattingh, 1986:105). When the Union of South Africa was established on 31<sup>st</sup> May 1910, municipal affairs were made the responsibility of the provincial authorities in terms of the South Africa Act, 1909. For many years thereafter, central government did nothing towards the development of local government and administration systems that were suitable for South African urban areas (Cloete, 1986:12-13). The said Act did provide under Section 93, that all powers and functions of municipal councils, lawfully exercised, shall continue after the commencement of this Act until varied or withdrawn by a competent authority (Cloete, 1982:243). This meant that there was no improvement in the general *modus operandi* of municipalities.

Several decades ago local government in South Africa referred only to White local government. There were no autonomous local authorities for other race groups. The intention, however, had always been to have some form of local government for Blacks, Coloureds and Indians 'when they were able to govern themselves to this extent' (Hattingh, 1986:111). Various elementary forms of local government were instituted but within the Republic's policy of separate development (Hattingh, 1986:111).

In respect of Black development numerous attempts were made under apartheid to introduce a system of self management structures for Blacks at local level.

This was partly to compensate for limited rights and partly to bolster the economic privileges of racial exclusion. The following, taken from the Local Government White Paper (1998: 1-2) explains why this was the case:-

- The apartheid regime did attempt under apartheid to introduce 'own management' structures for Black residents at the community level. This was a sweetener, in part to compensate for restricted rights, and in part to bolster the political and economic privileges of racial exclusion.

- In Bantustans, limited local government was established. Traditional leaders were given powers over land allocation and development matters in areas with communally owned land. Some small rural townships (the so-called 'R293 towns') were given their own administrations, but these lacked real powers and resources. They depended on Provincial Administrations for funding. As such they were also controlled by the Provincial Authorities.
- In the 1960s, 'Coloured' and 'Indian' management committees were established as advisory bodies to White municipalities. They could advise only in respect of their areas. They had no power to enforce their points of view.
- The Bantu Affairs Administration Act of 1971 established Administration Boards, which removed responsibility for townships from White municipalities.
- In 1977, Community Councils were introduced. Community Councils were elected bodies, but had no meaningful powers and few resources. They never gained political credibility. They depended on their relevant Provincial Administration for funding and as such were controlled from above.
- In 1982 Parliament passed the Black Local Authorities Act, 1982 (Act 102 of 1982) to cater for a system of government and administration for Black towns and cities. Black Local Authorities (BLAs) replaced Community Councils. The BLAs had no meaningful revenue base, and were seen as politically illegitimate from the start. They were rejected by popular (and sometimes violent) community mobilisation in the mid 1980s.

To some extent these forms of 'own local government' acknowledged the permanent presence of Black people in urban areas. However, they were designed to reinforce the policies of segregation and economic exclusion. None

had resources to make any real difference to the quality of life of their constituents” (Republic of South Africa, 1998: 1-2).

Legislation passed by Parliament on local government matters prior to the Republic of South Africa Constitution Act, 1983 (Act 10 of 1983) dealt mainly with:-

- specific matters dealing with individual municipalities for example the Durban Borough Extension of Area, (Act No. 12 of 1927);
- the administration of African areas, for example, the Black Urban Areas Consolidation Act, 1945 (Act No. 25 of 1945); and
- financial affairs, for example the Local Loans Act, 1926 (Act 19 of 1926) (Hattingh, 1986:243).

In view of what is stated above, each of the four provinces developed its own system of local government for Whites, Indians and Coloureds. Each Provincial Council passed its own Local Authorities Ordinance applicable to municipalities within its province. For example, in the Transvaal (one of the four provinces during the apartheid era), the Provincial Council passed its ordinance regulating municipal affairs in 1912. After various amendments it was consolidated and entitled the *Local Government Ordinance, 1939 (Ord. 12 of 1939)*. Two further ordinances were passed as follows:-

- *Local Authorities Rating Ordinance, 1933 (Ord. 20 of 1933), and*
- *Municipal Elections Ordinance, 1927, Ord. 4 of 1927* (Hattingh, 1986: 243).

In Natal (as it was known previously) a similar situation occurred. The current ordinance governing matters in this province is the *Local Authorities Ordinance, 1974* (Ordinance No. 25 of 1974). Provision is made in this ordinance for different categories of local authority ranging in order of size from Health Committees, Town Boards, Borough's and Cities. Cities of course being the largest type of local authority that existed in South Africa under the apartheid government. It is interesting to note that in the Natal Ordinance provision was made for members of smaller local authorities such as health committees and

town boards to be either appointed or elected (*Ordinance 25 of 1974, Chapter XIII*). The implication of this provision is that the Administrator had control over who served as members on these smaller local government bodies. This provision was used to the fullest extent as will be seen later under the section 2.5.1.

Each province had a general ordinance, and other ordinances on certain specific matters. For example, town planning in Natal is regulated by the *Town Planning Ordinance, 1949 (Ord. 27 of 1949)*.

In terms of the general ordinances in all provinces local authorities could legislate by-laws, but these were subject to the approval of the then Administrators of the relevant provinces.

When the Republic of South Africa was established in 1961 there was no change in municipal government and administration. In fact Sections 84 and 92 of the then Republic of South Africa Constitution Act, 1961 (Act 32 of 1961) reinforced the *status quo* that municipal authorities would remain under the control of provincial councils.

The government and administration of municipal affairs of Africans was neglected completely and only from 1 October 1986 Parliament passed legislation entrusting the municipal affairs of Africans to the provincial authorities (Cloete, 1993:13). The so-called *reform* process to institute separate systems of local government for Coloureds, Indians and Whites began with the establishment of the Department of Constitutional Development and Planning in August 1982. The following year Parliament enacted the Republic of South Africa Constitution Act, 1983 (Act 110 of 1983). With this Act matters had to be dealt with by Parliament and state departments as either one of two categories as follows:-

- *general affairs* (including municipal affairs for Africans) were dealt with in unison by the three Houses of Parliament; and
- *own affairs* of Coloureds, Indians and Whites were dealt with by the relevant House of Parliament, that is, The House of Representatives, The House of Delegates and The House of Assembly respectively.

This was known as the “Tricameral system of government”, because of the three houses of parliament. It followed then that from 1983 up to 10 May 1994 each of the four provinces continued to have four different systems of local authorities (for Africans, Coloureds, Indians and Whites). In practice, however, each local authority system for the provinces and the population groups did not differ much from each other (Cloete, 1986:12-13).

Since Union of South Africa in 1910 local government bodies in South Africa constantly addressed the issue of insufficient revenue to operate and several commissions were appointed to investigate and report on this matter, for example, the Brown Committee (Hattingh, 1986:111).

Whilst certain municipalities prospered because of the apartheid factor, they were few and far between. One can safely say that the overall system of local government in South Africa during the apartheid era was ineffective, and close to the end of apartheid, many of the municipalities in the country were on the verge of collapsing.

### **2.3 THE ESTABLISHMENT AND DEVELOPMENT OF LOCAL GOVERNMENT IN THE CONTEXT OF THE GROUP AREAS ACT**

Certain legislation during the apartheid era severely hampered the development of local government. Communities could not evolve nor develop because of the constraint certain apartheid legislation brought about. One such piece of legislation was the Group Areas Act, Act 41 of 1950. This Act was the cornerstone of the apartheid system. In essence the citizens of South Africa were geographically separated, that is, allocated land, along racial lines. Prime industrial, agricultural, commercial and residential land was allocated to Whites, be they South African or not, whereas Black South Africans who were, and still are, the majority race group in this country were always allocated land that was poor, uncultivable and often quite a distance from any form of activity which these citizens, through their labour, made viable.

The establishment of municipalities within the context of the Group Areas Act resulted in racially structured and segregated municipalities. Because of the selective allocation of land, coupled with other apartheid ills, such as poor education for Blacks, it was a common feature to have rich White municipalities

and inadequate structures to cater for the development of Blacks within their demarcated areas.

#### 2.4 DURBAN METROPOLITAN AREA: INCORPORATION OF MUNICIPALITIES

Some forty-eight municipalities have been merged within the Durban Metropolitan area to establish the Durban Metropolitan Council and associated local councils. Durban lies along the Indian Ocean rim and is on the east coast of Kwa-Zulu Natal. The former City of Durban is the hub of the metropolitan region. It is a thriving seaport and is the economic centre of the Province. All around the former City of Durban were numerous medium to small municipalities. Pinetown, Amanzimtoti and Umhlanga Rocks were some of the medium-sized municipalities whilst Yellowwood Park, Mt Edgecombe and Hambanathi were some of the smaller municipalities.

The Greater Durban Functional Region grew to what it was during the apartheid era in a peculiar fashion. Development only took place north and south along the coast and westwards along the national freeway, that is, from the city centre along the N3 up to Pinetown. This 'T' type development was purposefully articulated by the apartheid government of the past. There was very little development outside this 'T' where the vast majority of the people lived as depicted in orange on *Annexure 1*. These people had no urban amenities whilst elite residential development was provided for the minority White population within the 'T'. Those areas that fell within the "T" were essentially White areas whilst Kwa-Mashu, Umlazi, Ntuzuma and a portion of Inanda, all former Black municipalities fell just outside the developed 'T' area. The Black masses worked and spent their money in the former White areas and thereby contributed to the economy of the developed White areas.

These inequalities are clearly visible on the map (labelled *Annexure 1* taken from a report on the profile of Durban (Durban Metropolitan Council, 1999: 9). All planning initiatives or lack of it in some instances were articulated to suit the previous government's policy of separate development. The employment opportunities existed in Durban central and Pinetown areas.

Poor planning resulted in a mis-match between where people lived and where they worked. People lived far from where they worked and therefore had to

commute fair distances daily. People were really scattered in a disorganised way outside the developed portion of Durban with hardly any facilities and therefore an efficient and affordable transport system was difficult to provide. *Annexure 2* depicts the inefficient city structure (Durban Metropolitan Area, 1999: 10).

Apartheid style development in and around the Durban area rendered it virtually impossible to manage and plan for natural growth and urbanisation resulting in a distorted growth pattern. High population densities prevailed in the areas most poorly serviced with infrastructure. Furthermore, the natural resources that fell just outside the aforementioned “T” development of the greater Durban area were not included in any planning initiative to be utilised to optimal levels in the best interest of the wider community. Without proper planning these resources were becoming unsustainable. *Annexure 1* also depicts the myriad of informal settlements among the natural resources void of any planning in the past that would have ensured their sustainability (Durban Metropolitan Area, 1999: 9).

## **2.5 DURBAN METROPOLITAN AREA: INCORPORATION OF MUNICIPALITIES IN THE NORTH**

Having described the historical development of municipal government above, it would be interesting to observe how this system of municipal government actually affected communities on the ground. The current North Local Council of the Durban Metropolitan area has inherited, in the main, a mixed bag of poorly structured municipalities of the past. These authorities, now disestablished, ranged from small to medium sized municipalities. These municipalities were the following, namely,

- The Town Board of the Township of Tongaat;
- The Borough of Umhlanga;
- The Borough of Verulam;
- Canelands Health Committee;
- Mt Edgecombe Town Board; and
- Hambanathi Town Committee.

There were also several areas that were declared local authorities but because of their size, that being very small, these authorities were administered by the Development and Services Board. These areas were the following, namely,

- Ottawa;
- Redcliff;
- Mt. Moreland;
- Rietrivier;
- Buffelsdraai; and
- Blackburn.

Also included in the North Local Council area is a fairly large Provincial housing initiative called Waterloo. The entire area spans some 209 square kilometres in extent. It extends from Glen Anil in the south to Tongaat/ Frazers in the north and to Buffelsdraai in the west. Its eastern boundary being the Indian Ocean (North Local Council, 1997a: section 2).

To expand on how these structures developed and operated, an elucidation of some of them is provided hereunder:-

#### **2.5.1 The Town Board of the Township of Tongaat**

Tongaat is a town on the north coast of the Durban Metropolitan region in the Province of Kwa-Zulu Natal. This medium-sized town has a rich history of political, cultural and social activities. It started, however, being a little sugar producing village from where it grew to a middle-sized town just prior to being disestablished in favour of the North Local Council and the Durban Metropolitan Council.

The local authority in Tongaat commenced with the establishment of the Tongaat Health Committee in 1930. This move was essentially to combat the outbreak of malaria. The Health Committee was strongly supported by the Tongaat Sugar Company. The scope of the local authority increased soon after it was established and commenced a series of housing projects for African and Indian residents (Watson, 1960:172).

There were many problems with regard to land acquisition due to the government's policy of separate development. Africans and Indians had extreme difficulty in acquiring land. In keeping with the government's policy of separate development the local authority did reserve certain areas for African housing developments and certain areas for Indian housing developments. For example, the Victoria Village was established as an Indian residential area. In so

establishing this area for the Indian population some 'White' owned land had to be expropriated. This was done and the affected six White residents were given land in the European village of Maidstone (Watson, 1960:174).

In 1944 the local authority put forward its doctrine of social and residential separation of the races in the belief that, "... the greatest measure of success in the attainment of their avowed policy of securing optimum living conditions and amenities for all groups in the community in the most economical way possible could be most successfully achieved by developing amenities for each group on separatist lines" (Watson, 1960:174). No doubt the beneficiaries of the so-called "optimum living conditions" were quite disgruntled about their living conditions. How could they not be when they were suppressed by, *inter alia*, racial discrimination and extreme poverty. The so-called "optimum living conditions" were determined differently for the different race groups. Here is a direct quote from Mr Watson's book which reflects this scenario aptly:-

**"while our scheme introduces the principle of segregation, ..... we should emphasize that the whole area has become segregated voluntarily and by natural circumstances, and second, that in placing the accent on segregation in our rebuilding scheme, we have done so primarily from a utilitarian point of view. Each of the communities has its own cultural and recreational pursuits. It is to us clearly evident that these interests, as well as other amenities, can best be served by a system of grouping the communities"** (Watson, 1960:174).

The above is clearly evident of the fact that not only central government legislated and promoted the idea of separate development but many local government bodies such as the Tongaat Town Board encouraged it. Separate development should have been a choice of individuals or communities and should not have been planned by governmental bodies. As communities develop and grow and their needs broaden, separate development, therefore could never be economically viable in the long term. Besides, as communities develop there is a natural tendency to integrate with other communities.

The cost incurred by the local authority to create Victoria Village for Indians was well in excess of 250000 pounds. Of that amount between 80000 to 100000

pounds covered just the costs of expropriation of certain properties. The local authority's income at that stage was less than 3000 pounds *per annum* (Watson, 1960: 174-175). Separate development was totally uneconomical.

The first move to promote the plan was to win the support of the Indians. During 1939 Indians were located in all major towns throughout the province. These towns were formerly regarded as exclusively White areas. This created resentment among the Whites towards the Indian community (Watson, 1960:175).

These were the foundations of separate development in the Tongaat region. There was mainly tension between the White and Indian populations regarding land rights. Indians and Africans were deprived of participation on local government matters.

The Indians through 'The Tongaat Indian Ratepayers Association' made a number of requests to have direct representation on the local authority but were met with all kinds of obstacles. For example, the Indians were told that they know nothing about democracy, the majority of Indians could not read or write, and that if an Indian is chosen to serve on the council he must have a liberal point of view (Watson, 1960:178). This certainly defeated the basic principles of democracy in the sense that if the Indians were allowed representation they were restricted with the choice of person whom they could choose to represent them.

The Broom Commission was set up in Tongaat to deal with the various requests of the Indian population. After a lengthy enquiry ..., "Smuts rejected the recommendations of the Broom Commission on what was possibly the most important of its terms of reference - participation of the Indian population in democratic government" (Watson, 1960:180). The Commission regarded the non-representation of Indians in local government as indefensible.

On 1 July 1945, the Tongaat Health Committee was reconstituted as the Tongaat Town Board. The Ordinance (Ordinance No. 21 of 1942) was amended to meet the peculiar needs of Tongaat (Watson, 1960:182). In essence the amendment created the opportunity for the then Administrator to appoint, with certain restrictions, a number of members to serve on a local authority.

The effect of the amendment was that the Tongaat Town Board could have

implemented its declared policy of providing its Indian residents with representation on the said Board. They no doubt looked for every excuse not to do so. For two reasons it did not do so immediately. Firstly, to request two 'Europeans' to step down to make way for two Indians would have caused resentment and dissatisfaction and secondly, it was felt by the said Board that 'European' control of the township should be maintained, since a Board composed of three 'Europeans' and two Indians was not considered sufficiently weighted in favour of 'European' domination (Watson, 1960:183). It is ironical that members of the same Board also held the view that the Indian inhabitants knew nothing about democracy.

It was subsequently agreed to grant Indians representation on the understanding that the local authority would apply to the Administrator to increase its membership from five to seven members. This was duly done and on 5<sup>th</sup> December 1946 the Administrator's approval to increase the number of members of the Board from five to seven, was received. By giving the Indians just two seats out of seven, it was considered sufficiently weighted in favour of the Whites. Mr D S Khan and Mr K P Desai were the first two Indian members that served on the Tongaat Town Board. With the limited representation the Indians had and with the attitude of the White members wanting to dominate the Board one wonders just how effective these two Indian members were.

The population of Tongaat grew fairly rapidly and so did its area of jurisdiction. Apart from the natural growth of its population there was an influx of Indians from other areas within the province due to the shortage of land for Indians. Housing and other basic services had to be provided by the local authority. Due to the control of the local authority by the Tongaat Sugar Company development mainly took place to suit the said company's needs. Very little economic growth took place and Tongaat became essentially a dormitory town. With the support of the Tongaat Sugar Company, the Tongaat Town Board provided all the basic services the town needed. It had its own water supply which it purified and reticulated. It had its own electricity department. It purchased electricity directly from Escom and reticulated electricity to its residents. In fact Tongaat provided full municipal services just as some of the larger municipalities such as the former City of Durban did. Yet Tongaat did not grow in the commercial and industrial sectors. Just prior to being disestablished, property rates in the Tongaat region were extremely high by comparison with other neighbouring White controlled towns (see chapter four in this regard).

### 2.5.2 The Borough of Umhlanga

This exotic Zulu name means 'place of reeds', reminiscent of the days when the foreshore and the beach were covered with reeds washed down by the river. Until early this year Umhlanga Rocks was a lush wooded countryside and dense bush (Gurr, Undated: 13).

One of the landmarks of Umhlanga Rocks is a cottage called 'The Oyster Box' which passing ships used as a navigational point. This cottage was built in 1869 and its corrugated iron roof was easily identifiable by passing ships. Today Umhlanga Rocks is Southern Africa's premier holiday resort (Gurr, Undated: 13).

Umhlanga started off as a local authority having the status of a Health Committee in 1931. In 1964 its status as local authority was upgraded to that of a Town Board. In the year 1970 its status was once again upgraded to that of a borough. In 1972 La Lucia was amalgamated with Umhlanga Rocks and because of the increased size of its area, it became a fully fledged borough known as the Borough of Umhlanga. It was a Grade 6 local authority and was a 1000ha in extent.

Under the old Group Areas Act Umhlanga was declared a White area. Although the said Act has been repealed, this area is still today predominantly inhabited by "White" residents. Umhlanga enjoys a beautiful coast line that has become an international tourist destination (Official South African Municipal Yearbook 1995: 289). More recently in 1993 the Development and Services Board area of Glen Anil and another smaller neighbouring local authority called Umdloti Beach merged with the Borough of Umhlanga (Provincial Proclamation No. 30 of 1993).

Its residents were high income earners and because of its location, that being about eighteen kilometres from the city centre of Durban and with an exceptionally beautiful coast line, land in this area was much sought after. All of this added to the value of properties and the local authority was in a position to gain a decent income from property rates.

The services provided to the residents of the former Borough of Umhlanga were split among three authorities. The City of Durban provided electricity. The North

Coast Regional Water Board supplied water and the former Borough of Umhlanga provided all other municipal services. The City of Durban usually earned a surplus from electricity which is utilised to subsidise its rates account. This cross subsidisation benefited the Durban ratepayers only and not the residents of Umhlanga because the Borough of Umhlanga was an independent, self standing local authority having its own rates base. Notwithstanding the fact that the majority of the services provided by the Borough of Umhlanga was funded from the property rates it levied, it was a financially viable local authority.

### 2.5.3 The Borough of Verulam

Verulam having been established in 1850 is one of the oldest towns in Kwa-Zulu Natal. It was properly constituted in 1882 as a local authority. As depicted by its Coat of Arms per *Annexure 3*, this town was established by the merging of eastern and western cultures (Verulam, 1987: 5).

In terms of its physical features this town borders Durban's Phoenix suburb and lies approximately six kilometres inland from the sea. Its area was 1500 hectares with a very steep topography. In many parts of Verulam the gradient is in excess of 1 in 3. Because of the poor gradient this town could not attract industrial development (Verulam, 1987: 4).

The Group Areas Act affected the harmony that once existed in Verulam. Almost immediately after the compulsory determination of Verulam as an Indian Group Area there was feverish buying and selling of properties. The harmony that existed among all population groups was crushed. The influx of displaced Indians from other areas, mainly from the suburbs of Durban, made Verulam one of the fastest growing towns in the country (Verulam, 1987: 5).

The question is: What went wrong with Verulam? Very simply Verulam was limited in size and therefore had a limited growth potential. Its geographical boundaries and the possible expansion of these boundaries were limited to land surrounding Verulam that was declared an Indian Group Area under the Group Areas Act. With such limitations this town could not have any meaningful industrial development to enhance its rates base apart from the topographical problems mentioned earlier. From the various popular land zones such as industrial, commercial, residential and agricultural properties, Verulam mainly had residential land usage. Other land uses were limited. With a lack of adequate

income as well as a lack of natural resources such as water, Verulam had to rely on the City of Durban for the provision of certain services such as electricity and water. The cost of these services to the consumers in Verulam was solely determined by the City Council of Durban. The City of Durban benefited from this because Durban made a surplus from the provision of electricity and utilised a portion of this surplus to subsidise its rates account. Only the City of Durban's ratepayers benefited from such subsidisation of rates with the surpluses from electricity. Ratepayers and consumers of electricity who resided in Verulam and contributed to the surpluses Durban earned from electricity were therefore prejudiced. They were further prejudiced in the following ways: -

- Poor rates base, mainly residential properties. Verulam was therefore a dormitory town that provided dwelling to its residents who, in the main, worked and conducted other economic activities in Durban thereby developing the economy of Durban. Durban on the other hand, with its buzzing economy, blossomed and grew in leaps and bounds as a City. It's residents no doubt benefited in several ways. Durban did not have the burden of tending to the needs of the urban poor. These people lived all along the periphery of Durban and became the burden of some other authority, for example, Tongaat and Verulam who were dormitory towns and whose residents performed their economic activities in Durban.
- Apart from having a poor rate base and struggling to be self-sufficient the local authority at Verulam did suffer from mismanagement on a fairly large scale. On account of mismanagement several commissions of enquiry were held at the said Borough. The last enquiry prior to the disestablishment of the Borough of Verulam was the 'Roberts Commission'. The Commission was split on whether any of the officials were guilty of mismanagement. The said Commission did, however, find no less than three Councillors guilty of misconduct and, as such, not fit for public office. It made its recommendation accordingly (Roberts 1994: 274-275).

Just prior to being disestablished, Verulam was in debt by some forty million rand. The Borough of Verulam was on the brink of collapse before becoming a part of the North Local Council. The financial burdens of Verulam still haunt the North Local Council (Panday 1999: interview).

#### 2.5.4 Canelands Health Committee

This is a very small area just north of the old City of Durban that is wedged between the Borough of Verulam and an area known as Shortlands. Shortlands is several kilometres south of Tongaat. There is no literature available on Canelands. What is known though is that it had the status of a Health Committee and in the early days the area was purely a sugar farm. The land was owned and cultivated by the Armstrong family. The Health Committee itself was a Grade 1 local authority under the then grading system for local authorities (Moodley 1999: interview).

In more recent times, just prior to the local authority being disestablished, several industries operated in this area. Canelands also has a small residential component. Apart from the old residents that still reside in the area the then Canelands Health Committee did develop a small low cost housing scheme (Mudaly 1999: interview).

It is contiguous with the Borough of Verulam. The Borough of Verulam itself was fairly small and needed to expand its rates base. It is difficult to understand how two local authorities of the size of Verulam and Canelands could be contiguous to each other and still be declared separate authorities. This was just half the problem. What was worse still is that, after it was discovered that Canelands could not manage on its own resources, it decided to enter into an agreement with the Tongaat Town Board to render administrative services to it.

Canelands on its own could not afford the cost of employing professional and other staff on the one hand, whereas the Tongaat Town Board could recover some of its staff costs from Canelands on the other hand. Tongaat, however, was much further away from Canelands whilst the Borough of Verulam was contiguous to Canelands begs the question why Canelands opted to enter into an agreement with the Tongaat Town Board rather than the Borough of Verulam. There may be various reasons for this move by the Canelands Health Committee but the underlying rationale for this move was probably politically motivated since Verulam was an Indian town.

### 2.5.5 Mt Edgecombe Town Board

This little Town was formally established as a local authority as recently as 6 August 1992 (Provincial Proclamation 1992: 1). This was well after it was recognised that the system of local government in the country was rapidly failing and that there was no place for small municipalities.

The inaugural meeting of the said Board was held on 29 September 1992. The then Administrator of Natal, the Honourable C. J. Van R. Botha was the guest of Honour at the inaugural meeting of the Mt Edgecombe Town Board. In his speech he stated *inter alia* that, **“there have been many important developments in local government in recent months, yet many of these developments and happenings have been the subject of sometimes totally unnecessary controversy and debate”** (Botha1992:1). To put matters in perspective this was a relatively small local authority area of about 1000 hectares in extent (Structure Plan 1994: 15). Mt Edgecombe was bordered by the City of Durban, the Borough of Umhlanga and the Borough of Verulam. Mt Edgecombe could have been incorporated into any one of these established areas. Since most of the land in Mt Edgecombe was and is still owned by the Tongaat Hulett Group the said company believed that if a local authority was created just for Mt Edgecombe it would have direct control over the affairs of the local authority which would suit the development plans they had for their substantial land holdings. Had this area been incorporated into one of the larger local authorities the Tongaat Hulett Group would have had little or no say in the affairs of the local authority. With the Group’s substantial land holdings it was material to it to have control over the local authority.

In the Administrator’s speech he later went on to say **“... . Today the community of Mt Edgecombe, in more ways than one, truly comes of age, For this evening’s inaugural meeting of the Board sees the culmination of Mt Edgecombe’s transition from a company -run ‘sugar’ village into a fully fledged and viable local authority with most exciting prospects for the future”** (Botha1992: 2).

Mt Edgecombe has historically developed as a company-owned agricultural support village. In terms of its structure most of the land is owned by the Tongaat-Hulett Group or its subsidiaries. The population is approximately 4000

persons. Ninety-five percent of these people live in company housing. The land use breakdown is as follows:-

<b>Land use</b>	<b>Hectares (approx.)</b>
Agricultural	640
Experiment Station	70
Residential	57
Recreational	62
Industrial (Sugar Mill)	24
Other Approx.	<u>147</u>
<b>TOTAL</b>	<b><u>1000</u></b>

(Structure Plan 1994: 15).

#### 2.5.6 **Hambanathi Town Committee**

In 1939 an African village was constructed in the Tongaat region as an attempt to eliminate slums. As the years went by many houses were constructed and the Provincial Education Department provided a school for about 300 children. This little village was called Hambanathi. This name was derived from an interdenominational church that was built in the area. The church itself was called Hambanathi in memory of Allen Gardiner, one of the first missionaries in Tongaat (Watson, 1960: 184).

The following explains the meaning of Hambanathi and how the village derived its name. "Hambanathi, si ya kupata kahle [Come with us- let us go together- and we will do thee good]- and the name was subsequently applied to the village as a whole" (Watson, 1960: 184).

The first sign of Hambanathi gaining local authority status was in 1951 when Hambanathi was laid out as a village in terms of Government Notice 1353 dated 13 April 1960 (Government Notice 1960: 1).

The Hambanathi Community Council was established by Government Notice R1122 in terms of the Community Councils Act No. 125 of 1977. Although this area is contiguous with Tongaat it was not included as part of Tongaat because of the government's policy of separate development. This was the case

notwithstanding the fact that the little village of Hambanathi was not financially viable. This meant that the Provincial Government had to sustain Black local authorities financially which they did with limited funding. Black local authorities could never really be effective and developmental in nature and were limited in the services it provided, which services were limited to the meagre funding it received (Government Notice 1979: 786).

In 1982 the Black Local Authorities Act, (Act No. 102 of 1982), renamed Community Councils to that of Town Committees, hence Hambanathi became known as the Hambanathi Town Committee.

## **2.6 CONSEQUENCES AND IMPLICATIONS OF THE APARTHEID STRUCTURED MUNICIPALITIES**

The outcome of having these poorly structured municipalities was two fold. Firstly, the majority of South Africans did not receive municipal services. Most of these services such as water and electricity, sewerage disposal, housing, safety and security, refuse removal, and access roads. This prevented growth and development. If the majority of citizens in a country do not prosper, how can the country as a whole prosper?

Secondly, the consequences of all of this led to general unrest in the country. Communities began mobilising against the apartheid system of Local Government. The United Democratic Front was launched in 1983 and at its launch gave prominent attention to the Koornhof Bills which established the Black Local Authorities (Ministry of Provincial Affairs and Constitutional Development, 1998: 2).

In an effort to raise revenue Black Local Authorities (BLA's) attempted to impose rent and service charges but this only angered communities. 'The rejection of the BLA's in the mid- 1980s led to a popular uprising which shook the foundations of the apartheid order' (Ministry of Provincial Affairs and Constitutional Development, 1998: 2).

As the 1984 uprising gathered momentum, civics and other community-based organisations began organising themselves into strong protest groups that had to be acknowledged. Their main concern was the shocking social and economic conditions that prevailed among the masses in townships and Bantustans. The

ability of these protest groups to organise boycott of rents and service charges, and consumer boycotts benefited their cause. For the first time in all the years of apartheid there was such large scale organised protests undertaken against the way human settlements were spatially and economically distorted (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

In the late 1980s the apartheid government made an attempt to prevent the BLA's from failing and to calm political tensions by redirecting funds to underprivileged areas. Intergovernmental grants were instituted to channel funds to collapsing townships. Regional Services Councils and Joint Services Boards were established to direct funds to Black areas. These attempts had, however, come rather late. It became apparent that the BLA's would never be viable (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

It can safely be said that local government is the foundation of any government in a country. Social, political and economic structures are established at grass roots level in which lies the foundation of the very fabric of a nation. In the case of South Africa the very foundation of the apartheid government was in great turmoil, that is, local government. After it was too late, it was realised that a new deal was needed. White municipalities started to experience the financial impact of organised consumer, service and rent boycotts. This led them to enter into negotiations with township representatives. Initially forums were established to manage crises. Such forums later formed the basis for local negotiations which eventually led to the present system of local government (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

On the other hand local government in the developed White areas blossomed. Several large cities such as Johannesburg, Cape Town and Durban prospered under the apartheid run government. These cities had full infrastructure and could compete with many cities from first world countries around the globe. Many other cities, towns and even villages in the former White areas ranging from small to large flourished under the apartheid regime. These developed areas, particularly the cities, became the major economic centres of the country.

The Black majority did not benefit from these developed areas. Land in the country was divided between White and Black, rich and poor, literate and illiterate, developed and undeveloped or underdeveloped areas respectively. Unfortunately the majority of the citizenry were Black, poor, illiterate and lived

in the undeveloped or underdeveloped areas of the country. This state of affairs could not continue indefinitely. Government exists to cater for the needs of all its people. In a sense many of these municipalities could be described as *artificial* municipalities. Artificial in the sense that the White enclaves, for example the Borough of Ballito and the Borough of Umhlanga Rocks were relatively small White municipalities that could sustain themselves financially but were not large enough to provide certain services cost effectively. These services include water and electricity provision. For the provision of such services these municipalities had agency agreements with larger municipalities such as the City of Durban.

Apart from the many pressures brought to bear on the apartheid government such as political and moral pressures to transform there was the pressure for development. Black people were not prepared to accept this tenuous situation anymore. Many Black people worked in the cities and towns of the country but lived on the periphery of the developed areas. This meant limited or no services where they lived. In a sense these people contributed to the building up and the economy of the cities but did not enjoy the fruits of its development. A series of protests and boycotts for the payment of poor services ripped through the country (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

The pressure was now on local government for development. It was clear that local government could not be efficient within an inefficient apartheid framework.

#### **2.6.1 Separate development led to financial inequality**

Separate development, in its broadest sense, saw White people get the best land, education, jobs (particularly in government) and business opportunities. Proper education counted a lot for their development. The Black man on the other hand was suppressed and exploited by his White counterparts. He was prevented from developing himself in an apartheid environment. This scenario led to grave financial inequality between Whites and Blacks. This is stated because one could pose the question, why didn't the Black man develop as the White man did in a separate environment. In any event since they were excluded from participating in any form of government they had no legislative means of establishing local government bodies. The Blacks did not have the financial resources nor the

know how (due to, *inter alia*, a lack of adequate education) to develop. Since money is the pivot around which everything revolves in the public sector the shortage of money prevented any form of meaningful development in Black areas.

## 2.7 THE FINANCIAL DILEMMA ARISING OUT OF THE APARTHEID STRUCTURED LOCAL AUTHORITIES

Historically, local authorities in urban South Africa generated their own revenue through property taxes and by charging for the delivery of certain services. In the case of White municipalities there were small populations to serve and large concentrations of economic resources from which to draw their revenue. Blacks in the form of large and cheap labour concentrations contributed to the economic strength of the White areas. Apart from providing labour on a massive scale they also conducted their economic activities within the boundaries of these White municipal areas.

In the case of Black areas the situation was reversed, in that they had no meaningful economic tax base and fairly large populations to serve. Municipalities in Black areas fell far short of the means to meet the needs of their residents, even if these means were provided in the form of subsidies by provincial and central governments.

In the late 1980s the apartheid state attempted to prop up collapsing Black Local Authorities's and calm political tensions by redirecting funds to disadvantaged areas. A system of ad-hoc intergovernmental grants was developed to channel resources to collapsing townships. Regional Services Councils and Joint Services Boards were established to channel funds to Black areas (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

However, these interventions were 'too little too late'. By the late 1980s most townships and many homeland rural areas were effectively ungoverned, and it was clear that Black Local Authorities or any similar structures would never be viable (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

Table 1 below illustrates the huge differences in rates income of three similar sized municipalities that existed within the North Local Council area. Although Tongaat and Verulam's population was far higher than that of Umhlanga Rocks,

it was Umhlanga Rocks that had a strong rates base. In fact, Umhlanga Rock's rates base was more than both Tongaat and Verulam put together.

**TABLE 1: AREA STATISTICS**

<b>Popul.</b>	<b>D/lings</b>	<b>Local Authority</b>	<b>Property Values</b>	<b>Predomin. Race</b>
11727	2715	Umhlanga	R2321795826	White
51479	11228	Tongaat	R 926063000	Indian
39791	8954	Verulam	R 721831150	Indian

North Local Council, Archives, 1994

A survey revealing the *human development index* of some Black and White municipalities within the North Local Council area was undertaken for the 1995/96 financial period and the results are as follows:-

PTO for Table 2

**TABLE 2: HUMAN DEVELOPMENT INDEX**

**HUMAN DEVELOPMENT INDEX GREATER DURBAN AREA September 1994**

Note:

- 1) Those settlements in capital letters are from the Census data base (1993) and those in lowercase from the Socio-Economic Database African Population, DFR (1994).
- 2) The Local Authorities are named on the maps while the settlements are labelled by number.
- 3) An explanation of the column headings is found at the end of the table.

SETTLE-MENT	S E T T L E M E N T T Y P E	P C A P I N C M O N	P C I D E P	F L P E R C	L I T E R A C Y	L I F E S P E C T	L E X P D E P	A D V E P	H D I
CANELANDS	Formal	325.02	0.887	77.62%	0.304	68	0.556	0.582	0.418
GLEN ANIL	Formal	1788.38	0.216	95.73%	0.058	73	0.000	0.91	0.909
HAMBANATI	Formal	250.04	0.922	88.46%	0.157	64	1.000	0.693	0.307
MT MORELAND	Formal	1697.73	0.257	84.10%	0.216	73	0.000	0.158	0.842
OTTAWA	Formal	491.72	0.811	87.97%	0.163	68	0.556	0.510	0.490
REDCLIFFE	Formal	248.20	0.923	75.50%	0.332	68	0.556	0.604	0.396
RIET RIVIER	Formal	293.64	0.902	83.83%	0.219	68	0.556	0.559	0.441

TONGAAT	Formal	552.70	0.783	88.26%	0.159	68	0.556	0.499	0.501
UMDLOTI BEACH	Formal	1649.63	0.279	90.60%	0.128	73	0.000	0.136	0.864
UMHLANGA	Formal	2257.90	0.000	93.17%	0.093	73	0.000	0.031	0.969
VERULAM	Formal	542.47	0.788	89.24%	0.146	68	0.556	0.496	0.504

**NOTES:**

**SETT TYPE:** Settlement Type

**PCAPINCMON:** Per capita monthly income

**PCIDEP:** Per capita income deprivation

**FLPERC:** Percentage adults who are functionally literate

**LITDEP:** Literacy deprivation

**LIFEPECT:** Average life expectancy (by predominant race)

**LEXPDEP:** Life expectancy deprivation

**ADVEP:** Average deprivation (per capita income, literacy and life expectancy)

**HDI:** Human Index value

**Sources:**

Census, 1991. Atlas, GIS. Urban Strategy Department, 1993.

Socio-Economic Database African Population, DFR.

Urban Strategy Department, Durban Metropolitan Council, 1994.

A human development index of one is perfect. As one takes a closer look at the statistics a pattern starts to emerge. The previously 'White' areas of Umhlanga Rocks, Glen Anil, Mt Moreland and Umdloti Beach have human development indices of near-perfect whilst on the other hand 'Indian and African' areas with larger population densities had an average to below average **human development index**. From the table it is evident that Hambanathi had the lowest human development index and it is worth mentioning here that Hambanathi is a small residential suburb, adjacent to Tongaat and should not have been an autonomous municipality since it would have been difficult to make it financially sustainable.

A full list of the former municipalities that now make up the Durban Metropolitan Council and associated local councils are provided hereunder.

The former municipalities mentioned hereunder made up the Central Transitional Substructure council:-

> the City Council of the City of Durban, the Town of Kwa-Mashu, the defined area of Inanda Newtown, the Town Committee for Ningizimu, the body exercising local government functions in respect of the Town of Ntuzuma, the body exercising local government functions in respect of the Town of Umlazi, and the Health Committee for the Health Committee area of Yellowwood Park (Proclamation LG123 of 1995, schedule 1);

The former municipalities mentioned below made up the Northern Transitional Metropolitan Substructure Council:-

> the Development area of Blackburn, Canelands Health Committee, the Hambanathi Town Committee, the Town Board of the Township of Mount Edgecombe, the Development area of Mount Moreland, the Development area of Rietrivier, the Town Board of the Township of Tongaat, the Town Council of the Borough of Umhlanga, the Town Council of the Borough of Verulam, the defined area of Waterloo (Proclamation LG123 of 1995, schedule 1);

The former municipalities mentioned below made up the Southern Metropolitan Substructure Council:-

> the Town Council of the Borough of Amanzimtoti, the Town Council of the

Borough of Isipingo, the Town Council of the Borough of Kingsburgh, the Town of KwaMakhuta, the defined area of Lovu, the Health Committee for the Health Committee Area of Lower Illovo, the body exercising local government functions in respect of the Town of Magabheni, the Town Board of the Township of Umbogintwini (Proclamation LG123 of 1995, schedule 1); and

The former municipalities mentioned below made up the Western Metropolitan Substructure Council:-

> the Health Committee for the Health Committee area of Assagay, the Health Committee for the Health Committee area of Bothas Hill, the Development area of Cato Ridge, the defined area of Clermont, the Regulated area of Cliffdale, the Health Committee for the Health Committee area of Drummond, the Health Committee for the Health Committee area of Everton, the Town Board of the Township of Gillitts, the Development area of Hammarsdale, the Town Board of the Township of Hillcrest, the Development area of Inchanga, the Town Council for the Borough of Kloof, the defined area of KwaDabeka, the Town of KwaNdengezi, the defined area of Lower Langefontein, the Mariannhill Local Health Committee for the area of Mariannridge, the body exercising local government functions in respect of the Town of Mpumulanga, the Town Council for the Borough of New Germany, the Town Council for the Borough of Pinetown, the Town Council for the Borough of Queensburgh, the Development area of Shallcross, the Town Board for the Town of Waterfall, the Development area of Welbedacht, the Town Council for the Borough of Westville (Proclamation LG123 of 1995, schedule 1).

The number of municipalities that were dissolved in favour of the Durban Metropolitan area equalled fifty-one. Among them were innumerable small, financially dependable municipalities that did not provide adequate municipal services. It would have been extremely difficult for these municipal areas to develop and prosper as autonomous bodies.

## 2.8 CONCLUSION

A brief survey of the historical development of local government indicates that separate development rendered most municipalities financially unviable. This state of affairs prevented the majority of South Africans the right of access to basic services offered by local government such as clean running water, housing,

electricity, water borne sewerage, transport systems and refuse removal. In the early days after independence from British rule the South African government showed little interest in promoting development in areas where it directed the majority of South Africans to reside.

The economic activities of the country were concentrated in certain areas of the country which blossomed. These areas included, *inter alia* Durban, Johannesburg and Cape Town. The contributors of such economic activities were both Whites and Blacks. The beneficiaries, however, were only the White residents who were allowed to live in these areas. These areas enjoyed full municipal services and could be compared with many first class cities around the world. On the other hand the poor Black folk lived just outside these plush suburbs with very little or none of the basic services provided by municipal government.

The above situation stemmed from the government's policy of separate development. The system of apartheid was embodied in the constitution of the country (Act 32 of 1961) and other laws such as the Group Areas Act (Act 41 of 1951). In terms of the constitution Black people were treated as second class citizens and had no voting rights. In terms of the Group Areas Act Black people were given land in certain areas that was not strategically located for them to participate meaningfully in any form of economic activity on their own.

The apartheid system of government created two distinct classes of people divided along racial lines. Through this system it was found that Blacks were generally illiterate, poor and unskilled whilst Whites were generally found to be literate, wealthy and skilled. What was sadly lacking was a democratic form of government at all levels wherein all citizens had equal opportunity to participate in all aspects of societal life.

If one looks at the former municipalities within the North Local Council area of jurisdiction (described above in detail), one could see strong evidence of the apartheid structures, yet this is but a microcosm of what prevailed throughout the country. These features of the apartheid system left its mark on all municipalities in one way or another either directly or indirectly.

The impact the apartheid system of government had on municipal government is that municipal government was restrained from providing municipal services

to the majority of citizens of the country. Economic development was therefore stymied. This led to large scale poverty with little or no hope of progress for the majority of citizens under the apartheid system of government as is evident in the *human development index* described above. This led to major local government restructuring in South Africa which is dealt with in the next chapter.

## CHAPTER THREE

# LOCAL GOVERNMENT RESTRUCTURING IN SOUTH AFRICA

**“Whoever thinks the transition would be easy, is (eh) mistaken”**

*Nelson Mandela*

### 3.1 INTRODUCTION

In this chapter a detailed survey of the legislative process is provided. It commences with the transitional legislation that was installed, which legislation, mapped out a process for change and then addresses the contemporary legislation that will take municipalities into the ‘so called’ final phase of transformation. The latter legislation underwent a rigorous process of country wide discussion and debate in pursuit of an ‘ideal’ system for municipal government. This process and the legislation that emanated therefrom are also provided in this chapter.

In order to transform the country from a system of apartheid to a fully fledged democracy, all government structures had to undergo significant change. There had to be vertical and horizontal changes. As much as the will existed to have this change sooner, such change could not take place at all levels of government at the same time for several reasons. It was therefore decided that elections would take place for central and provincial governments whilst local government would start the process of change by creating temporary structures, which structures would create the platform for permanent change. This meant a two-step transformation process for local government. Besides it would have been extremely difficult from a logistical point of view to have had elections concurrently for central, provincial and local government bodies. Also the majority of people in South Africa were going to vote for the first time and with literacy levels among the populace being fairly low it would have been far too complicated to have held elections simultaneously for all three spheres of government.

Even though it was not feasible to hold elections for municipalities whilst other spheres of government were being democratised, legislation was put in place to start the process of democratisation of municipalities. Thus the inevitable transformation of local government really began with the enactment of the Local Government Transition Act (Act 209 of 1993). With the mounting pressure on the apartheid government of South Africa from both within the country and abroad to dispense once and for all with its policy of discrimination it was forced to negotiate a new system of government. As this pressure gained momentum for a complete transformation of government, national debate took place in 1990 about the future of Local Government. The Local Government Negotiating Forum was established to negotiate the future of Local Government *vis-a-vis* the national negotiating process. That process provided the impetus to put transitional arrangements into place and thus the aforementioned Local Government Transition Act was drafted and subsequently promulgated. This happened whilst the apartheid government was in place (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

The aforementioned forum prepared the Agreement on Finance and Services and the writing off of arrears to Black Local Authorities (Ministry of Provincial Affairs and Constitutional Development, 1998: 3). It also reached agreement on the provisions contained in the Local Government Transition Act, which legislation, "sketched a process for change" of municipalities (Ministry of Provincial Affairs and Constitutional Development, 1998: 3).

### **3.2 THE TRANSFORMATION PROCESS: LEGISLATIVE AND POLICY DEVELOPMENTS**

To transform the system of local government from that of an apartheid-based system to a fully fledged democratic and representative system of local government, certain legislation was negotiated and instituted. For example, certain laws had to be repealed and other laws had to be promulgated just to enable people of all races to vote. Mentioned below are some events, reports and enabling legislation that set the pace for the transformation of municipalities.

#### **3.2.1 Council for the Co-ordination of Local Government Affairs - local government in the transitional phase**

The establishment of the Council for the co-ordination of local government

affairs really demonstrated the seriousness with which all the roleplayers, including the apartheid government felt about the state of Local Government. On 27 March 1992, Minister Wessels, the then Minister of Constitutional Affairs, gave a comprehensive address at the Co-ordinating Councils Meeting in Cape Town. The Minister placed special emphasis on the legitimacy and financial problems being experienced by Black local authorities. Such problems did not only affect Black local authorities because much broader social and economic problems traversed larger regions well beyond municipal boundaries thereby having a negative impact on neighbouring White local authorities. The question was: How should these problems be addressed? It became an accepted fact in the Local Government sphere that there was only one answer, that is, "representative, non-racial, and economically viable local authorities have to be established (Council for the Co-ordination of Local Government Affairs 1992: 1).

Many small to medium sized municipalities were established in the country arising out of the apartheid system of government. These municipalities were mainly in Kwa-Zulu Natal and were established to suit apartheid ends. Towns and villages such as Westville, Verulam, Ballito, Isipingo, Marburg, Mt Edgecome, Hambanathi and Kloof each had their own autonomous municipality. These were not representative municipalities but based on the apartheid system of separate development. Many of them were not economically viable. The limited economic framework in the country could not sustain the many hundreds of relatively small municipalities. Viable small municipalities existed next to several poor municipalities. This situation could not prevail forever because even if non-viable municipalities collapsed, their neighbouring viable municipalities would also be negatively affected because economic boundaries are often not aligned to municipal boundaries but expand over a much wider region. The economy of one town impacts on that of another particularly if they are relatively small to medium sized towns.

Residents of the non-viable municipalities contributed to the economy of the economically viable municipalities through their labour and other economic activities. Any restructuring of municipalities must prevent the errors of the past. This would be a difficult challenge because in as much as the Group Areas Act has been repealed much of the damage has already been done in a sense that:-

☛ highly valued properties are still in the hands of Whites;

- ☛ the wealth of the country is still in the hands of Whites;
- ☛ skills are still with the Whites;
- ☛ education is lacking among the Blacks,
- ☛ recreational and sports facilities are to be found in White areas, and most important,
- ☛ the attitude of both Black and White citizens towards building the New Democratic South Africa is changing rather slowly.

These are just some of the ‘ills’ that have been inherited from the apartheid government of the past. To attain the ideal of “representative, non-racial, economically viable local authorities” would indeed be a tall order in view of what has been stated above. Although the process has begun, the complete transformation would take many years.

The question of how this could be achieved was debated and it was accepted that, in the interim, local authorities had to be amalgamated and, as soon as it became feasible, local authorities were to be completely restructured. This followed a series of meetings and other activities which culminated in a final report which was compiled as follows:

*“Chapter 1 contains the background, objective, composition of the working and certain definitions applicable to the report. Chapter 11 addresses the main points of departure of the document, namely sections 28 and 29 of the Provincial and Local Government Affairs Act, 1992 (Act 134 of 1992) and the five target dates determined on 27 March 1992. Chapter 11 addresses the results of the working group sessions in the form of the draft report distributed to members after the working group sessions, after which Chapter IV contains a discussion of the results according to the comments received. Chapter V addresses certain differing points of view that surfaced during the August meeting and in the comments, while Chapter VI comes to certain conclusions following the discussion” (Council for the Coordination of Local Government Affairs 1992: 3-4).*

This was a comprehensive report that paved the way for the transformation of Local Government to begin. Notwithstanding the complexities of the situation and some disagreements among the parties there was a genuine commitment to transform local government. A few of the more pertinent issues are mentioned hereunder.

In the background to the report it is mentioned that, *inter alia*, the following resolutions were taken by the Council for the Co-ordination of Local Government Affairs on 27 March 1992 as a direct result of Minister Wessels speech which highlights what was mentioned earlier about the complexities of the problem, namely,

- *“Black local authorities as they are presently demarcated, as well as other smaller local authorities, are not viable on their own and that ways have to be found to address the problem;*
- *the problem can only be addressed by way of the establishment of non-racial economically viable local authorities and that encouraging measures are desirable;*
- *the creation of joint administrations on a voluntary negotiated basis, is a mechanism to reach the goal, but where it doesn't take place spontaneously before 1 January 1993, certain fiscal measures be determined to encourage it;*
- *the principle of uniform trade tariffs is accepted within joint administrative areas with the target date being 1 January 1993;*
- *The system of intergovernmental grants for services for residents of Black local authorities be continued until 30 June 1993;*

Most of these issues were embodied in the Local Government Transition Act. On 7<sup>th</sup> August 1992 members and observers at a special meeting of the Co-ordinating Council in Bloemfontein took a closer look at the position of local government and how it would operate during the transitional phase. Differences and viewpoints were identified during a general session of the committee and a

final report was compiled (Council for the Co-ordination of Local Government Affairs 1992: 3-4).

The objectives of the report were to bring about a uniform approach towards the implementation of Sections 28 and 29 of the Provincial and Local Government Affairs Amendment Act, 1992. Sections 28 (1) of the then Provincial and Local Government Affairs Amendment Act (Act 134 of 1992) passed as follows:-

**Section 28**

**“(1) An Administrator may, notwithstanding any other law, by proclamation in the *Official Gazette* and with effect from a date specified in the proclamation -**

**(a) after consultation with the local government bodies concerned:-**

**(i) demarcate an area (hereinafter referred to as a joint administrative area) which comprises the areas of jurisdiction of two or more local government bodies or a part of those areas of jurisdiction (whether such areas are contiguous or not) by determining and describing and from time to time altering the boundaries thereof;**

**(ii) assign a name to such a joint administrative area;**

**(b) after consideration of a relevant recommendation of the Commission established by section 29 (1), provide for the apportionment of revenue derived from and expenditure incurred in connection with the performance of a function or the rendering of a service by such a local government body within or in connection with the joint administrative area concerned;**

**(c) provide for uniform tariffs in respect of such a service”.**

Section 29 of the said Act provided for the establishment of a commission to be known as the Advisory Commission on Financial Aspects regarding Local Government Affairs. The purpose of the Commission in subsection (6) is as follows:

**“(6) The Commission shall at the request of -**

- (a) the Minister of Finance investigate and make recommendations, in writing, regarding the apportionment of grants to local government bodies by the State;**
- (b) an Administrator investigate and make recommendations in writing regarding the apportionment of income and expenditure in accordance with section 27(1), including the determination of a basis on which such apportionment may be made having regard to the viability of the local government bodies concerned”.**

Section 28 quoted above were attempts by the previous government and other stake holders to start rationalising local government due to the state of the flux local government was in, in the early 1990's. Such rationalisation depended upon the will of the various administrators because they were empowered to merge two or more local authorities. There appeared to be very little movement towards the rationalisation of local government arising out of these aforementioned provisions in the Provincial and Local Government Affairs Amendment Act (Act 134 of 1992).

Section 29 expressed the concern with which the financial position of municipalities were viewed. At the request of the Minister of Finance and the Administrators of the Provinces the commission was to investigate and make recommendations in terms of Sub-Section (6) of Section 29.

In essence it was recognised that there was a need to establish a set of guidelines for the fast tracking of the establishment of joint administrations and to look into the financial affairs of municipalities. Specific objectives were identified such as determining the feasibility of the target dates, determining norms for judging progress with negotiation as criterion for the application of fiscal measures, determining ways in which uniform tariffs can be determined and enforced,

finding alternatives to deal with the debts of Black local authorities, determining guidelines for dealing with surplus personnel, determining the necessity of local government elections in the transitional phase and so forth.

### **3.2.2 The Interim Constitution - Act 200 of 1993**

Firstly it must be mentioned that section 6 of the above Act makes provision for all persons who qualify to vote, irrespective of their race, to vote, in any national, provincial and local government elections. This provision indeed paved the way for democratic elections to take place at all levels of government.

Because local government elections could not take place simultaneously with national and provincial governments elections, section 245 of the Interim Constitution made provision for transitional arrangements for local government and in this regard referred to the Local Government Transition Act (Act 200 of 1993).

### **3.2.3 The Local Government Transition Act - Act 209 of 1993**

This was the key piece of legislation that brought about fundamental transformation of local government. It was a document put together by the Local Government Negotiating Forum, alongside the national negotiating process (Ministry of Provincial Affairs and Constitutional Development, 1998: 3). It must be pointed out that this Act was not intended to be a blueprint for a new local government system but was merely introduced to commence the process of change of a rapidly failing local government system prevailing at the time when other spheres of government were being radically transformed (Ministry of Provincial Affairs and Constitutional Development, 1998: 3). In essence the aim of the Act was to create a framework for the orderly transition of local government from a system of apartheid to full democracy which would simultaneously address the inequalities, structural, financial and other problems such as legitimacy at local level. It was a mechanism to guide transformation immediately whilst awaiting the final constitutional dispensation (Secretariat of the Local Government Negotiating Forum, 1993: 4).

There are two aspects of this Act which brought about dramatic transformation that are worthy of mention. Firstly it allowed all citizens, irrespective of their

race to be nominated to serve on municipal bodies and secondly it established a process for the complete transformation of local government.

In respect of opening up participation in local government to people of all races, Section 5 (3) of Schedule 1 of the aforementioned Act makes provision for persons of any race, subject to certain other qualifying criteria, to be nominated as a member of a transitional municipality. This was in direct contrast to the system of local government that prevailed during the apartheid era. During that era people could only be nominated to serve on local councils, if councils existed in their areas, according to their race. If it was a White area then only Whites could be nominated to serve in White municipalities (Act 97 of 1996, Section 5 (3) of Schedule 1).

In terms of the process for the complete transformation of local government three phases were determined. The phases were the “**pre-interim phase**” (part iv of the Local Government Transition Act), the “**interim phase**” (part v of the Local Government Transition Act) and the “**final phase**” of transformation of local government. The Local Government Transition Act will take local government to the beginning of the “final phase” in the transition process. Thereafter the Local Government Transition Act, having served its purpose, would be repealed and new legislation would be enacted that could once again alter the shape and form of local government and will continue into the final phase. It is envisaged from an overview of preparatory documentation such as the White Paper that such bodies ought to be financially viable and developmental in nature. Apart from being undemocratic these were two key fundamental aspects that were missing during the apartheid era that brought about the failure of the local government system in this country. The transitional phase saw a vast improvement in these defects but it is felt by the current legislators that this is inadequate. Besides, the Local Government Transition Act was only intended to start the process of transforming local government and not to provide a blueprint for a local government system (Ministry of Provincial Affairs and Constitutional Development, 1998: 3). This is further expounded a little later on in this chapter.

### ***3.2.3.1 The Pre-Interim Phase***

The pre-interim phase envisaged the establishment of forums. These forums were

the *vehicles that drove the transformation of local government*, in other words, they were the official bodies that brought about the restructuring of local government.

Official in the sense that their status was legislated for in the Local Government Transition Act and in terms of the provisions of the said Act these structures were given recognition by the relevant Member of the Executive Committee responsible for local government in each province (Act 209 of 1993, Section 6). These forums were to restructure local government bodies by negotiating new structures. As agreements arising out of such forums were accepted by the member of the Executive Committee responsible for local government who utilised such agreements to establish **TRANSITIONAL LOCAL COUNCILS**, old councils were simultaneously disestablished. Section 6 of the Act empowered the member of the Executive Committee responsible for local government in each province to grant official status to Forums. In order to gain official status in terms of Section 6 of the Act, Forums had to comply with the principles and procedures outlined in Schedule 1 of the said Act. These principles and procedures are detailed hereunder:-

- **Area of forum**

For example, in the context of the Greater Durban Functional Region it was inconceivable to think that this region was split into so many autonomous local authorities. The Borough of Verulam and the Canelands Health Committee were actually separate local authorities yet neither could manage as fully fledged local authorities on their own in the long term. The Borough of Verulam was on the brink of collapse just prior to it becoming a part of the North Local Council of the Durban Metropolitan Region. The Canelands Health Committee was administered by the Tongaat Town Board which was a fair distance away from the said Health Committee.

Paragraph 1 (2) of Schedule 1 of the Act (Act 209 of 1993) required, *inter alia*, areas which include commercial and industrial linkages, daily commuting patterns and the provision of services within the area.

Paragraph 2 of Schedule 1 of the Act also empowers the Member of the Executive Committee concerned to determine the area of the forum. Should the Member of the Executive Committee invoke the provisions of this paragraph he

would have to notify the Town Clerks of the relevant local authorities concerned (Act 209 of 1993, Paragraph 2 (1)(b) of schedule of schedule 1).

In so determining the area of a forum the Member of the Executive Committee had to take into account the area of any existing forum as well as the area of any existing local government body (Act 209 of 1993, Paragraph 2 (2)(b) of schedule 1). When an area has been declared a forum area one of the Town Clerks from the said area had to convene the inaugural meeting of the forum in terms of Paragraph 2 (3) of Schedule 1 of the Act. In doing so the said Town Clerk had to invite all potential members and observers to the meeting. Sub paragraph (a) also provided power to the Member of the Executive Committee to nominate a particular Town Clerk to arrange such inaugural meeting.

The reasons for these provisions are clear. Local governments were compelled to transform. Should roleplayers in any area not come together for the purposes of transforming local government or should there be too many disputes that cannot be resolved relative to transitional arrangements, the relevant Member of the Executive Committee was empowered to act decisively. Sub Paragraph (5) therein made the Member of the Executive Committee's decision final and binding.

- **Membership of forum**

Membership of the forum is covered in Paragraph 3 of Schedule 1 of the Local Government Transition Act, 209 of 1993. The fundamental principle here was the principle of inclusivity and representativity.. But notwithstanding this principle the Act made provision for the process to continue should any stakeholder decide not to participate (Act 209 of 1993, Paragraph 3 of schedule 1). The Act also made provision for observers (Act 209 of 1993, Paragraph 3 (2) of Schedule 1).

In terms of sub-paragraph 3 of the said schedule only *bona fide* institutions could apply to be members or observers of forums. In making an application, applicants were required to submit, in writing, their constitution, a list of their office-bearers and details of activities and their membership. In terms of sub paragraph 4 membership of the forum was only available to:-

**>members of local government bodies;**

**>persons representing local organisations which are representative of substantial sectors of the wider community having a vested interest in the political restructuring of local government, including civic associations, residents' associations and the local structures of political parties”(Act 209 of 1993).**

In terms of sub paragraph 5 herein applicants for membership of the forum had to indicate whether they were part of the statutory component or the non-statutory component. Each component was described in the Local Government Transition Act as follows:-

**(a) the statutory component, comprising members of the existing local government bodies and persons representing bodies or organisations approved by the forum as being part of the component; or**

**(b) the non-statutory component, comprising persons representing any other bodies or organisations not contemplated in item (a) having a vested interest in the political restructuring of local government and approved by the forum as being part of such component (Act 209 of 1993).**

Once again should any forum not be able to reach agreement on whether a member is to be regarded as part of the statutory or non-statutory components such matter is to be referred to the Member of the Executive Committee for a final decision, which decision was binding on the forum.

▶ **Negotiating matters and objectives**

Matters to be negotiated by the forums were contained in section 7 of the Local Government Transition Act. These issues to be negotiated have been further amplified in Schedule 1 to the said Act and these have already been described above. Specific to transitional metropolitan areas Section 7 (1)(b) provides for negotiation of the following:-

> a transitional metropolitan council with transitional metropolitan substructures for a metropolitan area of local government within the area of the forum as a possible option during the pre-interim period (Act 209 of 1993).

The said section in the Act further provided for further matters to be negotiated should the option of metropolitan government be agreed upon. Such matters included the powers and duties that would be metropolitan powers and duties and those powers and duties that would be undertaken by the metropolitan substructures. The Act in Section 7 also made it clear that any transitional metropolitan council may, in its discretion, decide not to exercise power or perform any duty (Act 209 of 1993). The number of seats and the nomination of persons to serve on the transitional metropolitan council and the transitional metropolitan substructure councils also had to be negotiated.

Section 7 of the Act also stipulated a time frame within which all matters had to be negotiated. Should the cut-off, of 30<sup>th</sup> November 1994 not be met then the Member of the Executive Committee concerned had the power to refer problem cases to an arbitration committee also instituted in terms of Section 7 of the Act, which committee would decide on matters of disagreements within forums. This demonstrated the seriousness with which the legislature and the other roleplayers were about transforming local government. The other roleplayers included those political parties and interest groups who negotiated the provisions of the Local Government Transition Act (Act 209 of 1993).

With certain exceptions decisions of the forum could only be taken by a concurrent majority of two-thirds of both the statutory and non-statutory components of the forum (Act 209 of 1993, Section 7 (3)).

In the final analysis the function of these forums was to negotiate transitional structures that replaced apartheid structured municipalities in the pre-interim period.

► **Nomination by forum of persons for appointment as members of transitional councils**

In terms of the Local Government Transition Act (Act 209 of 1993, Paragraph

5 of Schedule 1) both the statutory and the non-statutory components of each forum had to prepare and submit to each other a list of their nominations of candidates who would serve on the transitional metropolitan council and the transitional metropolitan substructure councils. The Act provided for a representative committee comprising members of each component to meet and try to reach consensus on such nominations but the said section stipulates that at least one half of each component's list should be acceptable by the other component.

Sub-paragraph (2)(a) reads as follows:-

**“One half of the nominations shall include members of the local government bodies concerned and shall comprise equitably weighted representation of the local government bodies concerned which shall not disturb the pre-existing relationships within and between those local government bodies”.**

whilst sub-paragraph (2)(b) reads as follows:-

**“The other half of the nominations shall comprise equitable representation of all those sectors of society which in the past did not participate in the electoral process in the area of that forum” (Act 209 of 1993).**

The above quoted paragraphs created the opportunity for those who participated in local government during the apartheid era to work with those who, because of the apartheid laws, could not participate or, because of certain restrictions legislated for by the apartheid government, chose not to participate.

► **Secretarial services**

Paragraph 6 of Schedule 1 of the Act made provision for the forums to appoint a secretariat and the expenses of such secretariat are to be met by the local government bodies concerned. This meant that there was no undue financial burden placed on individual participants of the forums (Act 209 of 1993).

► **Procedures at meetings of forum**

The Local Government Transition Act went so far as to provide rules of order to regulate meetings of the forums (Act 209 of 1993). During the early days of transforming local government, diverse groupings of people met and there had to be set procedures to avoid unruly meetings.

In essence the Local Government Transition Act made provision for the establishment of forums, which were to negotiate the establishment of transitional councils. These transitional councils and their administrations were tasked with, *inter alia*, the following crucial issues, namely,

- ☞ continue to provide local government services to its citizens (local government had no time to stop providing services, deal with the transformation issues and then provide services when all the transformation issues were resolved);
- ☞ tend to issues such as the merging of the old disestablished local authorities, (this included, *inter alia*, the rationalisation of staff, services, tariffs and property rates), and at the same time to provide services in areas previously deprived of such services (in many cases this meant stretching your administration well beyond their capacity);
- ☞ prepare integrated development plans;
- ☞ tend to all human resource issues coupled with the unifying of administrations as well as assist staff to cope with change, and
- ☞ prepare for the first democratic elections (there were demarcation issues as well as organising the administrative machinery to run the elections).

Such negotiations gave birth to the Greater Johannesburg Transitional Metropolitan Council and its associated transitional sub-structure councils as well as the Greater Durban Transitional Metropolitan Council and its associated transitional sub-structure councils.

All the above detail provided in the Local Government Transition Act was to guide the transition process during very turbulent times. In the circumstances it served its purpose well. Not only was the Pre-interim period instituted to

commence the process of transformation but it also had to pave the way for the first democratic elections for local government which would lead local government into the next phase of transformation which is the "Interim Phase" (Act 209 of 1993).

### 3.2.3.2 *The Interim Phase*

The interim phase commenced with democratic elections for municipalities being held for the first time throughout South Africa. The structures created were provided for in the Local Government Transition Act, and were recognised to be transitional arrangements awaiting the final phase of transformation.

Section 8 of the Local Government Transition Act made provision for the delimitation of areas of jurisdiction and establishment of transitional councils. This meant that council boundaries could once again change. In fact it did change in some instances. In the Durban Metropolitan region the external boundaries of the Durban Metropolitan Transitional Council itself did not change but some of the sub-structure boundaries did change. The Western sub-structure and the Central sub-structure were split into two sub-structures each. Thus the Durban Metropolitan region, during the interim phase, ended up having six sub-structures compared to the pre-interim phase where there were four sub-structures. The Western sub-structure was split into the Inner West Local Council and the Outer West Local Council. The Central Sub-structure was split into The North Central Local Council and the South Central Local Council (Act 209 of 1993, Section 8).

Section 8 also made provision for per sub-section 2 (b) (ii) for the Board and the Member of the Executive Committee to determine or redetermine powers and duties with certain provisos. There is also provision in the same sub-section for the Board and the Member of the Executive Committee to decide on the number of seats. In the case of the North Local Council of the Durban Metropolitan region the number of seats from the transitional council to the elected council have been redetermined. This council initially had forty eight seats whereas the current elected council now has thirty seats. In fact most of the councils had their seats reduced from what existed during the pre-interim period (Act 209 of 1993, Section 8).

The Act in terms of section 9 made provision for the election of transitional councils. There have been strict cut-off dates and in terms of the said section of the Act the cut-off date was 1<sup>st</sup> November 1995 with certain overriding powers granted to the Minister. Sub-section 1A of Section 9 held the provision that if elections were unlikely to be held by 31 August 1996 the powers vested in the Member of the Executive Council responsible for local government in each province shall vest in the Minister of Provincial Affairs and Constitutional Development. Section 9, Sub-section 1B provides for the dissolution of the transitional councils upon election of the new councils. The Act goes further in terms of Section 9, Sub-section (1B)(c), to provide for the dissolution of municipalities should elections not be held by 31 August 1996. This stresses the importance with which the legislators viewed the transition of local government (Act 209 of 1993, Section 9).

In the case of Kwa-Zulu Natal and the Western Cape, their first democratic local government elections were delayed due to problems encountered with voters rolls. The elections in Kwa-Zulu Natal were eventually held in May 1996. The Local Government Transition Act, however, via Section 9 (1A) contained a provision for the Minister to proclaim transitional councils (Act 209 of 1993, Section 9).

At the time of writing this dissertation local government in South Africa is in the Interim Phase in terms of the Local Government Transition Act. The final phase with the new legislation is still awaited. The Local Government Transition Act, which is the interim legislation, had to be amended to put in place stricter financial controls until the final phase is reached.

#### ***3.2.3.2.1 Amendments to the Local Government Transition Act***

The Local Government Transition Act was amended to cater for certain situations not thought about during its preparation. One of the most striking features included in the said amendment is Section 10G covering financial matters. The financial dilemma in which local authorities found themselves before the transition began and in the early years of its transition started to gain the attention of all roleplayers least of all the legislators (Act 97 of 1996, Section 10G).

Section 10G has been crucial to the successful transformation of local government during the interim phase of transition. In essence section 10G required all municipalities to conduct its affairs in an effective, economical and efficient manner with a view to optimising the use of its resources in addressing the needs of its communities, to conduct its financial affairs in an accountable and transparent manner and prepare a financial plan in accordance with its integrated development plan in respect of all its powers, duties and objectives.

In addressing the needs of the communities in post apartheid South Africa, municipalities faced the enormous challenge of having to extend its services to all areas under its control. Many communities that have been brought into municipalities come from the previously disadvantaged sector that either had no municipal services or very limited municipal services. The challenge placed on local government by the legislators of the second amendment is to cater for these communities with prudent financial management.

With the amalgamation of municipalities, the already cash strapped municipalities have been burdened even further with the need to take services to areas that were previously denied such services without the corresponding income to meet these new challenges. In other words municipalities literally had to do more with less money and other resources. With this in mind the legislature placed onerous tasks on the chief executive officers of municipalities. Such tasks as stated in section 10 G (2) require the chief executive officer to *inter alia* keep all the accounting records of the municipality that are necessary to reflect the transactions and financial state of affairs of the municipality.

In the capital estimates the municipality must also reflect the future capital charges, operating and maintenance costs as well as the consequential influence thereof on levies, rates and services charges.

Municipalities shall not budget for a year-end deficit on its operating account. Previously municipalities were allowed to budget for a deficit. This is not a good method of budgeting and the legislature has taken care of this by legislating against deficit budgeting. Municipalities must also ensure that its budget is in accordance with its integrated development plan.

Further sub paragraph (4) (a) requires municipalities to only incur expenditure in accordance with its approved budget, provided that any decision required to

be taken by a council to incur expenditure shall be taken by a majority of the votes cast.

The budget must be submitted to the Minister of Finance within 14 days from the date of adoption by the council for the purpose of monitoring whether the maximum expenditure limits set by the Department of Finance have been complied with. The Minister of Finance may delegate this monitoring function to the Member of the Executive Committee responsible for Finance.

If a budget does not comply with the maximum expenditure limits, such budgets shall be referred back to the council concerned for reconsideration and amendment thereof at the next council meeting. The Minister of Finance may exempt a particular municipality from complying with the said maximum expenditure limits.

A municipality shall award contracts for goods and services in accordance with a system which is fair, equitable, transparent, competitive and cost-effective. At the same time municipalities are also required to give preference to the protection or advancement of persons or categories of persons disadvantaged by unfair discrimination, and shall make the granting of such preferences public in the manner determined by the council.

Sub sections 6 and 7 of section 10 G deals with the valuation and rating of properties. In this regard sub section 6 reads as follows:-

**“(6) A local council, metropolitan local council and rural council shall, subject to any other law, ensure that -**

- (a) properties within its area of jurisdiction are valued or measured at intervals prescribed by law;**
- (b) a single valuation roll of all properties so valued or measured is compiled and is open for public inspection; and**
- (c) all procedures prescribed by law regarding the valuation or measurement of properties are complied with, provided that if, in the case of any property or**

**category of properties, it is not feasible to value or measure such property, the basis on which the property rates thereof shall be determined, shall be as prescribed ...”.**

The main source of a municipality's income is property rates. In this regard sub section (7) (a) (i) provides for municipalities to levy and recover property rates.

Section 10G of the Local Government Transition Act, Second Amendment Act does provide stringent measures in respect of the finances of municipalities. Municipalities are under great pressure financially and are now required in terms of law to be prudent in their financial affairs. Chief Executive Officers under the old order did not have the financial dilemmas that face the modern day municipalities, nor did they have the prudent financial requirements embodied in current legislation. The challenges are great and the requirements stringent.

#### **3.2.3.3 Final Phase**

The final phase of restructuring of local government bodies will take place at the next local government elections targeted for the end of the year 2000. The final phase will commence with all the legislation that emanates out of the *White paper* process. Municipalities will be completely restructured in terms of the new dispensation and most of the old legislation as well as the interim legislation will be replaced. The entire legislative process has been an enormous task in search of an 'ideal' system of municipal government within a democracy. This process is examined hereunder.

### **3.3 THE LEGISLATIVE PROCESS TO RESTRUCTURE MUNICIPAL GOVERNMENT (The final phase)**

Notwithstanding the transformation already undertaken municipalities would still have to be transformed. The legislation during the pre-interim and the interim phases were merely temporary to start the process of change (Ministry of Provincial Affairs and Constitutional Development, 1998: 3). The relevant provisions of the then Interim Constitution, the Local Government Transition Act and all the proclamations issued were to cater for special circumstances during the transition to give some legitimacy to a rapidly failing local government system prevailing in the country at that time. That was the period just prior to

and after the first democratic elections for both national and provincial governments held in April 1994. The result of the present composition of transitional municipalities were the result of agreements between political parties, even though they had divergent views on the matter. Staff of the former councils were appointed by agreement rather than on merit. The rationalisation of staff is under way, but the “right sizing” of councils can only take place at the time of the next general elections (Moosa 1997: 9-11).

It is envisaged that this will be done because municipal council structures will be determined by national legislation after much research and consultation coupled with the experience that has now been gained from the transformed councils. The structures will relate to efficiency and the number of councils. Ultimately councils should be effective service delivery agents with adequate financial resources to do so. Of the situation regarding local government the Minister said “We now have the responsibility of taking a very dispassionate, and if I may say, logical view of exactly what kind of dispensation this country needs at a local government level and it is for this reason we have embarked upon the White paper process ....” (Moosa 1997:10).

### **3.3.1 An incomplete transition**

When the new South Africa was born in April 1994, transitional arrangements were made for the restructuring of local government. These were only transitional arrangements with the final dispensation still to come. The key legislation that brought about a fair measure of change to municipal government in this country has undoubtedly been the Local Government Transition Acts. These were the Local Government Transition Act, 1993 (Act 209 of 1993) and the Local Government Transition Act Second Amendment Act, 1996 (Act 97 of 1996). As the word “**transition**” suggests, both these Acts were temporary pieces of legislation introduced to merely kick start the process of transformation of municipal government. It was envisaged right at the beginning of the process that these were interim measures until a final dispensation is in place.

In this regard the preamble to the Act states, *inter alia*, that the Act is “**to provide for the revised interim measures with a view to promoting the restructuring of local government**”(Act 209 of 1993). Further, **PART IV** and

**PART V** of the Act provides for the “**Pre-interim phase**” and the “**Interim phase**” of municipalities (Act 209 of 1993).

Being mindful of the above the Ministry for Provincial Affairs and Constitutional Development commenced the process towards what has been labelled the “final phase” of the transformation of municipal government.

### **3.3.2 The Legislative Process Begins**

The Minister of Provincial Affairs and Constitutional Development has deviated somewhat from the usual way in which legislation is prepared and approved by Parliament in South Africa, to prepare for the awaited legislation that would take local government through to the final phase. The said Minister, together with the White Paper Political Committee, has issued a document entitled, “**Towards a White paper on Local Government in South Africa**”.

The White Paper process had several key documents that were workshopped by all the key stakeholders to achieve the legislation which will take municipal government through to its final phase in its transformation. These documents were:

- > firstly, the discussion document entitled **Towards a White paper on Local Government in South Africa**;
- > secondly, **the Green Paper on Local Government**;
- > thirdly, **the White Paper on Local Government**, and
- > fourthly, the relevant **Bills** that will emanate from this process.

### **3.3.3 Towards a White Paper on Local Government in South Africa - A Discussion Document**

This document provided an overview of the major issues on which policies were required to be embodied in future local government legislation. This was an extremely important document as it laid the foundation for the formulation and

implementation of several Acts of Parliament which would see municipalities move from the transitional phase into a new era of democratically elected, financially viable and community-driven entities and from a system of cold, far removed from the community type government, to an internationally recognised system of people-oriented local governance.

With the introduction of this Discussion Document, the Minister of Provincial Affairs and Constitutional Development constituted two committees known as the White Paper Technical Committee and the White Paper Political Committee. In respect of the Technical Committee its members are practitioners in local government and its purpose is to assist the White Paper Political Committee with technical aspects of the legislation including the drafting thereof (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 4).

The White Paper Political Committee is a multi-party Committee that was established to assist and advise the Minister on the drafting of all legislation regarding municipal government (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 4).

This document addresses *inter alia* the need for a vision for local government.

Since this was the basis on which all discussion, debate and ultimately Acts of Parliament evolved and still have to evolve, a brief discussion on each of the key headings is provided below.

### ***3.3.3.1 Vision for local government***

Apartheid policies such as the Group Areas Act are the causes of the way our cities and towns look today. The majority of our cities are spatially divided and unintegrated. Key components such as land, transport infrastructure and community facilities were designed in a fashion that favoured residents of White suburbs much to the detriment of the urban poor. According to the discussion document municipalities must be fundamentally transformed to “change the urban environment, to racially integrate our towns and cities, and to stimulate functional and integrated local economic development as well as redistribution” (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 8).

Because of the appalling state of the cities and towns of South Africa the discussion document proposes as a starting point a vision for municipalities. At this juncture only elements to the vision still to be formulated have been provided in the said document.

### **3.3.3.2 *The international context***

In the search for an ideal model for municipalities in South Africa no stone was left unturned. A study of international trends on municipal government was undertaken by the Department of Provincial Affairs and Constitutional Development and placed in the discussion document for debate and discussion. Some of the issues from the study of municipalities internationally include,

- > **from government to governance;**
- > **municipalities are thinking globally and acting locally;**
- > **financial pressures;**
- > **public sector and private sector are working more closely together;**
- > **shifts in the role and organisational structure of municipalities;**
- > **environmental issues are increasingly important, and**
- > **international networking (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 9-12).**

From the above it would appear that the issues and problems from the aforementioned study are very similar to some of the issues and problems facing South African municipalities. South African municipalities, however, have the

added challenge of overcoming the problems caused by the apartheid system of government.

#### ***3.3.3.3 Local government SWOT analysis***

All municipalities in the country, provincial associations and provincial governments were requested to perform the local government Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis as provided for in the discussion document and forward their input to the Department of Provincial Affairs and Constitutional Development. The idea was to determine the current status of all municipalities to enable the said department to understand where local government stood and where they needed to take local government in the future.

#### ***3.3.3.4 The Constitution and local government***

Chapter 7 in the country's constitution has been devoted to local government. The constitution clearly spells out the aims and objectives of local government under section 152 (Act 108 of 1996, section 152). The issues dealt with in this section of the discussion document tie in with the constitution and include development duties of municipalities, co-operative governance, categories and types of municipality, municipal functions and powers, municipal finance, organised local government and gender (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 22-24).

#### ***3.3.3.5 Governance and participatory local government***

The international experience has been that of governance rather than government. In promoting **governance** the discussion document states that "the essence of governance is how a municipal council relates to its constituency - those individuals who elected it" (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 26). According to the discussion document, governance is about listening to all groupings whilst government is about a mandate to take decisions on a wide range of issues (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 26).

### ***3.3.3.6 The role of local government: what should municipalities do?***

According to the discussion document the primary responsibility of municipalities is to provide the essential services to **all** South Africans. Such services include water, sanitation, electricity and so forth. (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 29). One may easily say so what? What is new or different from the old South Africa? Well there is a big difference! In the old South Africa not **all** South Africans had access to these essential services. In fact the vast majority of South Africans were denied access to such essential services. The secondary role of municipalities is to promote economic and social development and to join in with national and provincial development programmes (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 29).

### ***3.3.3.7 A new system for local government***

The discussion document acknowledges that the current system of municipal government is not efficient and effective and states that this needs to be addressed. The said document raises the issue of the style of local government system, the key issues of which are the specific powers and functions of the various structures, the boundaries of municipalities, rationalisation, the number of municipalities, the link between small towns and adjacent rural areas, the two-tier structure and the financial relationships between municipalities (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 35).

### ***3.3.3.8 Municipal elections***

The Constitution lays the groundwork for a democratic and open society. The discussion document attempts to direct this process through to the envisaged legislation so as to achieve these democratic principles and objectives (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 41).

### **3.3.3.9 *Municipal administration and human resource management***

This chapter deals with the administrative arm of municipalities and states that municipal administration needs to change from the “old style” to become more developmentally oriented. It also emphasises the Constitutional requirements of municipalities, which are, *inter alia*

- > to play a developmental role;
- > to be accountable;
- > to exercise their duties efficiently;
- > to be representative; and
- > to act lawfully, reasonably and follow fair procedures (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 44- 45).

### **3.3.3.10 *Building a financially viable sphere of government***

One of the problems with municipal government in the past and during the transitional phase has been undoubtedly the lack of financial resources. Again in this chapter the call is for public participation coupled with sound financial management. This chapter was included to pick up this all important debate to see what could be included in new municipal legislation emanating out of the White Paper (Ministry of Provincial Affairs and Constitutional Development and White Paper Political Committee, 1997: 48).

### **3.3.4 *The Green Paper on Local Government***

The debate on the awaited legislation really started to intensify with the release of a document entitled, ‘The Green Paper on Local Government’, in October 1997. It will be fair to say that this document threw out more problems than it did solutions that local government needed at the time. But this was the intention. The foreword in the Green Paper written by Minister M V Moosa, the then Minister of Provincial Affairs and Constitutional Development, provided a clear intention to search for, *inter alia*, the best possible policy solutions for municipal government in South Africa.

The Green Paper merely paves the way for the White Paper, which will be a more focussed document. It is therefore not necessary to go into too much of the details of this document. What is important, however, is the process and the extent to which the current government views the role and importance of local government and the need to transform local government that it has gone into such a detailed process in bringing about this new legislation. The Green Paper was available on the internet and did attract international readership.

The document spells out a vision for local government. For the first time in South Africa, local government as a whole has a vision. The vision is as follows:-

**“Local government should be developmental. It should exercise its powers and functions in a way which maximises the social development and economic growth of communities. It should plan and manage development in an integrated and sustainable manner, and promote spatial and social integration. Local government should be responsive and accountable, and deliver services which meet community needs in an efficient and equitable manner. It should seek to promote democratic values, both within the community and within its institutions.**

**Local government in South Africa is a distinct sphere of government, interdependent and interrelated with the national provincial spheres. Municipalities have the right to govern on their own initiative, the local government of their community, subject to national and provincial legislation.**

**They are required to give priority to the basic needs of the community, promote the social and economic development of the community, and participate in national and provincial development programmes.**

**Within a co-operative system, the Constitution mandates local government to:**

- **provide democratic and accountable government for local communities;**
- **ensure the 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 local government.”** (Ministry of Provincial Affairs and Constitutional Development, 1997: 1).

With regard to this vision the Green Paper states the following:

**“This mandate places local government at the centre of building local environments in which our communities can develop and grow. The task is daunting: apartheid has fundamentally damaged the spatial, social and economic environment in which people live, work, raise families and seek to fulfil their aspirations. Local government can only rise to the challenge of reversing the legacy of the past, and constructing sustainable living environments for the future, if municipalities are financially and institutionally empowered. It is therefore critical that we transform and capacitate local government”** (Ministry of Provincial Affairs and Constitutional Development, 1997: 1).

It is often said that municipal government is also known as the people’s government. It is the closest form of government to the people on the ground. It touches their lives. If any form or sphere of government can tackle challenges of re-building a divided nation then certainly local government must be at the forefront of this enormous challenge.

In the wake of the state local government has come from, and the state it is in, together with the vision and the challenges mentioned above to transform local government for the future, the Green Paper recognises the enormity of the task. In this regard it would appear that the government is embracing itself to assist municipalities with these changes. The Green Paper provides a special section to cater for “ **Implementing the new local government system**”(Ministry of Provincial Affairs and Constitutional Development 1997,: 90). The Green Paper states that care will be taken to ensure that municipalities, which have already undergone substantial administrative restructuring are not subject to undue strain during any reorganisation that may arise from the implementation of the new local government system. Such changes will be structured and phased.

Apart from the “vision” and “the transformation process” the paper has seven sections and each section is briefly captured hereunder (Ministry of Provincial Affairs and Constitutional Development, 1997: v-vi).

#### **3.3.4.1      *Section A - The current reality***

This section of the paper provides:

- a history of local government, which outlines the dynamics of apartheid local government, and which explains the origin of existing divisions within local areas;
- an overview of the existing transitional system of local government, based on an extensive primary research project undertaken;
- an overview of human settlement patterns and trends, which illustrates some of the challenges faced by municipalities in the social geography of the settlements they manage, and
- a conclusion defining the challenge for local government.

#### **3.3.4.2      *Section B - Co-operative Government***

This section covers the constitutional framework for local government and also deals with inter-governmental relations.

#### 3.3.4.3 ***Section C - Development Local Government***

One of the key issues that will no doubt be embodied in the new legislation is the developmental role local government will play in the future. According to the Green Paper a new energetic brand of leadership and institutional forms is required to take local government into the next millennium.

#### 3.3.4.4 ***Section D - Institutional Systems***

This section covers the various types of municipalities for which criteria will have to be embodied in legislation so that (a) particular type(s) of municipality could be determined for a particular area.

#### 3.3.4.5 ***Section E - Political Systems***

This section describes the different models of political structuring as well as municipal committee systems and democratic participation. It proposes that the existing number of municipal councillors be decreased. The question of traditional leaders is briefly dealt with as well.

#### 3.3.4.6 ***Section F - Administrative Systems***

The need for local government to play a developmental role has been emphasised many times in the Green Paper. This section calls for fundamental transformation and reorganisation of the administrative arms of municipalities to support the establishment of developmentally based municipalities.

#### 3.3.4.7 ***Section G - Finance***

Many municipalities of the past were not financially sustainable. They depended on subsidies from provincial and central government. Most of the post apartheid municipalities albeit still in their infancy, are not in a position to address these financial imbalances. This section envisions a new local government finance system.

### 3.3.5 White Paper on Local Government

This document was released in March 1998. In the wake of having already discussed the documents, namely, '*towards a White paper on local government*' and '*Green Paper on local government*' earlier in this section it is only necessary to focus on the heart of this research, that is, that new creature of statute, namely, **metropolitan government**.

#### 3.3.5.1 Metropolitan Governments of South Africa - Refining the System

South African *metropolitan municipalities*, emerged as democratic transformation of government at the local sphere began. For the first time in South Africa *metropolitan municipalities* were introduced. The previous chapters hopefully demonstrated just how poorly local government was structured under the previous regime's policy of separate development. There is a danger, however, in trying to fix up all apartheid's ills in one go. The danger is that if the structures are changed too radically they may not have the infrastructure and sophistication to be effective. This chapter takes a closer look at this relatively new type of authority in South Africa called *metropolitan government*.

##### 3.3.5.1.1 Definition of a metropolitan area

An acceptable definition of "metropolitan area" has been provided in the White Paper on Local Government. This definition is as follows:-

**"...large urban settlements with high population densities, complex and diversified economies and a high degree of functional integration across the larger geographic area than the normal jurisdiction of a municipality.**

**Economic and social activities transcend municipal boundaries, and metropolitan residents may live in one locality, work in another, and utilise recreational facilities across the Metropolitan area" (Ministry of Provincial Affairs and Constitutional Development, 1998: 58).**

In South Africa there are six metropolitan areas - Greater Johannesburg, Greater Pretoria, Cape Metropolitan area, Durban, Lekoa Vaal and Khayalami.

An all embracing reason for wanting Metropolitan governments according to Sutcliffe is that "Metropolitan areas require special consideration, given the density of population, the existence of multiple, overlapping externalities and the need to coordinate services over larger areas, while simultaneously ensuring proximity between voters and councillors"(Sutcliffe, 1998: 6).

The White Paper cites three further reasons for the establishment of metropolitan authorities:-

- To establish a basis for equitable and socially just metropolitan governance;
- To promote strategic land use planning, and coordinated public investment in physical and social infrastructure; and
- To develop a city wide framework for economic and social framework so as to promote the economic competitiveness and well-being of the city (Ministry of Provincial Affairs and Constitutional Development 1998: 59-60).

This is a vast difference from the previous municipal structures. For instance, around the old City of Durban were numerous relatively medium and small-sized local authorities such as Umhlanga Rocks, Verulam, Mt Edgecombe, Canelands and Westville. Each of these authorities was autonomous and did planning, for instance, independently of its neighbours with whom it shared common boundaries. Each authority therefore went in its own determined direction. Many could barely survive financially, for example, the former Borough of Verulam. Many could not also provide all the services and depended on larger authorities such as the former City of Durban for the provision of certain services such as the supply and reticulation of electricity.

Durban Electricity did provide extended services well beyond the old City of Durban boundaries. Some of the smaller local authorities around Durban entered into agency agreements with the City of Durban to provide electricity to their areas because it was not viable for these authorities to provide this service. In a

sense this service was already “metropolitanised”. The problem was that only the old City of Durban benefited from the surplus that it earned from the sale of electricity.

In the main, White controlled cities and towns blossomed, whilst contiguous to these prosperous areas were unviable Black local authorities. This certainly amplified the need for metropolitan government.

### *3.3.5.1.2 Metropolitan government institutions*

With regard to the type of institutional arrangements for municipalities, the White Paper gets to the heart of the issue by this powerful statement:

**“The choice of institutional arrangements for the municipalities which will govern South Africa’s metropolitan areas is a key policy issue which not only impacts on the lives of millions of metropolitan residents, but is central to the economic well-being of the nation as a whole”**(Ministry of Provincial Affairs and Constitutional Development 1998: 61).

In establishing municipal institutions the difficulty lies in determining how large a municipality ought to be to achieve maximum economies of scale and at the same time manageable, in terms of its size, so that it will be efficient. Unfortunately there is no ready made formula to determine the ideal size that will achieve both the economies of scale required and still be efficient. And this ‘ideal size’ may vary from one metropolitan region to another and even from one country to another depending on their state of development. Both these aspects are vital to the success of a metropolitan authority. After all, the economic well-being of the country is dependent upon the success of its metropolitan areas. In the next chapter a closer look at metropolitan structures is undertaken and whether the proposed structures that are currently under debate in the process are likely to achieve the proposed aims of our democratically elected government (Ministry of Provincial Affairs and Constitutional Development, 1998: 61).

### ***3.3.5.1.3 Metropolitan government systems***

In the South African context the government is looking at one of two types of Metropolitan systems, namely, metropolitan government with ward committees and metropolitan government with metropolitan local councils.

#### ***a) Metropolitan governments with ward committees***

With this type of metropolitan arrangement there would be a metropolitan council which is empowered with full legislative, executive and administrative municipal powers and functions.

There would also be a Ward Committee for each ward in the metropolitan area on which would serve the ward councillor and representatives from civil society organizations. These ward committees will be committees of the metropolitan council and may receive powers and functions delegated to it from the metropolitan council. They may also advise the metropolitan council on certain matters and they may be consulted on specific issues. The intention behind this type of metropolitan government is to bring government closer to the people and also to get people to participate in the affairs of their local government (Ministry of Provincial Affairs and Constitutional Development 1998: 65). The ward councillor must be chairperson of the committee and not more than 10 other persons who are residents in the ward must serve on the committee (Municipal Structures Act, 1998: section 73 (2)).

In earlier drafts of the Municipal Structures Bill ward committees were mandatory, however, later drafts make such committees optional. The purpose of these ward committees according to the Municipal Structures Act is to enhance participatory democracy in the local sphere of government (Municipal Structures Act, 1998: section 72 (3)). In terms of Section 73 (1), should a metropolitan council or local council elect to have ward committees, it must have such committees for each ward. The metro or local council may make administrative arrangements to assist ward committees to be effective (Municipal Structures Act, 1998: section 73 (4)).

An interesting feature of the ward committees is that its members would not be eligible for remuneration (Municipal Structures Act, 1998: section 77).

*b) Metropolitan Government with metropolitan local councils*

These councils are provided for under Part 3 of the Municipal Structures Bill. In this type of metropolitan government full legislative, executive and administrative municipal powers and functions are given to the metropolitan council. The metropolitan council is given discretionary powers to establish metropolitan local councils. If a metropolitan council exercises this prerogative it would have to do so by passing by-laws (Municipal Structures Act, 1998: Section 57).

This is a vast change from the existing arrangement of metropolitan government. In terms of the Local Government Transition Act, 1993 (Act 209 of 1993), the Member of the Executive Committee for Local Government in each province determines metropolitan areas, metropolitan local areas within metropolitan areas as well as the powers and functions of metropolitan councils and metropolitan local councils. In terms of the Municipal Structures Act the Member of the Executive Committee's role in the structure of metropolitan government has been diminished. All power, it would appear, will be given to the metropolitan councils (Municipal Structures Act, 1998: Section 57).

The rationale for this move by the Department of Provincial Affairs and Constitutional Development is to be found on page 58 of the White Paper on Local Government. This section reads as follows:-

“Some of the factors which have guided the choice of municipal institutions proposed in this White Paper are:

- **The legacy of (colonial and apartheid) separation, which has created distortions in our settlement patterns.**
- **The uneven distribution of municipal capacity, particularly between urban and rural municipalities. Previous legislation created disincentives for skilled staff to work in rural and small town areas. Furthermore, under apartheid there was little commitment to building sustainable municipal capacity in large parts of the country.**

- **The need for rapid intervention in the management of urban and rural systems, to tackle entrenched patterns of inequity, increased economic competitiveness and viability, and harness concentrated capacity and investment.**
- **Sharp social divisions within local communities, and the need to enable diverse community groups to have adequate voice and representation within municipal system without perpetuating existing divisions.**
- **The new vision for local government, and the need for empowered and capacitated municipalities to play a transformational and developmental role in building viable human settlements which meet the needs and aspirations of local communities.**

**These factors lead to:**

- **The need for capacitated municipal institutions at an appropriate level to address spatial distortions in settlement patterns.**
- **A focus on district governments as centres of municipal capacity to manage integrated development planning and to ensure rapid delivery where local municipal capacity does not exist.**
- **A focus on metropolitan governments to promote social inclusion and the spatial, economic and political integration of metropolitan areas” (Ministry of Provincial Affairs and Constitutional Development 1998: 58).**

A fair question to ask is whether the existing structures of municipal governments are inadequate to overcome the Ministry’s concerns. There are several points to consider in this regard. Firstly, municipalities have changed dramatically, especially in the metropolitan areas, from what they were under the apartheid government. Secondly, much has already been done during the

transitional phase to address some of the concerns raised above. Perhaps another question to ask is whether the proposed structure of metropolitan councils as envisaged in the Municipal Structures Act will address the concerns raised above. Much of this discussion will be addressed in chapter 6 of this dissertation.

Also interesting is the vast amount of autonomy given to metropolitan councils in the Municipal Structures Act. The complete internal structuring of municipalities, which would be vast powers, will be given to metropolitan councils. In summary the following powers have been granted, *inter alia*, to metropolitan councils, namely,

- ☛ Should a metropolitan council be eligible to establish metropolitan local councils it may do so entirely at its discretion ((Municipal Structures Act, 1998, Section 58);
- ☛ Metropolitan Councils may assign duties and powers at will to metropolitan local councils (Municipal Structures Act, 1998, Section 60);
- ☛ Metropolitan councils may establish ward committees if they so desire (Municipal Structures Act, 1998, Section 69);
- ☛ The term of office of ward committees will be determined by the metropolitan council (Municipal Structures Act, 1998, Section 71);
- ☛ The procedure of filling of vacancies in ward committees will be determined by the metro councils (Municipal Structures Act, 1998, Section 72), and
- ☛ the dissolution of local councils or ward committees will be at the determination of metropolitan councils (Municipal Structures Act, 1998, Section 74).

### 3.4 RECENT LEGISLATIVE/ POLICY DEVELOPMENTS

There will be several acts of parliament arising out of the White paper on municipal government. At the time of writing the following two acts have been promulgated, namely,

the Local Government: Municipal Demarcation Act, (Act No. 27 of 1998), and the Local Government: Municipal Structures Act (Act No.117 of 1998),

whilst the following two Bills are currently being processed:

Local Government: Properties Rating Bill, and the  
The Municipal Systems Bill.

Besides the above legislation, there are one or two more pieces of legislation being contemplated by the Department of Provincial Affairs and Constitutional Development. It is the intention to replace legislation from the apartheid era that still exists, such as the provincial ordinances for local authorities with the aforementioned legislation. Each of these new Acts or Bills will now be elucidated upon.

#### **3.4.1 Demarcation Act**

Spatial segregation at local level was really the cornerstone of the apartheid system of government. "Through separation, influx control and a policy of 'own management for own areas', apartheid aimed to limit the extent to which affluent White municipalities would bear the financial burden for servicing disadvantaged Black areas (SALGA, 1998a: 3). Because of this practice of spatial segregation, South Africa could never become a first world country although some of its cities like Durban and Johannesburg had characteristics of being first world.

Many of the old boundaries and even some existing boundaries do divide settlements, thereby dis-empowering municipalities which seek to provide for the needs of communities within the integrated social and economic area of the settlement (SALGA, 1998a: 3).

In terms of the Constitution of the country there would have to be an independent authority established, that will demarcate municipal boundaries and also provide criteria and procedures for the purposes of demarcation. The Demarcation Act provides for the establishment of a Demarcation Board that will undertake the task of demarcating municipal boundaries. It is this Board that will be the independent authority referred to in the Constitution. It is this Act

(that is the Demarcation Act), the Municipal Structures Act and the forthcoming Municipal Systems Bill that will form the three pillars of new local government legislation (SALGA, 1998a: 4).

#### ***3.4.1.1 Demarcation is necessary for transforming local government***

From what has been stated in the previous chapters of this dissertation as well as from what has been stated above, it is clear that local government in this country had to undergo radical transformation. As described above the process already began in part but needs to go much further. Key to the transformation of local government is the demarcation of boundaries. According to SALGA, one instrument for achieving democratic and accountable municipalities that are financially viable, is to demarcate municipal boundaries that empower the municipalities to operate effectively (SALGA, 1998a: 3).

In other words, the most appropriate boundaries that would make municipalities function effectively must be established. The broad aims of taking a fresh look at municipal boundaries is to redress spatial segregation, establish financially viable municipalities, enable redistribution and allow municipalities to play a positive role in the nation's economy and well being (SALGA, 1998a: 3).

#### ***3.4.1.2 The Demarcation Board***

This Board is an independent body in terms of the Constitution and is a juristic person. Its purpose is to determine municipal boundaries in accordance with the Demarcation Act, Municipal Structures Act, the Constitution and other appropriate legislation. Being a juristic person means that the Board can sue or be sued, acquire property, hire and fire people and so forth. In terms of the Act, the Board cannot borrow money nor purchase immovable property without the consent of the Minister (SALGA, 1998a: 4).

#### ***3.4.1.3 Who sits on the Board?***

In terms of the Act, the Board consists of between 7 and 15 persons who must be appointed by the State President. It must be representative of the South African Society. Another requirement is that its members should come from all over the country and possess knowledge and/or experience relevant to municipal

demarcation. The Act provides a list of such matters which includes, *inter alia*, development planning, community development, traditional leadership, municipal finance and town planning (SALGA, 1998a: 5).

A panel comprising judges, politicians, a member of the Gender Commission and a representative with specific knowledge of boundary determination, prepares a short list of candidates which the State President uses to appoint the Board. Only the State President can suspend or remove any member from the Board that is incompetent, incapable or in breach of the rules of the Board (SALGA, 1998a: 5).

#### **3.4.1.4 Duties of the Board**

Stated very simply, the Board must determine the boundaries of municipalities of South Africa. The existing boundaries of municipalities will remain in place until they are replaced with a new determination by the Demarcation Board. The Board can exercise its right to determine municipal boundaries on its own initiative, the Minister or the Member of the Executive Committee responsible for local government in each province may make such a request or a request could come from a municipality to do so (SALGA, 1998a: 5).

The duties of the Demarcation Board are not easy. With the problems municipalities are facing countrywide and the pressure of high public expectation as well as the challenges placed on municipalities by the Department of Provincial Affairs, the Demarcation Board is expected to draw these fine lines called municipal boundaries just perfectly. This is not an easy task at all considering the number of factors to be taken into account.

#### **3.4.1.5 Objectives of demarcation**

In terms of section 24 of the Act the following objectives have been set for the Board when demarcating areas, namely,

a] enable the municipality for that area to fulfil its constitutional obligations which, *inter alia*, includes -

- (i) the provision of democratic and accountable government for the local communities;

(ii) the provision of services to the communities in an equitable and sustainable manner;

(iii) the promotion of social and economic development; and

(iv) the promotion of a safe and healthy environment.

b] enable effective local government that will possess the capacity, both financial and human, to deliver services on a sustainable basis. That local government will also be effective in creating the environment that will stimulate the economy.

c] enable integrated development of areas that share common systems and bases, such as transport systems and the same economic base.

d] possess a tax base that is as inclusive as possible of all users of municipal services within the municipality (Act No 27 of 1998).

This means that the Demarcation Board should strive to establish municipal areas that are democratic, accountable, financially sound, able to provide adequate services that are sustainable and be able to develop its entire area (SALGA, 1998a: 6).

This is far different from the apartheid style of demarcating municipal boundaries where such boundaries were drawn to divide communities on racial lines. Under the apartheid government all communities could not develop nor were municipalities accountable. The majority of people in the country suffered tremendously without basic services such as electricity, sanitation and clean running water.

Under this new Municipal Demarcation Act, the Demarcation Board is given a mandate to establish municipalities that will be functional, democratic and accountable, that will not try to be exclusive but rather inclusive. In order to achieve this the following factors which are listed in the Act will be taken into account when demarcating municipal boundaries:-

☛ The movement of people in the area. Where do they work, recreate and conduct their economic activities? How do goods and services move in the area? Who provides services in the area?

- ☞ There is a need to integrate areas and fragmentation must be avoided. A specific mention is made of metropolitan areas.
- ☞ The financial and administrative capacity of the municipality is important to the performance of municipal functions.
- ☞ Functional boundaries must also be considered. These will, *inter alia*, include voting and magisterial districts, health, transport, police and census boundaries.
- ☞ Land use, the current and the future.
- ☞ The boundaries must be such that municipalities, provinces and the national government who provide services of a national interest such as health care must be able to work together.
- ☞ Topographical, environmental and physical characteristics of an area must be considered.
- ☞ Demarcation could impact on the creditworthiness of municipalities and create all kinds of administrative problems for the municipalities and their staff (This was experienced by the North Local Council when it inherited the former Borough of Verulam with a debt of approximately forty million rands).
- ☞ The number of municipalities has to be rationalised. In this regard the Minister of Constitutional Development and Planning can make regulations prescribing targets for the rationalisation of municipalities (SALGA, 1998a: 7).

#### ***3.4.1.6 Procedures to be adopted by the Demarcation Board***

There are certain procedures laid down in the Act which the Demarcation Board is obliged to follow.

The Demarcation Board must announce its intention to consider a determination in a newspaper and invite the public to submit written representations within a

period not shorter than 21 days. The following persons and/ or bodies must be advised and may comment on the matter:

- \* The Member of the Executive Committee responsible for local government in each province;
- \* each municipality that may be affected;
- \* the magistrate if a magisterial district is affected; and
- \* provincial House of Traditional Leaders if a boundary of a traditional authority is affected (SALGA, 1998a: 8).

The Demarcation Board is obliged to consider all those representations made by any of the above. The Board also has the power, if it so wishes, to hold a public meeting where it allows the public to ask questions and make comments or it can conduct formal investigations. The Board can conduct the investigation itself or establish a committee for this purpose (SALGA, 1998a: 8).

Section 30 of the Demarcation Act empowers to the Board or investigating committee with the right to force any person, by means of a summons, to appear before the Board to give evidence or to hand over documents. The Board also has the power to administer an oath to persons it is questioning (Act No. 27 of 1998).

After the Board has made a final decision on a boundary determination it must send the particulars of such determination to the Electoral Commission. The Electoral Commission then has a period of up to sixty days to decide whether the new boundary affects the present representation of voters in the councils of any affected local government bodies. If it does the determination will take place only after the next municipal election. If it does not, then the relevant Member of the Executive Committee responsible has the authority to set the effective date (SALGA, 1998a: 8-9).

The Board must finally publish a boundary determination in the relevant Provincial Gazette. The publication must state when the determination takes effect (SALGA, 1998a: 9).

### **3.4.1.7 Appeal against a demarcation**

Interestingly the Act makes provision for the Demarcation Board to be independent and also to act as an Appeal Board. In other words it is empowered to consider appeals against its own demarcation. People have a right to lodge written objections within 30 days after publication of a determination to the Board. After considering the objections the Board could either amend or confirm its determination (SALGA, 1998a: 9).

### **3.4.1.8 General issues**

The Act also makes provision for the conduct of its members, delegations, assistance for the Board, offences against the Board and monetary provisions.(SALGA, 1998a: 11).

## **3.4.2 Municipal Structures Act**

The Municipal Structures Act has been a much debated and long awaited piece of legislation. Against the background that the apartheid based local government structures were collapsing and the interim arrangements made via the Local Government Transition Act, were inadequate, this Act is intended to strike at the very heart of the problem. In a nutshell the crux of the problem is that a large number of municipalities has financial difficulties as well as the cry for basic municipal services such as water, electricity, refuse removal, sanitation and housing. The Municipal Structures Act is intended to address these problems. It is a framework for the restructuring of municipalities and will impact on the lives of every citizen of the country and beyond.

It first started out when the Ministry for Provincial Affairs and Constitutional Development released a document entitled, "*South Africa's Local Government - A Discussion Document - Towards a White Paper on Local Government in South Africa*". This document started off a series of debates and discussions around the country. Unfortunately this and all the documents that followed had strict time frames attached to it. Then came the actual Green Paper which was formulated arising out of input received from the aforementioned document. Then after much more debate and discussion, the White Paper and eventually the

Bill was released by the said Department. On 18 December 1998 the Municipal Structures Act was assented to by the State President.

This Act provides for, *inter alia*, the establishment of municipalities in accordance with the requirements relating to the categories of municipalities as stipulated in Section 155 (1) of the Constitution. The Act further defines the types of municipalities to be established within these categories per the requirement of Section 155 (2) of the Constitution (The Constitution of the Republic of South Africa, 1996).

Sections 2 to 6 of the Act provides for the categories of municipalities whilst sections 7 to 10 covers the types of municipalities that could be established within each category. Section 11 places the onus on the provincial legislature to “determine for each category the different types of municipality that may be established in that category in that province”(Local Government: Municipal Structures Act, Section 11).

#### ***3.4.2.1 Categories of municipalities***

The constitution together with the Municipal Structures Act establishes a system of categories and types of municipalities.

“There are the following three categories of municipalities:

##### **Category A:**

This category is the ‘Metropolitan area’; one municipality that has the exclusive authority to administer and make rules in its area.

##### **Category B:**

This category is the ‘Local Municipality’, it shares that authority in its area with the ‘District Municipality’ of the district in which it falls.

##### **Category C:**

This category is the ‘District Municipality’; it has authority to administer and make rules in an area, which includes more than one local municipality” (SALGA, 1998b, 1998: 4).

In terms of Section 155 (2) of the Constitution, “**national legislation must define the different types of municipalities that may be established within each category**” (The Constitution of the Republic of South Africa, 1996). Further Section 155 (3) states, *inter alia* that, “**national legislation must -**

**(a) establish the criteria for determining when an area should have a single category A municipality or when it should have municipalities of both category B and category C**” (The Constitution of the Republic of South Africa, 1996).

In this regard the Municipal Structures Act provides the following:-

**“2. An area must have a single category A municipality if that area can reasonably be regarded as -**

**(a) a conurbation featuring -**

**(i) areas of high population density;**

**(ii) an intense movement of people, goods and services;**

**(iii) extensive development; and**

**(iv) multiple business districts and industrial areas;**

**(b) a centre of economic activity with a complex and diverse economy;**

**(c) a single area for which integrated development planning is desirable; and**

**(d) having strong interdependent social and economic linkages between its constituent units (Act No117 of 1998, section 2).**

Other than the existing metropolitan municipalities in the country there are some other cities in the country that could possibly qualify for being classified as Metropolitan areas such as Port Elizabeth, Bloemfontein, and Pietermaritzburg. These will be difficult choices that the Minister will have to make.

#### 3.4.2.2 *Types of municipalities*

It is necessary here to understand the difference between categories and types of municipalities. In this regard ‘**category**’ refers to the “constitutional ‘brand’ of municipality, dependent on the existing situation in that area (is it a big city, a desolate rural area or something in between?)” (SALGA, Municipal Structures Act, 1988: 4). ‘**Types**’ on the other hand refers to the way of structuring a municipality, for example, will it have a ward committees or not, will it have an executive mayor or not. The types of municipalities will be determined by the provincial government (SALGA, 1998b: 4).

Section 7 of the Act defines the types of municipalities that may be established within each category of municipality. The following systems of municipal government or combinations of those systems are applicable in the various categories, namely,

“7 ....

**(a) Collective executive system which allows for the exercise of executive authority through an executive committee in which the executive leadership of the municipality is collectively vested”.**

*Most municipalities operate the collective system currently. Each council within the Durban Metropolitan area currently has an executive committee.*

**“(b) Mayoral executive system which allows for exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee”.**

*The mayoral executive system is a new system and introduced in legislation for the first time in South Africa. In this type of system the executive committee is*

*replaced by the executive mayor. Proponents of this system believe that decision-making will be much quicker.*

**“(c) Plenary executive system which limits the exercise of executive authority to the municipal council itself”.**

*This is to cater for very small councils with no more than 10 councillors. It would be pointless in this instance to have a committee structure.*

**“(d) Sub-council participatory system which allows for delegated powers to be exercised by sub-councils established for parts of the municipality”.**

*The situation currently in South African metropolitan municipalities is that there are metropolitan local councils which are fairly autonomous in terms of possessing executive and administrative authority. They have their own powers and functions, revenue source, budgets, integrated development plans and so forth. In terms of the Municipal Structures Act there are two points to make: firstly, from the eight types of category A municipalities under section 8 of the Act, only the types mentioned in section 8 (b), (d), (f) and (h) qualify to establish metropolitan local councils and secondly, it is at the discretion of the metropolitan council whether or not it wishes to exercise its right to establish metropolitan subcouncils. The powers and functions of the subcouncils will be determined by the respective metropolitan councils and instituted by passing a by-law (Act 117 of 1998, sections 8 & 61-71).*

**(e) Ward participatory system which allows for matters of local concern to wards to be dealt with by committees established for wards ( Act No117 of 1998, section7).**

*The requirements of the ward participatory system are the same as that of the subcouncil participatory system (Act 117 of 1998, section 72-78).*

The above systems of municipal governments create eight possible options for Metropolitan governments. The choice of these options will be made by the relevant Member of the Executive Committees in each province. These options

are simplistically stated in the Act and because it requires no further elaboration is quoted in full:-

**“8. There are the following eight types of category A municipality:**

- (a) a municipality with a collective executive system;**
- (b) a municipality with a collective executive system combined with a subcouncil participatory system;**
- (c) a municipality with a collective executive system combined with a ward participatory system;**
- (d) a municipality with a collective executive system combined with both a subcouncil and a ward participatory system;**
- (e) a municipality with a mayoral executive system;**
- (f) a municipality with a mayoral executive system combined with a subcouncil participatory system;**
- (g) a municipality with a mayoral executive system combined with a ward participatory system; and**
- (h) a municipality with a mayoral executive system combined with both a subcouncil and a ward participatory system (Act No117 of 1998, section 8).**

In terms of the aforementioned quote from Section 155 (2) of the Constitution it is clear that the Constitution “instructs the national legislator to define the types of municipalities that can be established” (SALGA, Municipal Structures Act, 1998: 5). Sections 8, 9 and 10 of the Municipal Structures Act lists all the possible types of municipal structures for categories A, B and C respectively. The onus will be on the relevant Members of the Executive Committees responsible for local government in each province to decide on the type of each municipality when the municipality is established, subsequent to it being demarcated by the Demarcation Board (SALGA, 1998b: 5).

In a nutshell, the Constitution provides for three broad **categories** (section 155 (1)). The Municipal Structures Act provides the possible **types** (as in structure) of municipalities applicable to each category and the relevant Member of the Executive Committee in each province will determine which **type** from among those listed in the Act he/she will choose when establishing a municipality.

#### **3.4.2.3 Establishment of municipalities**

When the demarcation of a municipality has been completed by the Demarcation Board, the Member of the Executive Committee must then establish the municipality in terms of Section 12 of the Local Government: Municipal Structures Act. He/ she would have to provide a notice in the Provincial Gazette to this effect and the issues to be covered in the notice are specified in Section 12 of the said Act. These issues include, *inter alia*, the following, namely, the category of municipality that is established (which has been decided upon by the Minister), type, boundary, name and number of councillors of the municipality (Act 117 of 1998, section 12).

The Member of the Executive Committee must consult with organised local government in the Province and also consider the views of the public and of any existing municipalities that may be affected by the establishment of the new municipality (SALGA, 1998b: 8).

When a new municipality is established the old one ceases to exist. The Member of the Executive Committee must regulate the impact of various issues that the new municipality will inherit from the old municipality or municipalities. Such issues include the transfer/ retrenchment of staff, transfer of assets and liabilities

and the continued administration of by-laws, regulations and resolutions of the old municipality (SALGA, Municipal Structures Act, 1998: 8).

In terms of Section 15 of the Act new municipalities must review “**the by-laws, regulations (including standing delegations)**”, of the old municipalities (Act No 117 of 1998, section 15).

Section 16 of the Act provides for amendments by the Member of the Executive Committee to a section 12 notice. This is to enable the Member of the Executive Committee to allow for changing circumstances in a particular municipal area. The issues that could change include, *inter alia*, the following:-

- > changing the municipality from one type to another;
- > changing the name of the municipality, and
- > to regulate the changing of boundaries.

Like in the case of a section 12 notice when publishing an amendment to the Section 12 notice, the Member of the Executive Committee must undertake the necessary consultation with existing municipalities and organised local government in the province. Prior to finally publishing any such notice, the Member of the Executive Committee must publish particulars of any proposed notice to enable members of the public to comment. Whilst the Act makes provisions for consultation to take place between the Member of the Executive Committee and organised local government in the province, there is no provision in the Act for dispute resolution. What happens if there is a dispute between the Member of the Executive Committee and organised local government or the existing municipality on a particular issue, when the Member of the Executive Committee enters into consultation with these bodies prior to establishing a municipality? A municipality could demand the Executive Committee system whereas the Member of the Executive Committee may provide for an Executive Mayor. It would appear from the Act that the final authority vests with the Member of the Executive Committee to determine the type of municipality. Section 151 (3) of the Constitution states that, “**A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the constitution**” (The Constitution of the Republic of South Africa, 1996).

#### 3.4.2.4 *Municipal Councils*

Section 18 of the Act states that every municipality must have a municipal council. Every municipal council must meet at least quarterly. The Member of the Executive Committee must determine the number of councillors and publish same in the Provincial Gazette. There is also provision in the Act empowering municipalities to designate councillors determined by the Member of the Executive Committee for local government as full-time. In this regard the Member of the Executive Committee must comply with the policy framework which the Minister will determine after consulting with the Member of the Executive Committee for local government (Act 117 of 1998, section 18).

Their composition, membership, operation and dissolution appear in Part 1 of chapter 3. It must be stated here that the national government has certainly, in all its activities, treated local government as part of the government machinery rather than being looked at as some distant agency to be taken care of by provincial government as was in the past. In this regard certain practices at other spheres of government have been embodied in local government legislation to emulate certain features utilised by other spheres of government. One of these practices is the *privileges and immunities* clause found in Section 28 of the Act. This clause is a directive from Section 161 of the Constitution.

Section 28 of the Act reads as follows:-

**“28. (1) Provincial legislation in terms of section 161 of the Constitution must provide at least -**

**(a) that councillors have freedom of speech in a municipal council and in its committees, subject to the relevant council’s rules and orders as envisaged in section 160 (6) of the constitution; and**

**(b) that the councillors are not liable to civil or criminal proceedings, arrest, imprisonment or damages for-**

**(i) anything that they have said in, produced before or submitted to the council or any of its committees; or**

**(ii) anything revealed as a result of anything that they have said in, produced before or submitted to the council or any of its committees (Act No117 of 1998, section 28).**

#### ***3.4.2.5 Municipal objectives***

Section 19 (1) of the Act refers to the clear objectives (quoted earlier) as provided for in Section 152 of the Constitution (Act No117 of 1998).

Over and above those objectives mentioned in Section 152 of the Constitution, Section 19 (2) of the Act further stipulates that municipal councils must annually review:-

**“19 (2) ...**

- (a) the needs of the community;**
- (b) its priorities to meet those needs;**
- (c) its processes for involving the community;**
- (d) its organisational and delivery mechanisms for meeting the needs of the community; and**
- (e) its overall performance in achieving the objectives referred to in subsection (1)” (Act No117 of 1998, section 19).**

To recap, Section 152 of the constitution is community focussed, particularly Section 152 (1) (e) in respect of involving the communities in the matters of

local government. In the above quote from Section 19 (2) of the Act, it is clear that municipal government has to be community focussed. In this section 'community' is mentioned no less than three times. Still further in respect of the 'community', Section 19 (3) of the Act requires municipal councils to “**consult the community and community organisations in performing its functions and exercising its powers**” (Act No117 of 1998, section 19).

During the apartheid era, it was not obligatory upon municipalities to consult with its communities. If they did it was purely out of goodwill. Consulting with the communities has both advantages and disadvantages. Some of these are mentioned below.

#### *3.4.2.5.1 Advantages of consulting with the communities*

- > provides a sense of belonging to communities. In other words if communities are consulted there is a sense of ownership and pride;
- > communities assist with the prioritising of needs;
- > communities get what they need in terms of priorities;
- > by participating in decision-making communities are more likely to pay for services because they understand the inner workings of municipalities better and the system of prioritising projects.

#### *3.4.2.5.2 Disadvantages of consulting with the communities*

- > delays in decision-making;
- > over consulting (consultative paralysis), also leads to delays in decision-making;
- > identifying community leaders;
- > people have hidden agendas;

> roles are often confused - the role between the elected community leader (councillor) and the non-elected community leader; and

> the financial impact of consulting - consulting not only takes time it also costs a lot of money.

The advantages of consulting far outweighs the disadvantages of consulting, particularly on major decisions. To take a hypothetical example the Durban Metropolitan Council for instance closes down its Public Transport Division on account that this service is not financially viable. There would be doubt that dire consequences for thousands of commuters who rely on such mode of transport to travel to and from work on a daily basis. The impact of closing down the Public Transport Division would also impact negatively on business in general because workers and customers may not have the necessary transport for business travel. The question is: should this decision be based purely on financial grounds? On the other hand, should the relevant councils consult with its communities, it may just discover that these communities are willing to pay additional fares to make up the shortfall or the public at large are prepared to pay additional property rates to cross-subsidise any shortfall the Public Transport Division may incur.

#### **3.4.2.6 Municipal speakers**

Introducing speakers is an imitation of parliament. Section 36 of the Act provides for the election of a chairperson who shall also be called the speaker (Act No117 of 1998, section 36).

Under the current system of municipal government, the Mayor chairs meetings of the council. Each large council has an executive committee. Each council within the Durban Metropolitan region has an executive committee. The executive committees of municipalities have a chairperson.

The political office-bearers hold the following posts, namely, Mayor, Deputy Mayor, Chairperson of the Executive Committee, Deputy Chairperson of the Executive Committee, Executive Committee Member, Chairperson and Vice Chairperson and members of the various Standing Committees and ordinary members of council. In the application of the above in the Durban Metropolitan region each of the seven councils has all of the above posts filled and occupied.

The new practice in terms of the Act, in the case of the Metropolitan regions will be one Mayor for the entire metropolitan region who shall be either an Executive Mayor or the Chairperson of the Executive Committee and another person elected by council shall be speaker. The speaker shall chair the council meetings. This falls in line with the practice in parliament where the State President who holds the highest political office and is also the first citizen of the country, does not chair parliamentary sittings. In the same vein, the mayor who holds the highest political office in a city or town and is also the first citizen of his/ her city or town will not chair council meetings but, like parliament, the speaker will do so (Act No117 of 1998, section 28-29). This is quite different from the current practice where the mayor is chairperson of the council. This practice was inherited from the apartheid era.

Section 37 of the Act spells out the functions of speakers. These functions include, *inter alia*, presiding at meetings of the council, to ensure that council meets at least quarterly, maintain order during meetings and ensure that council meetings are conducted in accordance with the rules and orders of the council (Act No117 of 1998).

The speaker of a municipal council shall serve a term of office equal to the term of office of the council, subject to this office not being vacated for one reason or another as described in section 39 of the Act (Act No117 of 1998).

#### **3.4.2.7 Internal Structures and Functionaries**

The way municipalities will be structured, in terms of the Act, is very interesting. The categories and types of municipalities were covered above as dealt with under chapter 1 of the Act. Chapter 4 unpacks this further by describing the internal structures and functionaries of municipalities. There are three categories of municipalities and within each category there are several types of municipalities. Since the focus in this paper is on metropolitan government only the types available to category 'A' municipalities, as covered in section 8 of the Act (quoted in full earlier), will be elucidated upon.

The two broad types of category 'A' municipalities will be the **executive committee type** and the **executive mayor type**. Both these broad types are covered in parts 1 and 2, respectively, in chapter 4 of the Act. Each of these types of municipalities may operate as a type of municipality within category 'A'

or with Metropolitan sub-councils or ward committees or both Metropolitan sub-councils and wards. Metropolitan sub-councils have been described under Part 3 of chapter 4 of the Act whilst ward committees have been addressed under Part 4 of chapter 4 of the Act (Act No117 of 1998, Parts 3 - 4).

#### **3.4.2.8 The Executive Committee**

If the Member of the Executive Committee establishes a type of municipality that contains an executive committee, then its council must elect the executive committee from among its members. The executive committee must be made up on the basis of proportional representation of the parties in the council. In other words, each party is represented on the executive committee in substantially the same proportion as they are represented in the council. Municipalities do have the prerogative in terms of section 43 (3) of the Act to determine an alternative method for the election of its executive committee subject to its compliance with section 160 (8) of the Constitution (Act No117 of 1998, section 43). The relevant section in the Constitution requires that “ **parties and interests reflected within the Council to be fairly represented**” (The Constitution of the Republic of South Africa, 1996).

##### ***3.4.2.8.1 Functions and powers of the executive committee***

The duties and powers of the executive committee are covered in section 44 of the Act. It is stated in the Act that this committee is the principal committee of the council and is the means through which the council receives its reports from its standing and other committees. The executive committee is essentially there to run the day to day activities of its municipality. The key responsibilities in terms of section 44 (2) are the following:-

**“The executive committee must-**

- (a) identify the needs of the municipality;**
- (b) review and evaluate the needs in order of priority;**
- (c) recommend to the municipal council strategies, programmes and services to address priority needs through**

**the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and**

**(d) recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community (Act No117 of 1998, section 44).**

The first function which is to identify the needs of the municipality, must be interpreted to mean the needs of the municipal area, in other words, community needs must be identified, such needs as the infrastructure to provide basic services to communities like water, electricity and sewerage removal. The provision of housing, health care and refuse removal must be viewed as pressing needs that must be identified. Perhaps the focus here is on the needs of the *community*. These are mentioned here because South Africa has a history of not providing these basic services to the majority of its citizens. So the focus would be on communities, especially those communities, that were deprived of these essential services.

Further, these needs must be prioritised. In other words, if a road requires repairing in an area that previously had full municipal services whilst at the same time another road needs to be constructed in an area that did not receive any municipal services at all under the old system of municipal government then this road that needs to be constructed, must be given priority. One can use many examples in this instance but the reality of the situation is that the so-called 'Black areas' require major upgrading. These needs must be prioritised in consultation with the communities. It is interesting to observe that, in some communities, whilst the municipality may deem that electricity, for example, is a priority for that community, the community on the other hand, when consulted, revealed that their real need was security. Community needs also change and must periodically be reviewed. Formulating an *integrated development plan* is vital to achieving the aforementioned objectives. In the old South Africa municipalities used to formulate *structure plans*. These were essentially land use planning tools. The *integrated development plan* is a plan that covers a multitude of issues directed at development or the best control mechanisms for

orderly development ranging from, *inter alia*, spatial, environmental, economic, transport and urban (Act No117 of 1998).

The new executive committees will be responsible for all of these matters. How will the executive committees achieve all of this? It is unlikely that these committees will just receive notices to meetings where reports have been researched and placed on agendas, and they will just approve the recommendations of the officials. In fact this has changed in the interim phase.

It is not unusual today, that is, in the interim phase of the transformation of local government to see councillors, officials and organs of civil society engaging in workshops of various kinds. The topics for these workshops could range from broad issues such as integrated development planning to preparation of the annual estimates or to something as narrow as identifying the need for specially demarcated areas known as “gated communities”. Anything that affects the community as a whole is often workshopped with all the stakeholders.

#### ***3.4.2.8.2 The term of office of members of the executive committee***

Members of the executive committee , once elected to serve on this committee under this new Act, will serve on this committee for the duration of their term of office as councillors except in circumstances which have been provided for in section 47 of the Act (Act 117 of 1998, section 46 - 47).

#### ***3.4.2.8.3 Election of mayor for executive committee type of municipality***

The Act provides for two types of mayors, firstly, a municipality of the executive committee type will have a mayor who will be the ceremonial head of the council as is currently the position and, secondly, the Act provides for an ‘*executive mayor*’ type of municipality where the municipal council would have to elect an executive mayor (Act 117 of 1998).

Under the executive committee type of municipality the council must elect one of its executive committee members as the mayor. No person can serve for more than two terms as Mayor. Apart from the ceremonial duties that the mayor has to perform, he/ she will also have to be the Chairperson of the executive committee. This mayor will have to work collectively with the executive

committee and is quite different from the executive mayor. The mayor under the executive committee type of municipality may have delegated powers, but it is anticipated that these powers will not be vast powers as the executive mayor will have delegated to him (SALGA, Municipal Structures Act, 1998: 9). In fact these limited powers have been simply stated in section 49 (1), (a) & (b) of the Act (Act 117 of 1998).

### **3.4.2.9 Executive Mayors**

The executive mayor is a new feature in South African local government. It would mean placing vast powers in the hands of one individual as opposed to a committee. An executive mayor effectively replaces the executive committee. Councils would either have an executive mayor or an executive committee. Only municipalities of the executive mayor type may have an executive mayor (Act 117 of 1998).

#### ***3.4.2.9.1 Election of executive mayors***

Interestingly enough it is the council who would elect the executive mayor and not the city's or town's electorate. The executive mayor is based on an American system but does not carry with it the American democracy. In America it is the electorate who would elect the executive mayor and not the municipal council. At the beginning of its term the municipal council would elect, from among its members the mayor, and the term of office of the mayor would run parallel to the term of office of the municipal council. A deputy mayor may be elected if the Member of the Executive Committee responsible for local government so approves (Local Government: Municipal Structures Act, No. 117 of 1998).

#### ***3.4.2.9.2 Powers and functions of executive mayors***

The executive mayor effectively replaces the executive committee. Section 56 in the Act covers the functions and powers of executive mayors whilst section 44 of the Act covers the functions and powers of executive committees. In fact the whole of section 56 (2), is identical to section 44 (2) and the whole of section 56 (3) is identical to section 44 (3) of the Act. The question now arises is: Which type of municipality would be more effective, the executive committee type or the executive mayor type? It must be stated that each type has advantages and disadvantages. The obvious argument that comes to mind in favour of the

executive mayor is that decisions could be taken speedily by an individual and it would not be necessary to wait for a scheduled meeting or to convene a special meeting for urgent decision-making. The counterpoint to this argument would be that a group of elected representatives, required to reach consensus on an issue, would take a more balanced decision. In other words, should all power be given to one individual? This issue is merely touched on here and a fuller argument would be explored in the next chapter (Act 117 of 1998, sections 44 & 56).

#### **3.4.2.10 Metropolitan Sub-councils**

Only certain types of metropolitan municipalities may establish metropolitan sub-councils. These have already been described earlier and can be found under sections 8 (b), (d), (f) and (h) of the Act.

In the current system of metropolitan government which is structured and operates primarily under the Local Government Transition Act, metropolitan municipalities have been established with sub-structure councils by the relevant Member of the Executive Committee in each province that has metropolitan municipalities. Under this new Act, that is, the Municipal Structures Act, only those municipalities established under sections 8 (b), (d), (f) and (h) of the Act may choose to establish metropolitan sub councils. In other words, the option to have sub-councils will be provided to the metropolitan municipalities and, whether or not the metropolitan municipalities choose to exercise this option, is up to the said municipality (Act 117 of 1998, section 8).

If a metropolitan municipality decides to establish metropolitan sub-councils, it must do so by passing a by-law. The procedure to do this is outlined in section 62 of the Act, which also makes provision for a process of public consultation prior to passing the by-law. The opening provision in section 62 (2) is rather peculiarly worded and, therefore, to make a point must be quoted directly from the Act:-

**“62. (1) If a metropolitan municipality decides to establish metropolitan subcouncils, it must do so by passing, after a process of public consultation, a by-law which- .....”(Act 117 of 1998, section 62).**

Public consultation is required for all major decisions. It seems weird that the legislation is drafted in this fashion because the way it is drafted must be interpreted to mean that should a metropolitan council decide **not** to establish metropolitan sub-councils then it need not consult with the public. It must only consult should it indeed decide to establish such sub councils. It would be wise for a council to consult on this issue of establishing sub-councils prior to taking any decisions on this matter (Act 117 of 1998, section 62).

Section 62 (2) continues as follows:- “.....

**(a) determines the number of subcouncils to be established;**

**(b) determines for each subcouncil an area within the municipality consisting of a cluster of adjoining wards;**

**(c) establishes in each area a subcouncil under a distinct name;**

**(d) provides an equitable financial framework in terms of which the subcouncils must function; and**

**(e) regulates any other relevant matters” (Act of 117 of 1998, section 62).**

It could be gleaned from the above quotation that all aspects pertaining to the substructures falls squarely on the shoulders of their metropolitan councils.

The interesting difference between the current structure and what is embodied in the Local Government: Municipal Structures Act, is that, in the current structure the relevant Members’ of the Executive Committee merely established the existing structures whereas future municipal structures will have local input as well as the final decision on whether or not to establish metropolitan sub-councils will vest with each Metropolitan Council (Act 117 of 1998, section 62).

#### **3.4.2.11 Ward Committees**

Ward committees are a new type of structure introduced in the Act to encourage

participation by local communities in the affairs of municipal government. This falls under part 4 of Chapter 4 of the Act. Only certain types of municipalities are permitted to establish ward committees as stipulated in section 72 (1) of the Act (Act 117 of 1998, section 72).

In terms of section 8 of the act it is possible that a metropolitan council could be structured in one of the following ways, namely,

- > a single municipality with its own committee structures (the conventional way);
- > a municipality with metropolitan sub-councils;
- > a municipality with ward committees; or
- > a municipality with both metropolitan sub-councils and ward committees.

The procedure to establish such ward committees is provided for under section 73 of the Act. The ward councillor must be the chairperson of the ward committee. The ward committee must have not more than 10 persons serving on it. The metropolitan council must make rules under which ward committees may be elected and administered (Act 117 of 1998, Section 73).

#### ***3.4.2.11.1 Functions and powers of ward committees***

The main purpose of these committees would be to act in an advisory capacity on matters affecting its ward (SALGA, Municipal Structures Act, 1988 14). In terms of section 74 of the Act these committees will have functions and powers to the extent that the metropolitan council may see fit to delegate to such committees (Act 117 of 1998, section 74).

#### ***3.4.2.12 Municipal Managers***

In terms of section 83 of the Act each municipality must appoint a ***municipal manager*** who will be the head of the administration and also the accounting officer of the municipality (Act 117 of 1998, section 74). This is a change from

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the previous and indeed the current practice whereby the head of the administration was designated *town clerk* and who is also the *chief executive officer* of the municipality. This appears to be not only a change of title but also a fundamental shift in the role of the head of the administration. The role of this key official, as well as the roles of the other officials and office-bearers, will be provided for in the still to be enacted Local Government: Municipal Systems Act.

On the face of it, there appears to be a blurring of the roles between the Executive Mayor (should a municipality have one) and the municipal manager. It would appear that the executive mayor would have the authority to take decisions whereas the municipal manager is the accounting officer and will have to account for all expenditure (Act 117 of 1998).

#### **3.4.2.13 Other Committees**

It is not unusual for a municipality to establish committees for various purposes from among its members in order to increase its efficiency. The Municipal Structures Act caters for this under section 79. In establishing such other committees the council has the power to set the parameters around which this committee must function including the appointment of its chairperson. (Act 117 of 1998, section 79).

#### **3.4.3 Local Government: Municipal Systems Bill**

Whereas the Local Government: Municipal Structures Act provides essentially for the structuring of municipalities, the Local Government: Municipal Systems Bill, which will complement the aforementioned Act, caters for the creation of systems to enable the vision of '*developmental local government*' to be achieved. With this and other related legislation, the legislature is trying to achieve, through local government, the following objectives for all the citizens of the country, namely,

- > provision for basic development rights;
- > the governance and developmental objectives of local government;

- > the principles of a people-orientated public administration;
- > the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of communities, and
- > ensure universal access to quality services which are affordable to all (Draft Municipal Systems Bill, 1999: 1).

Traditionally there have been two key roleplayers within the local context, namely, municipal government and civil society. The Bill expands the definition of municipality to “include residents and communities within the municipal area, working in partnership with the municipality’s political and administrative structures”. The core processes of municipal government which include planning, performance management, resource mobilisation and organisational change have been provided by a simple enabling framework in the Bill. These core processes underpin developmental local government (Draft Municipal Systems Bill, 1999: 1).

Under the apartheid system, local government adopted a heavy top-down approach which was highly regulated. The Bill attempts to undo this by increasing the resident’s knowledge of municipal plans and targets, enabling residents to evaluate and compare performance thereby driving a bottom-up process (Draft Municipal Systems Bill, 1999: 1).

During the period of this study the Municipal Systems Bill has been gazetted and some of the more pertinent chapters have been expanded upon hereunder.

The intention of the Municipal Systems Bill is to implement the White Paper’s vision of developmental Local Government and, in this regard, adopts the following principles, namely,

- Regulates core municipal systems such as developmental planning, public participation and partnerships;
- Empowers people, that is, the general public, and
- Adopts a bottom-up approach.

**PTO for figure 1**

**FIGURE 1: POLICY-MAKING FRAMEWORK**



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Olver, Kwanaloga, Annual General Meeting: 1999

The Bill paves the way for a new concept of municipality which is people-driven and this concept is evident throughout the Bill. In this regard section 5 in chapter two spells out the rights and duties of residents and communities.

Chapter three of the Bill is dedicated to public participation. Here the shift is from representative to participatory government. The Bill goes so far to require municipalities to cater for the special needs of people who cannot read or write, people with disabilities and other disadvantaged groups (Draft Municipal Systems Bill, section 8 (2)). The principle of “Batho Pele” or “people first” is strongly carried out throughout the Bill. This chapter must also be linked to all the other chapters because everything evolves around public participation.

Chapter four deals with ‘MUNICIPAL FUNCTIONS AND POWERS’. Many, municipalities, particularly the smaller ones did not enjoy their executive authority. For example, municipalities have the executive power for electricity but the National Electricity Regulator licences electricity authorities, and in many small towns Escom supplies and reticulates electricity without even providing a levy to the municipalities.

Chapter five covers 'INTEGRATED DEVELOPMENT PLANNING'. In this regard the following issues have been raised in the Bill.

- Five year planning cycle linked to the term of office;
- Core planning processes involves:
  - determine priorities
  - integrated strategies
  - projects and programmes
  - resource allocation
  - delivery mechanisms
  - monetary and review

The Bill spells out a one-year, five-year and a twenty-five-year planning framework which must be linked to the financial plans of the municipality. Table 3 illustrates this process.

**TABLE 3: DEVELOPMENT PLANNING**

<b>25 Years</b>	<b>Vision</b>	
<b>5 Year Plan</b>	<b>IDP</b>	<b>Fin. Plan</b>
<b>1 Year Plan</b>	<b>Annual Plans</b>	<b>Annual Budget</b>

Olver, Kwanaloga, Annual General Meeting: 1999

Chapter six deals with 'PERFORMANCE MANAGEMENT' which was unfortunately lacking in municipalities in the previous era. It would be pointless to have all types of plans without a plan to effect delivery. Planning and performance must be linked and must be realistic.

## LINKING PLANNING TO PERFORMANCE

<u>Planning</u>	<u>Performance Management</u>
• Vision	* Indicators
• Needs	* Targets
• Priorities	* Monetary
• Objection	* Evaluation
• Strategies	* Communication
• Spatial	* Change
• Implementation Plan	
• Financial Plan	

Chapter seven covers 'LOCAL PUBLIC ADMINISTRATION AND HUMAN RESOURCES'. In this chapter the following, *inter alia*, have been covered:

- Culture of Public Service
- Flexibility and responsibility
- Efficient delegation
- Performance contracts
- Staff Codes
- Capacity Building

Chapter eight deals with 'MUNICIPAL SERVICES'. It is quite clear from the Bill that there is a difference between a 'service authority' and a 'service provider'. The municipality is the service authority but may not necessarily be the service provider. In some cases the municipality may wish to be the service provider in which case it will undertake provision of the service itself. Below are some of the issues that a service authority and a service provider would focus on:

<u>Services Authority</u>	<u>Service provider</u>
Objectives and targets	Operational plan
determine providing	performance
finance	service delivery
tariff policy	revenue collection
monitor and evaluation	sustainability
regulation	accountability

There are two further Bills that will emanate from the White Paper on local government which are the 'LOCAL GOVERNMENT: PROPERTY RATES BILL, 2000' and the 'PUBLIC FINANCE MANAGEMENT (LOCAL GOVERNMENT) BILL, 2000'. At the time of study these Bills are very much in a draft form and is expected to change substantially and therefore have not been included as part of the study.

#### **3.4.4 Other legislation that impacts on municipalities**

There have been various other legislation passed by the government that had and still has an impact on the transformation and operation of local government in a very fundamental way. The most overwhelming in this regard has been some of the new labour legislation introduced in the country.

It is important to note that local government is not being transformed in isolation of other spheres of government. All spheres of government are being transformed simultaneously. The transformation of one sphere of government does also impact on the other spheres of government. The changes made, especially in respect of labour legislation by the national government, had a profound effect on local government.

##### **3.4.4.1 Labour legislation**

Municipalities are also employers and are subject to all the labour legislation in the country. Three pieces of such legislation are the Labour Relations Act (Act No. 66 of 1995), the Basic Conditions of Employment Act (Act No. 75 of 1997) and the Employment Equity Act (Act No. 55 of 1998). The Basic Conditions of Employment Act regulates the working hours and rate of overtime pay in terms of the Basic Conditions of Employment Act.

##### **3.4.4.2 Organised Local Government Act**

All of the above legislation culminates into quite significant changes for municipalities, many of them quite challenging. Municipalities can start preparing for these changes in order to be at least partially ready for the next phase in the transformation exercise.

### 3.5 CONCLUSION

There were several problems with the system of municipal government in South Africa as was outlined in chapter two of this dissertation. Municipalities were separated along racial lines which saw the country have a few rich, White municipalities and many poor, Black municipalities. This was the result of the previous government's policy of apartheid which carried with it innumerable problems for the Black majority such as poor education, being distantly located from economic activities, inadequate infrastructure and so forth. The result of this meant that municipalities did not fulfil their primary purpose, which is, to provide basic services to its residents.

The legislative mechanism set in place to transform local government was negotiated at the highest level, that is, the National, Local Government Negotiating Forum, which Forum negotiated the provisions of the Local Government Transition Act. This Act provides for a three-phased process to transform local government. These phases, namely, the pre-interim phase, the interim phase and the final phase of transformation have been discussed in this chapter. To kick start the transformation of municipalities the said Act provided for a series of further negotiations to take place at "local level". This often meant that people of diverse economic, social and political backgrounds coupled with language, race, cultural and other differences coming together to negotiate their local government. Notwithstanding all the difficulties this was done and local government entered the pre-interim phase of transformation with nominated councillors. This phase paved the way for the first democratic local government elections which took place in Kwa-Zulu Natal in 1996. These elections took place with new structures in place, provided for in the Local Government Transition Act which saw local government enter the interim phase of transformation. What is now awaited is the implementation of the new legislation that will take the place of the Local Government Transition Act and see local government into its final phase of transformation.

An extensive legislative process was put in place to design the final form local government will take after the next election. Out of this process there will be five key pieces of legislation, namely, the Municipal Structures Act, the Demarcation Act, the Municipal Systems Bill, the Properties Rating Bill and the Public

Finance Management (Local Government) Bill, 2000. The first four mentioned statutes have been discussed in this chapter. The Bills are in an advanced stage of preparation and are expected to be enacted as Acts of Parliament shortly.

## CHAPTER FOUR

### THE ESTABLISHMENT AND DEVELOPMENT OF THE DURBAN METROPOLITAN COUNCIL

**“In evolution, [the saying] ‘nothing fails like success’ is probably always right. A creature which has become perfectly adapted to its environment, an animal whose whole capacity and vital force is concentrated and expanded in succeeding here and now has nothing left over with which to respond to any radical change. Age by age, it becomes more perfectly economical in the way its entire resources meet exactly its current and customary opportunities. In the end it can do all that is necessary to survive without any conscious striving or unadapted movement. It can, therefore, beat all competitors in the special field; but equally, should the field change, it must become extinct”.**

Arnold Toynbee

#### 4.1 INTRODUCTION

Arising from the legislative mechanisms described in the previous chapter, it would be interesting to see how the actual changes were implemented at grass roots level. In this chapter the establishment and development of the Durban Metropolitan area up to the point of the interim phase receives attention. There is particular focus, however, on the North Local Council’s area of jurisdiction.

In terms of Part iv of the Local Government Transition Act fora had to be established to negotiate the restructuring of local government in terms of its area and representation. It was envisaged that municipalities would be merged to form larger, more viable municipalities and that representation would include

people that did not participate in governmental structures previously because of apartheid. The Durban Metropolitan Forum was one such forum that was established in terms of the Local Government Transition Act. The setting up of transitional structures was not an easy exercise because of the diverse opinions of many of the roleplayers that came from a variety of backgrounds. This was eventually done and the Durban Transitional Metropolitan Council and associated transitional sub-structure councils were established. These councils paved the way for democratic elections to take place and move municipalities into the interim phase of transformation which gave birth to the Durban Metropolitan Council and associated local councils. This process, as it unfolded in the Durban region, is discussed in detail in this chapter. Results of an empirical research is also provided as well as the difficulties encountered with the undertaking of such research. The impact the transformation had in the North Local Council is given particular attention with details of its staff rationalisation being provided. Also provided is the equalisation of property rates and the difficulties encountered with that exercise. Other key issues such as the rationalisation of tariffs, financial and other regulations as well as town planning schemes is also provided.

#### 4.2 DIFFICULTIES WITH THE TRANSITION

Many roleplayers from both sides of the political spectrum became active and began searching for the best situation (in their view) for their constituencies.

It was a difficult period for people to appreciate the type of change that was necessary. The so called 'haves' did not want to share what they had with the 'have nots'. Right at this stage of development and transformation in South Africa people just didn't realise how poorly local government was structured under apartheid. These people included roleplayers that were directly involved in the affairs of local government. For example, Mt Moreland is a tiny little area that has about 40 houses and is surrounded by sugar cane farms. There is no other activity other than the small residential activity within Mt Moreland. Prior to being disestablished this area fell under the control of the Development and Services Board. It did have an advisory committee made up of members from among its residents. Under apartheid this area was declared a White area.

When the Local Government Transition Act was established the Advisory Committee of Mt Moreland was quite concerned about being merged together

with a Black area. The said advisory committee immediately wrote to the Town Clerk of the Borough of Umhlanga (another White area under apartheid) opening up dialogue in respect of a possible merger with the Borough of Umhlanga. This letter is dated 11<sup>th</sup> January 1994 (see *Annexure 4*).

#### 4.3 **DURBAN METROPOLITAN NEGOTIATING FORUM**

Stakeholders within the Greater Durban Metropolitan Region realised the need to negotiate on a larger regional basis and in this regard a convening committee was established comprising members of both the statutory and the non-statutory components (see section 3.2.3.1 above for an explanation of the statutory and non-statutory components as defined in the Act). The City of Durban being the largest local authority in the broader region played an anchor role in drawing roleplayers of the wider Durban Functional Region together. Besides, the City of Durban had far more administrative capacity than any of the other participating local authorities. This council invited all local authorities within a fairly wide radius of Durban to participate in the negotiation process. This region stretches from Tugela River in the North, to Umkomaas in the South and Cato Ridge in the West. Most local authorities within the above mentioned area commenced discussions within their own areas in order to determine whether their areas should be drawn into the Metropolitan area. For example, the Tongaat area had its own Local Government Negotiating Forum which was abandoned after its roleplayers decided to become a part of the Greater Durban Metropolitan Negotiating Forum. The said forum, however, was extremely active and placed extreme pressure on the Tongaat Town Board in respect of major decisions. The said Board could not take any major decisions unless the forum approved of it. For example, the appointment of the Town Clerk at Tongaat was undertaken jointly by the statutory and non-statutory components of the forum.

The Borough of Verulam attempted to establish a negotiating forum and on 07<sup>th</sup> February 1994 did issue a notice to this effect inviting all interested persons and representatives of institutions to attend a meeting on 12<sup>th</sup> February 1994 in Verulam. However, notwithstanding this attempt, roleplayers in Verulam could not get its negotiating forum off the ground in spite of having advertised its intention to do so.

In the case of the proposed Greater Durban Metropolitan Negotiating Forum a Convening Committee was established to set up the forum. This convening committee met on numerous occasions and eventually prepared a draft constitution and set out the objectives of the proposed forum as follows:-

- “To negotiate the area of the Forum.
- To negotiate, in relation to a Transitional Metropolitan Council and Transitional Metropolitan Sub-Structures:-
  - the boundaries of the Council and Sub-Structures;
  - the total number of seats for the Council and Sub-Structures;
  - the Powers and Duties of the Council and Sub-Structures;
  - the nomination by the Forum of persons for appointment by the Executive Council of the Province of KwaZulu/ Natal as members of the Council and Sub-Structures; and
  - any other matters that need to be or may be negotiated by a Negotiating Forum in terms of the Local Government Transition Act” (Minutes of meeting of the Convening Committee dated 03:06:1994)

Numerous other matters were covered in the draft constitution which included, *inter alia*, issues such as the name and area of the Forum, the function, as well as membership and composition of the Forum.

The Convening Committee then set out a series of meetings with both the statutory and the non-statutory segments from among the interested parties so as to prepare these roleplayers for the founding meeting of the Forum.

The founding meeting of the Greater Durban Metropolitan Negotiating Forum was held on 21<sup>st</sup> July 1994 at the Durban City Hall (Greater Durban Metropolitan Negotiating Forum, 1994). Thus the Durban Metropolitan Negotiating Forum was established in terms of the Local Government Transition Act and attracted membership from all over the Greater Durban Functional Region.

The Minister, acting in terms of section 6 of the Local Government Transition Act, formally recognised the Durban Metropolitan Negotiating Forum on 22<sup>nd</sup> August 1994 (Durban Metropolitan Council, 1994).

#### **4.4 ESTABLISHMENT OF THE TRANSITIONAL METROPOLITAN COUNCIL: THE PRE-INTERIM PHASE**

The Durban Metropolitan area had some forty-eight autonomous municipalities during the apartheid era and this is reflected on *Annexure 5*.

Successful negotiations in the earlier-mentioned forum resulted in the establishment of the Durban Transitional Metropolitan Council and four associated sub-structured councils (schedules 3 to 7 of proclamation 123 of 1995 refers). This simultaneously saw the demise of all the apartheid structured municipalities within the Durban Metropolitan area. Hence, the attached map labelled *Annexure 6* shows one metropolitan area with four sub-structures rather than the forty-eight municipalities reflected on *Annexure 5*. All these transitional structures were established on 1 June 1995 per Provincial Proclamation LG 123 OF 1995. Note that this was still the pre-interim phase in terms of Part iv of the Local Government Transition Act. All councillors that served on their councils during the pre-interim period were nominated councillors. Such nominations were part of the negotiations at forum level that culminated in the birth of the transitional councils.

Fifty percent of the members of all the transitional councils were made up of the statutory component and fifty percent from the non-statutory sector. The statutory component included those persons or bodies that participated in local government structures previously whilst the non-statutory component included those persons or bodies that did not support nor participate in local government structures during the apartheid era.

The powers and functions of all these transitional councils were determined by the Member of the Executive Committee for Local Government in the province, Minister Peter Miller, in terms of the Local Government Transition Act 1993 (Act No. 209 of 1993). The rule of thumb was that all bulk services such as water and electricity became metropolitan functions whereas some of the more minor and localised services were given to the local councils. Such services,

*inter alia*, included the provision and maintenance of parks and gardens and repairs and maintenance to minor roads.

All the staff from the disestablished councils were, per proclamation LG123 of 1995, assigned to the new transitional councils. Each council had a management team designated in the said proclamation to act in certain key positions.

Brief information on each of these transitional councils is provided hereunder.

#### **4.4.1 The Durban Metropolitan Transitional Council**

This Council had a hundred and fifty members. (*Provincial Proclamation LG 123 of 1995*). For the first time in this Province a metropolitan form of municipality was introduced. In this regard Paragraph 1 of Schedule 3 of Proclamation LG123 read as follows:-

**“There is hereby established a Transitional Metropolitan Council, under the name Durban Transitional Metropolitan Council, for the area, the boundaries whereof are indicated on cadastral compilation sheets (filed in the office of the Surveyor-General, Pietermaritzburg) and Plan No. 2 Metro and Plan No. 3 Metro attached hereto as annexure A through C.”**

The Durban Metropolitan Council was a fairly large council having a total of 150 seats. Both the statutory component and the non-statutory component shared the seats equally. From the statutory side which had 75 seats, 19 members were from the former Black Local Authorities and community representatives, whilst 56 of the members were drawn from the other local authorities within the Durban Metropolitan area, that is, the former White and Indian local authorities as well as political parties. The non-statutory members were from various interest groups including certain political parties that did not participate in municipal structures previously.

The nominated members have been listed in Paragraph 3 to Schedule 3 in the said proclamation. For the first time in this Province Councillors serving on the same council came from all walks of life irrespective of their race or social

standing. African, Indian, Coloured and White councillors were now found sitting side by side in the Durban Metropolitan region.

#### 4.4.2 The Central Transitional Metropolitan Substructure Council

This Council had a hundred and thirty members and was established thus:-

**“There is hereby established a Transitional Metropolitan Substructure Council, under the name Central Transitional Metropolitan Substructure Council, for the area as described in paragraph 1 (b) of the Proclamation, embracing, *inter alia*, the area of jurisdiction of the local government bodies referred to in paragraph (b) of the definition of local government bodies in Schedule 1 which Council shall be deemed to have city status as contemplated by Section 7 of the Ordinance”. (Provincial Proclamation LG 123 of 1995).**

The nominated councillors came from all walks of life. The ‘city fathers’ of this new sub-structure came from the rich suburbs of the old City of Durban such as the Berea, Morningside and Sherwood, to the mediocre outer city suburbs such as Chatsworth, Phoenix and Mobeni Heights to people from completely out of the city, that is, the so called townships such as Kwa Mashu, and Ntuzuma. Thus the old City of Durban was completely transformed.

This was the most developed of all the local councils in terms of bulk infrastructure, roads, buildings and it also had a fairly strong local economy. The reason for this is that, included in this council area was the area of the entire former City of Durban. The economy of Durban centred around its port, which is one of the largest in Africa. Also incorporated in this transitional council’s area of jurisdiction was some fairly large old Black Local Authorities such as Kwa Mashu and Ntuzuma. These areas had large informal settlements. Although the Central Substructure had a reasonable rates base, it inherited vast tracts of underdeveloped areas which required infrastructure.

The expertise, wealth (in terms of its rate base) and other resources were now shared throughout a much larger geographical area. Citizens who lived just

outside the old City of Durban and contributed towards its economy now started to benefit from its resources.

#### 4.4.3 The Northern Transitional Metropolitan Substructure Council

The relevant clause in the Proclamation establishing this council read thus:-

**“There is hereby established a transitional metropolitan substructure council, under the name Northern Transitional Metropolitan Substructure Council, for the area described in paragraph 1 (c) of the Proclamation, embracing, *inter alia*, the area referred to in paragraph (c) of the definition of local government bodies in Schedule 1” (Refer to Schedule 5 of Provincial Proclamation LG 123 of 1995).**

This Council had forty-eight members. Like the other councils mentioned above local government authority was not reserved for a particular race group but open to people of all races. The nominated members of this council were covered under paragraph 3 (2) of Schedule 5 of Proclamation LG123 of 1995.

There were three medium-sized local authorities, viz., Tongaat, Verulam and Umhlanga as well as several small local authorities such as Hambanathi, Canelands and Mt Moreland that fell into this transitional council. Much of these councils were covered under chapter 2 in this study and will therefore not be repeated here, suffice to mention that apart from residential and limited industrial and commercial activities, a large part of this area is under agriculture. In this respect this area is well known for its sugar cane plantations.

This council came together during the pre-interim phase of transition in 1994 when the nominated council was installed. In 1996 the following situation still persisted:-

**“In the eyes of many in the public and to a large extent quite literally, the current NLC does not exist institutionally. It is clearly a series of independent institutions. Its approach to its own administrative**

responsibilities has been negatively affected by the impact of past urban policies. The results flowing from this trend are the following:

- ☞ Skewed distribution of resources and capacity
- ☞ Racial or differentiated job grading systems
- ☞ Unequal treatment of equal grade jobs
- ☞ Inappropriate capacity (e.g. the library services in Verulam which cannot offer services in more than two of the of the official languages
- ☞ Confusion with the appropriate “seat” of council”  
(Situational analysis report p9 of section 3).

Change is not easy for everyone to accept. When the government changes, especially at local level, many roleplayers are involved. Such roleplayers include members of the public, public bodies such as rate-payers and civic organisations, political parties, councillors, staff unions, individual employees and management. There has been a fair degree of resistance to change by the various roleplayers in one way or another. Two years after coming together as a council some of the aforementioned problems still persist. The council did make some strides in certain areas but with certain constraints in other areas, was called upon to manage change over a longer period of time.

#### **4.4.4 The Southern Transitional Metropolitan Substructure Council**

The relevant clause in the Proclamation establishing this council read thus:-

**“There is hereby established a transitional metropolitan substructure council, under the name Southern Transitional Metropolitan Substructure Council, for the area described in paragraph 1 (d) of the Proclamation, embracing, *inter alia*, the area referred to in paragraph (d) of te definition of local government bodies in Schedule 1”  
(*Provincial Proclamation LG 123 of 1995*).**

This Council had forty-eight members and was open to residents of all races (*Schedule 6 of Provincial Proclamation LG 123 of 1995*). Its nominated members were covered under Paragraph 3 of Schedule 6 of the said proclamation.

This Council enjoys a coast line south of Durban. It has well developed areas at Amanzimtoti, Isipingo and Scotborough. It also has several underdeveloped areas such as Kwamakuta and Folweni. Apart from residential developments there are several industries in this area. The large AECI chemical plant is located in this area.

#### 4.4.5 The Western Transitional Metropolitan Substructure Council

The relevant clause in the Proclamation establishing this council read thus:-

**“There is hereby established a transitional metropolitan substructure council, under the name Western Transitional Metropolitan Substructure Council, for the area described in paragraph 1 (e) of the Proclamation, embracing, *inter alia*, the area referred to in paragraph (e) of the definition of local government bodies in Schedule 1” (*Provincial Proclamation LG 123 of 1995*).**

This Council had eighty members (*Schedule 7 of Provincial Proclamation LG 123 of 1995*). For the first time in this region people from amongst the different race groups served on the same council.

This was a fairly large substructure with vast tracks of rural area, particularly on the western end. Several towns such as Pinetown, Kloof and New Germany were well developed. There was strong industrial activity particularly in the Pinetown region as well as a fairly substantial residential development. The famous national road, the N3, that is used extensively between Durban and Johannesburg cuts through this council area and brought a hive of activity to this region.

As can be gleaned from what has been stated above, the new Durban Metropolitan Council and associated substructure councils were completely transformed municipalities. Racism completely disappeared and so did the small

unsustainable councils. Schedule 2 of the Local Government Transition Act (Act 209 of 1993), provided for the powers and functions between the metropolitan council and the substructures. Generally, the bulk services such as the supply of water and electricity were the metropolitan council's functions whilst localised functions such as traffic matters, cemeteries and the maintenance of suburban roads were the responsibility of substructure councils.

All roleplayers of the Durban Metropolitan Region had to begin familiarising themselves with these changes. Thus local government was completely transformed in the wider Durban region.

#### 4.5 **DURBAN METROPOLITAN AREA - THE INTERIM PHASE**

The interim phase of transformation has been defined in the Local Government Transition Act as that period commencing on the day after elections were held for transitional councils and ending with the implementation of final arrangements to be enacted by a competent legislative authority.

The scene was set for the first democratic local government elections to take place in the province of Kwa-Zulu Natal. Such elections were provided for under section 9 of the Local Government Transition Act. A series of proclamations was issued to cater for, *inter alia*, the disestablishment of certain transitional councils, that is, councils during the pre-interim period, the demarcation of council boundaries and the establishment of councils to be elected. The relevant Provincial Proclamations were issued by the Member of the Executive Committee for Local Government and Housing in the province in preparation for the Durban Metropolitan Council and associated local councils to be elected. Examples of these proclamations are Provincial Proclamations Nos. 38 and 80, both of 1996 (*See clause 1 of Provincial Proclamation No. 38 of 1996*).

In this regard Provincial Proclamation No. 38 of 1996 disestablished all the substructures of the Metropolitan area and established six new substructure councils. The Durban Transitional Metropolitan Council was not disestablished, just the terms of office of its members were terminated (*see clause 1 of schedule 2 of Provincial Proclamation No. 80 of 1996*). It must be noted that the outer boundaries of the Durban Metropolitan Council did not change, just the central

and the western substructures were split into two each, to establish two new substructures.

At this stage of the transition, that is, just prior to the elections many of the roleplayers in local government felt that the use of the words “substructure council” should be replaced by the words “local council”. The feeling was that the word ‘substructure’ denoted an inferior type of authority, that is inferior to the metropolitan authority or that the substructure was subservient to the metropolitan authority. The term “local council” was then adopted in the provincial proclamations from the Local Government Transition Act. Hence the term ‘local council’ has been used rather than the term ‘substructure council’ in later proclamations, for example, Provincial Proclamation 80 of 1996.

The Durban Metropolitan Council and six associated local councils were established as per the attached map labelled *Annexure 7*. These councils were constituted as follows:-

- ☞ The Durban Metropolitan Council - Schedule 3 of Proclamation 80 of 1996
- ☞ The North Central Local Council - Schedule 4 of Proclamation 80 of 1996
- ☞ South Central Local Council - Schedule 4 of Proclamation 80 of 1996
- ☞ The Inner-West Local Council - Schedule 5 of Proclamation 80 of 1996
- ☞ The Outer-West Local Council - Schedule 6 of Proclamation 80 of 1996
- ☞ The North Local Council - Schedule 7 of Proclamation 80 of 1996
- ☞ The South Local Council - Schedule 8 of Proclamation 80 of 1996

Elections for these councils were held on 26<sup>th</sup> June 1996 for these councils and these members took office soon thereafter.

These elections took place on the basis of what was termed ‘A’ and ‘B’ wards. The ‘A’ wards represented the previously advantaged areas whilst the ‘B’ wards represented the previously disadvantaged areas. The elections were based on forty percent proportional representation and sixty percent ward elections. Fifty

percent of the ward candidates came from the 'A' wards whilst the remaining fifty percent came from the 'B' wards. This method was to further ensure that people from the previously disadvantaged communities were adequately represented (Local Government Election Regulations, 1996).

#### 4.5.1 The Durban Metropolitan Council

Schedule 3 read together with *Annexure "A"* of Proclamation 80 of 1996 established the Durban Metropolitan Council to give it its form and structure in preparation for the elections. This council was elected during the first democratic elections for local government in this Province and came into operation immediately after the elections. Many aspects of governing the Council were included in the said proclamation to enable the newly elected councils to be operational soon after the elections. Such issues as staff, the inaugural meeting, election of Mayor and Deputy Mayor, rules of order and voting were, *inter alia*, provided for in the said proclamation. The following committees were provided for in the proclamation for the Metropolitan Council, viz.,

- ☛ Executive Committee (12 members);
- ☛ Health and Housing Committee (15 members);
- ☛ Community Services Committee (15 members);
- ☛ Economic Development Committee (15 members), and
- ☛ Infrastructure and Services Committee (15 members)(Proclamation 80 of 1996 - *Annexure "A"* to Schedule 3).

*Annexure A* to Schedule 3 also made the following provisions in respect of the committees:-

- the Metropolitan Mayor and Metropolitan Deputy Mayor shall be *ex officio* members of all committees;
- the Executive Committee shall appoint a Chairman from amongst its own ranks;

- the Executive Committee shall appoint the chairpersons of all the standing committees;

The powers and functions have previously been determined in Provincial Proclamation 38 of 1996 as, *inter alia*, the bulk supply and reticulation of water, the bulk supply and reticulation of electricity, bulk sewerage purification, metropolitan co-ordination of land usage, transport planning, arterial roads, storm-water drainage, passenger transport services, traffic matters, abattoirs, fresh produce markets and municipal refuse dumps.

#### 4.5.2 The North Central Local Council

This Council came into being as a result of the splitting up of the previous transitional central sub-structure council into two metropolitan local councils. The split appeared to be rather odd in that Durban was split along the esplanade into two separate councils. This council's affairs was dealt with under Schedule 4 of Proclamation 80 of 1996 read together with *annexure 'A'* to schedule 4. In terms of the said Schedule the following committees have been established, namely,

- Executive Committee;
- Economic Development and Infrastructure and Services Committee;
- Health and Housing Committee;
- Town Planning Environment and Traffic Committee, and
- Community and Protection Services (Proclamation 80 of 1996 - *Annexure "A"* to Schedule 4).

#### 4.5.3 South Central Local Council

This Council, like the North Central Local Council, also came into being as a result of the splitting up of Durban into two local councils within the Durban Metropolitan Region. Both the North and the South Central Local Councils shared the same administration. In fact both these councils had one Chief

Executive Officer/ Town Clerk, also in terms of Schedule 4 of Proclamation 80 of 1996 the following, namely,

- Executive Committee;
- Economic Development and Infrastructure and Services Committee;
- Health and Housing Committee;
- Town Planning Environment and Traffic Committee; and
- Community and Protection Services (Proclamation 80 of 1996 - *Annexure "A"* to Schedule 4).

#### **4.5.4 The Inner-West Local Council**

This Council during the pre-interim phase, had a very large area. As such it was prudent to split this council area into two separate councils. This was done which gave birth to the Inner-West and Outer West Local Councils. Unlike the North and South Central Local Councils, both these councils have their own administrations as well as their own Town Clerk/ Chief Executive Officer. *Annexure 'A'* to schedule 5 made provision for the following committees, namely,

- Executive Committee;
- Town Planning Committee;
- Community Services Committee, and
- Social and Economic Development Committee (*Annexure 'A'* to Schedule 5).

#### **4.5.5 The Outer-West Local Council**

This Council was established in terms of proclamation 38 of 1996, whilst its form and structure were catered for in Provincial Proclamation 38 of 1996. In this regard Schedule 6 of the latter-mentioned proclamation provided for all the

legal matters to set this council into operation immediately after the first democratic elections that were held in this Province. *Annexure 'A'* to schedule 6 made provision for the following committees, namely,

- Executive Committee;
- Town Planning Committee;
- Community Services Committee; and
- Social and Economic Development Committee (*Annexure 'A'* to Schedule 6).

#### 4.5.6 The South Local Council

The outer boundaries of this Council remained the same as it was during the pre-interim phase. The number of seats of this council was, however, reduced from 48 to 30. Legal matters establishing this council is provided for in Schedule 8 of Provincial Proclamation 80 of 1996 read together with *Annexure 'A'*. In terms of the said *annexure* the following committees have been provided for, namely,

- Executive Committee;
- Town Planning and Environment Committee;
- Community Services Committee; and
- Infrastructure and Economic Development Committee.

The discussion that follows is a broad overview of the current reality prevailing in the Durban Metropolitan region.

#### 4.5.7 The North Local Council

Since this council area is the focus of this dissertation, its establishment and administrative rationalisation will be described in some depth.

The outer boundaries of this council remained the same as it was during the pre-interim phase. The number of seats of this council was, however, reduced from 48 to 30. Legal matters establishing this council is provided for in Schedule 7 of Provincial Proclamation 80 of 1996 read together with *Annexure 'A'*. In terms of the said *annexure* the following committees have been provided for, namely,

- Executive Committee;
- Community Services Committee;
- RDP, Housing and Estates Committee; and
- Technical Committee (*Annexure 'A'* to Schedule).

#### ***4.5.7.1 The administrative rationalisation of the North Local Council***

Municipalities essentially have two *branches* or *wings*, namely, the political branch and the administrative branch. In this massive transformation of municipal government in South Africa both of these branches had to under go major change.

Once the changes to the political branch of local government has been decided upon or negotiated by the relevant stakeholders/ authorities its transformation is easy in the sense that the necessary legal mechanisms are merely put into place and will take effect in terms of law. The administrative rationalisation is far more complex. This complexity easily becomes apparent when one unpacks what has transpired in, for example, the North Local Council.

In general terms, each of the former municipalities that make up the North Local Council had, *inter alia*, the following within its area of jurisdiction to be rationalised, namely,

- ▶ their own complement of staff containing departments and sections thereof;
- ▶ an organogram peculiar to its institution;
- ▶ service conditions and benefits;

- ▶ assets;
- ▶ liabilities;
- ▶ financial records including, *inter alia*, records kept and updated on main frame computers;
- ▶ valuation roll;
- ▶ filing systems with current and old records;
- ▶ by-laws;
- ▶ tariff of charges;
- ▶ financial and other regulations;
- ▶ Town Planning Schemes; and
- ▶ various other policies, standing orders and resolutions.

To rationalise all of the above issues is a tall order and will take a substantial period of time, bearing in mind that consultation with all roleplayers has become the order of the day and that a municipality is a creature of statute where it conducts its affairs in terms of binding regulations that are time consuming. For example, if the owner of a supermarket wants to increase prices it is his/ her prerogative to do so and he/ she would merely give the staff instructions to do so. On the other hand, should the Chief Executive Officer of a municipality endeavour to increase his/ her tariff of charges he would have to follow the following procedure, namely,

- ▶ place a report to this effect before the finance committee;
- ▶ if supported the matter goes before the full council;
- ▶ if supported the proposed increases are advertised calling for objections by a certain date;

- ▶ with today's demands placed on local government calling for wide consultation in terms of the constitution and other legislation the council will, in all likelihood, hold a public meeting in order to consult on this issue;
- ▶ the Chief Executive Officer would then, after the expiry of the advertising period, place the matter again before the Executive Committee to address any objections that might have been received;
- ▶ the matter would then be placed before the full council with a recommendation from the Executive Committee;
- ▶ if supported by at least two thirds of the council the increased tariff has to be advertised in the provincial gazette stating the new tariff and its effective date; and
- ▶ the new tariff then becomes the applicable law.

The above procedure is simplistically stated. All sorts of complications could arise. Often in practice, before the executive committee renders its support for any increase in tariffs, further research is called for and it may discuss a matter at several meetings before it is processed further.

Some of the rationalisation issues of the North Local Council is detailed hereunder to provide an insight into some of the dynamics at play. At the point of study this process is still not complete after having started in June 1996.

The administrations which served the former local authorities still exist and are referred to as *administrative entities*. During the pre-interim phase it continued to operate separately prior to being merged for the sake of convenience, however, reporting to one council. The ideal was to, at some stage, rationalise the administration into a single body serving a single council. This has recently been achieved and today these *administrative entities* serve the North Local Council. The three larger ones, that is, Tongaat, Verulam and Umhlanga all had professional senior staff and fully fledged departments and sections with sub-sections. The balance of the municipalities had a fair measure of staff with their own peculiar structure attached to it. All of this had to be rationalised into a single administration that is properly structured to be both efficient and cost effective that reports to one employer. In addition, some of the functions,

coupled with staff, assets and liabilities, had to be handed over the Metropolitan Council in the light of such functions becoming metropolitan functions.

#### *4.5.7.1.1 Rationalisation of staff*

As was expected the rationalisation of staff was by no means an easy exercise. For most employees their sense of security was threatened and morale started to dwindle. In terms of proclamation LG123 of 1995 which established the Northern Transitional Metropolitan Substructure Council, the Town Clerk and heads of department of the former Borough of Umhlanga became the heads of department of this new council (Proclamation LG123:1995 clause 6 (1), Schedule 5). This was to be the case until the new council decided otherwise. This was so to get the council operational in terms of convening meetings thus enabling the council to get to grips with the multitude of issues awaiting its attention. The Town Clerks and heads of departments of the other administrative entities had to report to the Town Clerk and relevant heads of departments of the Borough of Umhlanga. The civic offices at Umhlanga Rocks became the councils headquarters which meant that the staff from the other entities had to often leave their work environments and travel to Umhlanga Rocks for meetings and workshops. During this initial stage the actual physical movement of staff and reporting lines affected mainly the upper echelons of the different entities hierarchy and not the balance of the staff. The uncertainty factor, however, affected all staff.

During the negotiating stage prior to the establishment of the council, the Durban Metropolitan Negotiating Forum did establish a Bargaining Forum which was later converted into the Industrial Council. The Industrial Council was registered for the Durban Metropolitan region which has a *Main Industrial Council* plus seven *Area Industrial Councils*, that is, one Area Industrial Council for each of the councils within the metropolitan area of Durban. The name of this council is *Industrial Council for the Durban Metropolitan Area* (Metro Industrial Council) which deals with broad policy issues that affects the entire metropolitan region whereas the area industrial councils handles disputes that are peculiar to its area. As with all industrial councils both the employer and the staff unions have representation.

The Metro Industrial Council approved a *placement policy document* entitled *staff placement policy and process* for the placement of all staff of the

metropolitan council and each of the local councils. This document is attached hereto labelled *Annexure 8*. This policy required each of the councils within the Durban Metropolitan area to establish a *Placement Committee* which had both employer and union representation on it. There was broad agreement at the Change Management Committee that the post of Town Clerk/ Chief Executive Officer would not fall within the realms of the placement process as outlined in the placement policy but that this post in the Durban Metropolitan Council and associated local councils would be advertised both internally and externally. The purpose of this was to provide an opportunity to these councils to change the '*old guard*' at the very top of its administration, if this was deemed necessary. Advertisements did go out to attract both internal and external candidates and these posts were subsequently approved. At this point in time only the Chief Executive Officers were appointed on a permanent basis. The other senior staff held acting appointments and the balance of the staff were attached to their entities and worked solely within their former municipal areas.

The administration of the North Local Council is headed by the Town Clerk/ Chief Executive Officer. This post is a statutory appointment and is made in terms of the Local Authorities Ordinance (Ordinance 25 of 1974). Furthermore, it was the intention of the council to appoint a Deputy Town Clerk/ Deputy Chief Executive Officer. In view of the imminent further changes to municipal government it was subsequently decided not to fill this post. This council decided to have three '*service units*' within which there are several departments which would be further broken down into sections and sub-sections. The former City of Durban had a similar structure with service units which was carried through to the new Metropolitan Council as well as the North Central and South Central Local Councils. These councils, however, had many service units. The North Local Council believed it was necessary to synchronise its structure with the rest of the Metropolitan area but decided to have only three service units. The three service units are the Finance, Community Services and Physical Environment service units. Essentially the departments that fall within these service units are the following, namely,

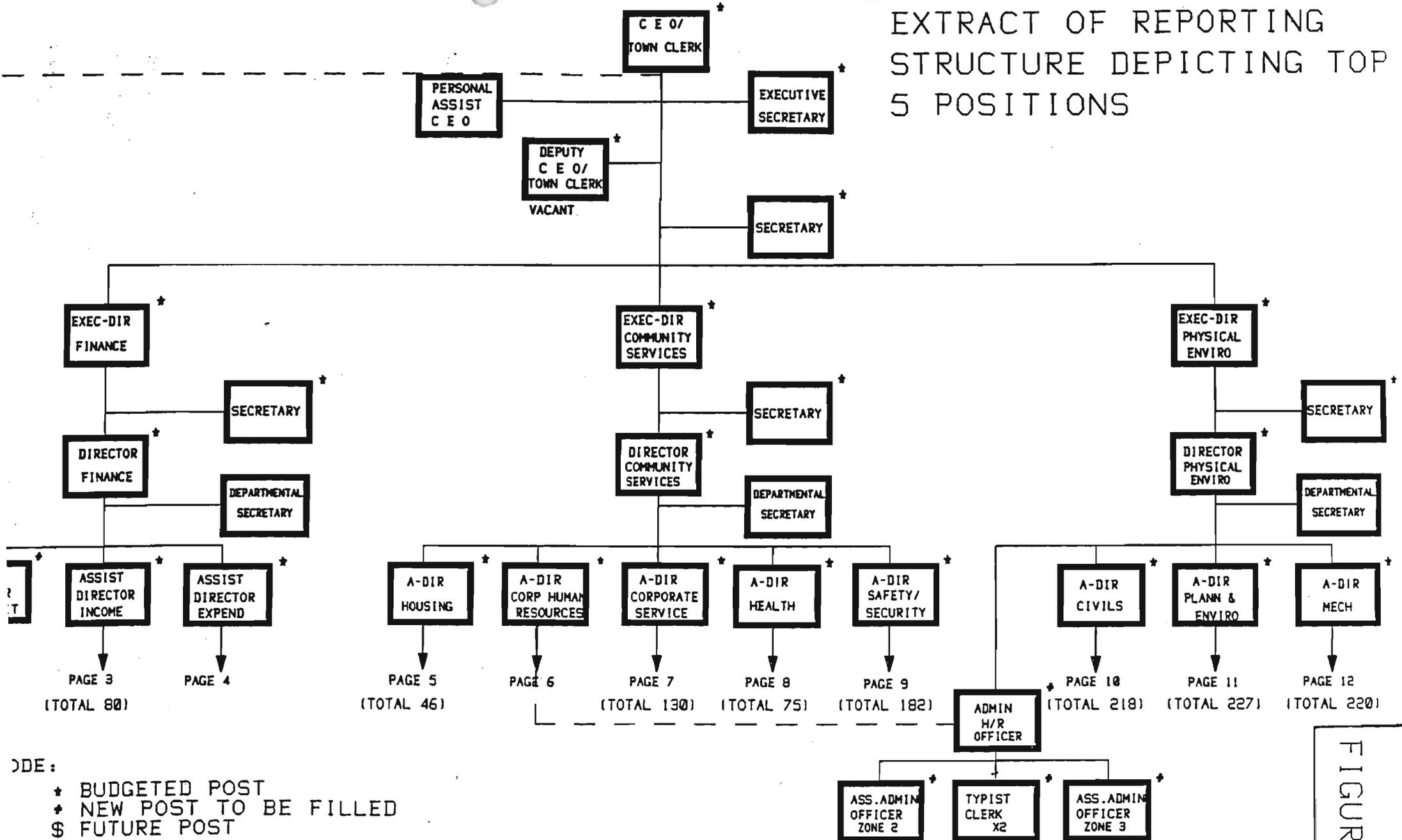
**TABLE 4: SERVICE UNITS AND DEPARTMENTS**

<b>FINANCE</b>	<b>COMMUNITY SERVICES</b>	<b>PHYSICAL ENVIRONMENT</b>
Treasury	Housing	Civil Engineering
Internal Audit	Corporate Services	Planning & Environment
Information Systems	Human Resources	Mechanical Electrical & Cleansing
	Health	
	Safety & Security	

In terms of the '*organogram*' each service unit has an Executive Director and a Director to assist him or her. From the CEO to the Deputy CEO through to the Executive Directors and the corresponding Director in respect of each service unit is a *one on one* structure as opposed to a pyramid type structure which would be far easier to handle in terms of the chain of command. Unfortunately the idea to have only three service units developed among the politicians and instructions were given to the officials to develop a draft organogram around these service units. The idea to engage a Deputy Town Clerk/ CEO was to employ an affirmative action candidate. The thought behind placing directors posts beneath each executive director was once again to develop capacity by making affirmative action appointments. Whilst attempting to adopt a lean structure the council ended up appointing a management team that comprised no less than eighteen persons. The entire staff organogram was approved by the Executive Committee of the North Local Council on 20 May 1997 (Executive Committee of the North Local Council: Minutes dated 20 May 1997). After passing the due process and obtaining the requisite approvals from the bargaining council the organogram was implemented. Since the entire organogram is fairly bulky, a portion of the document, which reflects the top five levels appears hereunder:-

**PTO for the organogram**

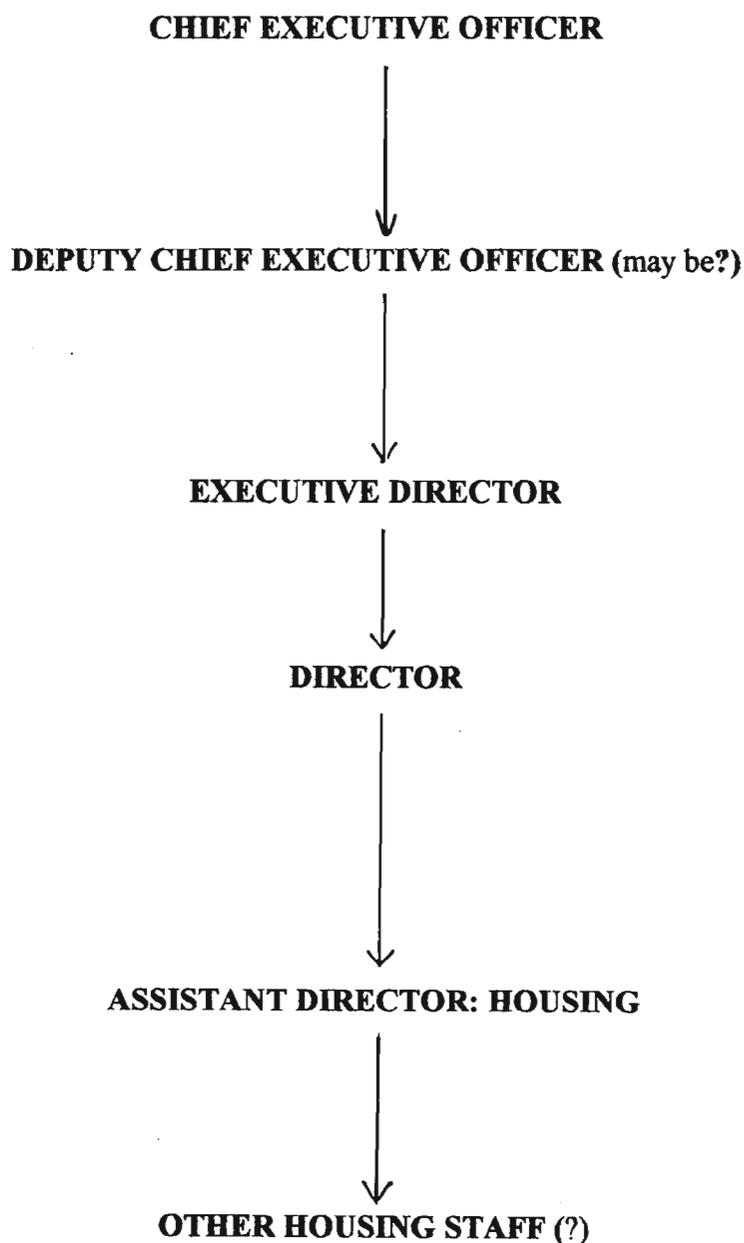
EXTRACT OF REPORTING  
STRUCTURE DEPICTING TOP  
5 POSITIONS



CODE:  
 \* BUDGETED POST  
 \* NEW POST TO BE FILLED  
 \$ FUTURE POST

FIGURE 3

The difficulty with this organogram is best illustrated with an example. Take for instance a situation where the Chief Executive Officer wishing to query a housing matter or take advice on a housing matter and if the chain of command is followed strictly, his query would be dealt with through the following line order:-



This chain of command is too deep and rather cumbersome. In practice this could prevent the Chief Executive Officer from being '*hands-on*'. The individual management styles of the Executive Directors and Directors and their commitment levels would impact on the Chief Executive Officer's need to get

involved. This level of involvement and commitment at senior level will have an impact on the entire structure.

The head of each department, within each service unit is an Assistant Director. For example, there is an Assistant Director for Housing, Health and Protection Services and so forth within the Community Services Service Unit. The North Local Council is not as large as North Central and South Central Local Councils of the Durban Metropolitan region to actually have its head of departments sitting at level 3 and being so far removed from the Chief Executive Officer. It is not that the Chief Executive Officer cannot liaise with the Assistant Directors. The problem arises when the chain of command has to be bypassed often because of the cumbersome structure. It happens in practice that certain Executive Directors and Directors do become sensitive and feel left out. The Council could have, quite comfortably managed without the three posts of Executive Directors. The Council and its ratepayers would have then benefited from fewer management posts.

The organogram was decided by the majority political party in council at one of their caucus meetings and merely 'rubber-stamped' by the full council. It was then approved by the Area Industrial Council with minor amendments. The organogram then had to be approved by the Change Management Committee of the Durban Metropolitan region. It was approved on 11<sup>th</sup> June 1997 (Change Management Committee, minutes, p 64).

The North Local Council was now in a position to place all its staff from its various entities into a single administration in terms of the earlier mentioned placement policy and approved organogram. This was a major step forward in the sense that staff could now have a sense of identity and a sense of belonging to the North Local Council rather than to their previous councils which do not exist any longer. All senior staff that held acting positions would now know where they stood.

Bringing staff from three medium-sized municipalities and a host of small municipalities together into a single administration does present quite a challenge. The tool to be used was the staff placement policy and process. This document was derived from an agreement reached at the Bargaining Council for the Durban Metropolitan area. It was a good document at policy level and catered for the different categories of posts in terms of their status of change as

well as how to deal with grievances and surplus staff. What the document did not provide for is a situation where there exists more incumbents and fewer posts. There were many such cases. For example each of the medium-sized entities of Tongaat, Umhlanga and Verulam had in their Treasury Departments, two Assistant Town Treasurers which meant that the North Local Council had a total of six Assistant Town Treasurers. The organogram of the North Local Council itself made provision for two Assistant Town Treasurers in its rationalisation programme. Which two of the six would be placed in these positions of Assistant Town Treasurers? In other words, was there a clear strategy that was understood and accepted by all the stakeholders?

In view of the complexity of internal staffing, research has mainly focussed on three categories of strategies for managing internal staffing. These categories are the following: a pure selection strategy, a vocational guidance strategy and a compromise staffing strategy (Carrell, Elbert, Hatfield, Grobler, Marx & v.d. Schyf, 1998: 235). These strategies are briefly summarised below:

***a) Pure Selection Strategy***

In this strategy the most qualified person for each post is chosen. This approach caters for the institution. Institutions that utilise this type of strategy can utilise a variety of formulas to assist them in their choice of candidates. These include multiple regression equations, statistical decision theory or discriminant function analysis (Carrell *et al.*, 1998:235).

***b) Vocational Guidance Strategy***

This type of placement strategy looks at the position for which the person is most qualified and places that person into that position. This approach is responsive to the individual. According to Quaintance an example of this strategy includes the Assessment-Classification Model. Research has proved the validity of the concept of the model which demonstrates that life experiences and employee interests contribute to predictions of success in certain jobs, for example, clerical jobs (Carrell *et al.*, 1998:235).

### *c) A Compromise Staffing Strategy*

Both the aforementioned strategies represents opposite ends of a continuum and both have drawbacks. These drawbacks result in either the individual or the company benefiting in the short term. If individual needs are ignored, like in the pure selection strategy, this usually results in high staff turnover and low productivity. On the other hand if the organisational needs are ignored, like in the vocational guidance strategy, individual employees may be motivated, but some critical jobs may not be filled in by the most appropriate persons (Carrell *et al.*, 1998:235).

The challenge for management is to identify an internal staffing strategy that finds a happy medium between the pure selection strategy and the vocational guidance strategy. In other words, a staffing strategy that lies somewhere in the middle of this continuum. The compromise staffing strategy attempts to achieve the best allocation of available staff to fill posts while attempting to meet both individual and institutional needs. This strategy thus places people in positions so that all positions are filled by individuals who meet at least the same minimum standards of performance. (Carrell *et al.*, 1998:235).

The Placement Committee established, in terms of clause 5 of the policy, required that employer and employee representatives had to have equal representation. Throughout the Metropolitan area two staff unions are recognised by the municipalities. They are South African Municipal Workers Union (SAMWU) and Independent Municipal Allied Trade Union (IMATU). Both SAMWU and IMATU agreed with the North Local Council that the makeup of the Area Placement Committee would be as follows:-

SAMWU = 2 representatives;  
IMATU = 1 representative, and  
Employer = 3 representatives (North Local Council:  
1997d).

SAMWU is a larger union, hence it had one more representative than IMATU. This document essentially laid the basis for the posts described hereunder.

*Unchanged posts* were mainly applicable to lower level posts where the duties attached to these posts did not change at all nor was any geographical relocation

necessary. For example, a street sweeper in Tongaat still continued his duties unchanged in Tongaat. *Minor changed* posts meant that there was no material effect on the responsibility attached to the post after rationalisation. *Redeployed posts* are defined as those posts which has no change or a minor change to the duty schedule but where a change in the geographical location is necessary. In this instance one could cite any of the metropolitan services. For example an electrician that worked in Tongaat for the former Tongaat Town Board has now been relocated to the Metropolitan Electricity's Phoenix depot. The incumbent still performs the same duties but to a larger area and operates from a different location. *Major changed posts* "are posts which have undergone major changes to their duties and responsibilities ..." (North Local Council, 1997b: 4).

The placement policy included a non-appointment grievance procedure to cater for staff members who were unhappy with their placement. Several members of staff did avail themselves of this opportunity. Amazingly from the 1450 members of staff placed only about seventeen of them utilised the appeal process and went all the way to arbitration. It must be presumed that the consensus reached between the councillors and the union representatives during the placement process did assist in reducing the number of non-appointment grievances.

One would have envisaged that the Council itself would play a direct role in consultation with the Chief Executive Officer in placing, via the placement process, the Executive Directors and leave it up to the Chief Executive Officer and the newly appointed Executive Directors to place the balance of the staff. In practice in municipal government it is a common feature for councils to establish a policy, and for their administrative arm to execute such policy. In this instance, in respect of the placement of staff into a single administration, the policy termed **STAFF PLACEMENT POLICY AND PROCESS** was adopted by the North Local Council. It ought to have been up to the administration to execute the policy. At the North Local Council, this did not happen. The Council placed councillors instead of management staff to represent management on the placement committee which placed all staff from the Executive Directors to the general workers. Often deals were struck between councillors and union representatives on the placement of certain staff without the knowledge or support of any of the management staff. Each Head of Department had to complete a form which was specially designed for the placement of staff in which he/ she would propose a candidate for placement. In the case of the North Local Council, proposals by the Executive Directors were often overruled by council

members, who had been caucused by the union component. Often in consultation with the union representatives alternate placements were effected.

The rationale behind this from the council's side, was that the council wanted to see a complete transformation of its staff as well as apply its affirmative action policy as much as it could and that is why councillors were deeply involved in the placement process. The primary purpose of the policy was to place staff from their various entities into a single administration. If councils could complement this with any of its other policies without deviating from its primary purpose that would have been fine. It was, however, alleged by several employees that a fair measure of bias prevailed during the placement process. Not that there would have been no bias on the part of the senior management had they served on the placement committee but it was the senior management who knew the staff better and their abilities to cope with the requirements of each post and each employee's ability to cope with each job. Besides, management would have had a strategy to effect the placements. Members of the Area Placement Committee did not even think of a strategy. In the placement of people there usually is an element of subjectivity, but with the councillors and unions placing staff jointly, leaving the management out of the process did place management in an invidious position.

Human resource management, in a municipality, operates within a specific environment. An understanding of the environment is important as this has a decisive influence on the functioning of the municipality and on its human resources. Some of these factors include, government legislation and regulations, development in technology and science, labour market and economic changes (Penceliah, 1996: 116-118). Any institution, including a municipality, that is undergoing transformation, must allow its human resource management to take place within the change management process. In municipal government, human resource management should not be split and shared between councillors and management as this would affect certain other aspects of human resource management, for example, personnel retention.

From clause 6 of the placement it is clear that the intention was "to place all existing staff within these new structures". Further clause 9.1.4 of the said policy stated that "wherever possible, consideration in the first instance should be given to the placement of existing staff in these posts on a 'close-match' basis" (North Local Council, 1997b: 4). This did not deter members of the Area Placement

Committee. If they did not fancy any individual they did not place him or her. The policy itself contains the noble gesture to cater for existing staff especially if one reads through clauses 5 to 8 of the attached policy document. It also envisaged that there would be a Metropolitan Staff Placement Pool to accommodate any unplaced staff (North Local Council, 1997b: Clause 6). Members of the Area Placement Committee were quite keen to let certain staff go into the staff pool. No need to mention the amount of tension this created. None of this, of course, was official or ever recorded - it was just stated in informal discussions amongst the parties. The Chief Executive Officer had to often intervene, at the expense of his own good relationship with his councillors, to encourage members of the Area Placement Committee to stick to the terms of the placement policy. One of the senior municipal managers of the North Local Council speculated that his service unit ended up with “*some dead ducks and some lame ducks*”, meaning that several members of staff were incompetent for the positions in which they were placed or not enthusiastic about their duties. No doubt some staff members were placed above their level of competency and this had, and still has a serious impact on service delivery. This was due not so much to affirmative action but rather to personal prejudice that certain people had to suffer because they either belonged to the wrong union or because they had a “run-in” with certain members of the staff unions in the course of their duties. This was the case despite the fact that clause 9 of the placement policy catered for the following posts, namely, unchanged posts, minor changed posts, redeployed posts and major changed posts (North Local Council, 1997b: 4).

#### **4.5.7.1.2 Service condition and benefits**

The North Local Council had become the successor in title of some thirteen independently run municipalities. The founding proclamation that established the Northern Transitional Metropolitan Sub-structure Council, that is, KwaZulu-Natal Provincial Proclamation LG 123 states under paragraph 5 of Schedule 5 that, *inter alia*, the staff of the dissolved local government bodies will retain their conditions of service that were applicable to them prior to such dissolution. The said proclamation further states that if these conditions of service were to change, such were to be changed in accordance with the applicable labour laws (KwaZulu-Natal Provincial Proclamation LG 123:1995). This was reinforced when the North Local Council came into existence per Provincial Proclamation No. 80 of 1996 (KwaZulu-Natal Provincial Proclamation No, 80: 1996).

The staff from all of these disestablished municipalities had vastly different service conditions and benefits attached to their employment. Leave entitlements ranged from 15 days annual leave to 36 days annual leave. Some workers commenced work every working day at 07h45 whilst others commenced at 08h00. In some entities, the field workers commenced duties at 07h00 and in other entities the field workers commenced duties at 07h15. Likewise closing times were also vastly different amongst the different entities. A comparison between the Township of Tongaat's Staff and Leave Regulations (Provincial Proclamation No. 275 of 1965) and the Borough of Verulam's Conditions of Service and Leave Rules (Provincial Proclamation No. MN 600 dated 5<sup>th</sup> November of 1981) is ample evidence of the numerous differences amongst the entities. Other conditions of service and benefits which required rationalisation were, *inter alia*, the following:

- group life cover;
- medical aid benefits;
- pension fund benefits and contributions;
- car allowances and travelling allowances;
- subsistence allowance;
- compassionate leave;
- study leave entitlements;
- sick leave entitlements;
- bursary entitlements (only applicable in certain entities); and
- number of working days per week (some entities worked a 5 day week whilst others worked a 6 day week).

It was generally accepted, although not recorded anywhere, that staff would not be allowed to '*cherry pick*' the best conditions of service from the various entities as they pleased. If this was allowed then staff would be at liberty choose

the latest starting times and the earliest finishing times of the various entities which would have been unfair to the employer. In the North Local Council a working group was established comprising of employer and employee representatives to formulate common conditions of service that would be applicable to employees. Steady progress has been made in this regard but the procedure in respect of each set of conditions that comes out of the working group is rather time consuming until final approval. However, the commencing and finishing times of all staff wherever they are located have now been synchronised (North Local Council, 1999a).

#### **4.5.7.1.3 Assets and liabilities**

The founding proclamation that established the Northern Transitional Metropolitan Sub-structure Council, that is, KwaZulu-Natal Provincial Proclamation LG 123 states under paragraph 7 of Schedule 5, *inter alia*, that the assets and liabilities of the various entities now disestablished will vest in this newly established council (KwaZulu-Natal Provincial Proclamation LG 123:1995). In the same vein the founding proclamation that established the North Local Council, that is, KwaZulu-Natal Provincial Proclamation No, 80 of 1996, provided for under paragraph 10 of schedule 7 that the assets and liabilities of the Northern Transitional Metropolitan Sub-structure Council shall vest in the newly established council (KwaZulu-Natal Provincial Proclamation No, 80: 1996).

This meant that if a former, relatively well-off municipality such as the Borough of Umhlanga had certain assets, for example, twelve patrol vehicles in their Protection Services Department whilst a relatively poorer former municipality like the Borough of Verulam had only two patrol vans in their Protection Services Department then the new Northern Transitional Council could, at its discretion, deploy some of the patrol vans from the Umhlanga area to the Verulam area for use there. On the other hand, in terms of the liabilities that this new council inherited the council would utilise funding received from all its suburbs to make good the liabilities it inherited from one or two areas

In many instances assets were deployed from one area to another within the council's area of jurisdiction which meant that services had to be reduced in some areas whilst a measure of new or improved services were provided in other areas. As can be expected some rate payers who experienced a reduction in

services were quite irate. The Executive Director: Finance, Mr J. Panday (1999: *interview*) confirmed that irate ratepayers telephonically complained about the drop in services given the fact that they pay exorbitant rates.

#### ***4.5.7.1.4 Financial records including records kept and updated on main frame computers***

Each of the former municipalities that now make up the North Local Council had its own independent financial records. Separate sets of books were done for each autonomous municipality and this method continued throughout the pre-interim phase even after the former municipalities came together as the Northern Transitional Substructure Council. Each municipality had its own bank account(s) as well as independent main frame and personal computers in respect of their computerised accounts. This situation was inherited by the North Local Council and proved to be most inconvenient from an administrative point of view. As can be imagined the Executive Director: Finance could not, with any sense of ease, advise the Chief Executive Officer or the Council of the daily or monthly bank balance, state of outstanding debtors, creditors to be paid and so forth. This type of information was lying all over the place, decentralised and dealt with by different people all of whom had different recording techniques and/ or formats of recording. In the case of the areas that were previously controlled by the then Development and Service Board the North Local Council depended on the said Board for proper record keeping in respect of those areas. There was grave difficulty in co-ordinating this activity (Panday 1999: *interview*).

There were several issues to consider in rationalising the financial records, the key issues being the following:

- > acquire a single main frame computer that had the capacity to compute and sustain the financial and other related records;
- > a common valuation roll, and
- > a single rates index or a multiple rates index with a phased programme to achieve a single index.

Other issues such as rationalising the bank accounts, creditors, purchase orders,

debt collections, ledger systems and so forth, will then start to fall into place (Panday 1999: *interview*).

#### 4.5.7.1.5 Valuation roll

The North Local Council inherited a system whereby each of the former municipal areas had their own rates base and earned vastly different property rates. This meant that a property valued at R500 000, 00 in Umhlanga attracted far less rates than an equal valued property in Tongaat. Each area had its rates levied within its independent base and according to the financial constraints of the area. The situation in Tongaat was that it had a few high valued properties, that is, properties above R400 000 in value, and a vast number of low valued properties, that is, properties with a value of less than R50 000. Since rates is based on property values those few high valued properties naturally attracted fairly high rates. On the other hand most of the properties in Umhlanga Rocks had fairly high property values. In fact no property in the 'old' Umhlanga had a value below R200 000,00 (Panday, *interview*: 1999). This meant that the rates burden was more evenly spread. It was realised by the Council that it would have to introduce a common rates index based on a common valuation roll as soon as possible.

In October 1996 the North Local Council held a meeting with the civic associations in its area regarding the budget for the financial period 1997/ 1998, at which meeting there was a strong call for the equalisation of property rates throughout the North Local Council area. This principle was generally supported by all roleplayers, however, the point of departure was that the Tongaat and Verulam civic movements requested the equalisation to be implemented during the 1997/ 1998 budget whereas the civic representatives of Umhlanga, Umdloti and Mt Edgecombe requested that the equalisation be phased in over several years (Coastal Weekly, 18<sup>th</sup> October 1996). This issue was widely published in both national and provincial newspapers where large increases were incurred over two financial years. Newspaper captions like "**Shock rates increase** (Sunday Times, 27<sup>th</sup> July 1997) and, "**Big rates increase announced**" (The Natal Mercury, 13<sup>th</sup> November 1996) appeared to be the order of the day.

Arising out of the aforementioned meeting, there were serious objections from the Umhlanga, Umdloti and Mt. Edgecombe residents about the proposed equalisation of rates over one financial year. There were calls, on the one hand,

from the Umhlanga Rocks residents to phase the equalisation of property rates over several years whilst on the other hand, the residents of Tongaat and Verulam claimed that they always paid high property rates and since all these areas now fall under one council there should be one rates randage on a common valuation roll. These residents also claimed that since coming together as a single council in 1995 they bore the brunt of separate rates and that 1997/ 1998 was the year to equalise property rates.

Each municipality has to meet a large portion of its expenditure from property rates. This is done by calculating a rates index known as a "rates randage" utilising property values as follows:

$$\frac{\text{expected expenditure}}{\text{total property values}} = \text{rates randage}$$

This randage or factor is used to calculate individual property rates as follows:

$$\text{rates randage} \times \text{property value.}$$

A rating analysis for the areas of Tongaat, Umhlanga Rocks and Verulam is provided in table 12, utilising the above method. The actual rates randages for each of these areas have been utilised to construct this table. It could clearly be seen that the rates randages for each of the areas are different for the financial periods 1995/ 1996 and 1996/ 1997. From the 1997/ 1998 financial period property rates were equalised on a common valuation roll and each of the areas in question had the same rates randage which meant equally valued properties in any of these areas would be levied the same property rates. An exercise was done utilising the actual indices on identically-valued properties for the areas of Tongaat, Umhlanga and Verulam. The equally-valued property in this exercise is depicted in Table 13, for the financial periods 1995/ 1996 to 1999/ 2000. Rates have been calculated per Table 14, utilising the indices on Table 12, and the property values on Table 13.

Figures 3 and 4 illustrate the vastly different rates applicable to properties of equal value in Umhlanga, Verulam and Tongaat for the 1995/ 1996 financial year. Figure 5 illustrates the huge difference in property rates in the areas concerned for the financial periods 1995/ 1996 and 1996/ 1997 but also illustrates the equalisation of property rates for the three financial periods that follow ending in the 1999/ 2000 financial year. Figure 6 illustrates the rates for

the same areas before and after the equalisation of property rates for the financial periods 1995/ 1996 and 1997/ 1998 respectively. The final figure in this series of graphs, that is, figure 7 illustrates the property rates for the areas of Tongaat, Verulam and Umhlanga for the periods 1995/ 1996 to 1999/ 2000. It could be seen clearly on this graph that residents in Umhlanga Rocks paid fairly low rates compared to both Tongaat and Verulam before the rationalisation of property rates. The financial periods utilised in this exercise were at a time when these areas fell within the same council area.

During the 1997/ 1998 financial period, when property rates were equalised, the ratepayers in Umhlanga Rocks had a huge rates increase, many of these increases were above 60%. Newspaper captions like “**Shock rates increase**” (Sunday Times, 27 July 1997), “**Objections to rates proposals**” (Coastal Weekly, 27 June 1997), and “**Ratepayers picket council offices**” (Northglen News, 28 November 1998), were the order of the day. About 300 residents of Umhlanga Rocks marched on council offices in protest against severe rates increases and handed in a memorandum informing council that they would actively oppose the budget and take up their cause legally (Coastal Weekly, 21<sup>st</sup> November 1997). The council persisted with its policy of equalising property rates throughout the North Local Council area and the unhappy ratepayers eventually capitulated and paid their rates. The number of protesters were less than 15 percent of the number of ratepayers. This, however, is not an indication of the level of discontent amongst the affected persons. Such discontent continued and as late as January and February 1998 there were strong calls for a rates boycott and threats of legal action by the residents of Umhlanga against the council. If this boycott materialised it would have caused a severe cash flow problem in council because approximately 65% of the estimated property rates is derived from the Umhlanga, Umdloti and Mt Edgecombe ratepayers.

#### ***4.5.7.1.6 Filing system with current and old records***

After having the staff placed into a single organogram with reporting lines clearly established, the individual filing systems should ideally be merged. This, however, was not possible due to the offices still being decentralised and in the wake of further impending changes to the structures of local government it was not feasible to build centralised offices. This meant that certain departments and key staff members still have to operate from a distance. Delays in responses to

various matters are often not easily understood by councillors and the general public (Mudaly 1999: interview).

#### **4.5.7.1.7 By-laws**

The founding proclamation that established the Northern Transitional Metropolitan Sub-structure Council, that is, KwaZulu-Natal Provincial Proclamation LG 123 regulated under paragraph 8 of Schedule 5, *inter alia*, that all resolutions and by-laws of the disestablished councils shall be deemed to be resolutions and by-laws of the Council (KwaZulu-Natal Provincial Proclamation LG 123:1995). In the same vein the founding proclamation that established the North Local Council, that is, Provincial Proclamation No. 80 of 1996 regulated under paragraph 13 of Schedule 7, *inter alia*, that all resolutions and by-laws of the previous council shall be deemed to be resolutions and by-laws of the Council (KwaZulu-Natal Provincial Proclamation No, 80: 1996).

All these proclamations merely did was to empower the North Local Council by transferring the by-laws and resolutions of the previous municipalities to it to enable it to exercise its powers and functions in an uninterrupted manner until it was in a position to amend or replace same. The by-laws were only applicable in specific areas. For example, the Nuisance By-law of Tongaat contained different provisions from the nuisance bylaw applicable in Verulam. A cursory glance of the Nuisance By-law of Tongaat (see Provincial Notice No. 276 dated 23<sup>rd</sup> June, 1966) and that of the former Borough of Verulam (see Provincial Notice No. 287 dated 30<sup>th</sup> July 1963) is evidence of this phenomenon. The multitude of vastly different by-laws, therefore, needed to be synchronised but this would have been a painstaking task. At this point in time it has been decided to await the next phase in the transition of municipalities and tackle the problem throughout the Durban Metropolitan region as one effort rather than change now and change again. It would be fair to state, that in all likelihood the greater Durban area would become a metropolitan municipality (Mudaly 1999: interview).

#### **4.5.7.1.8 Tariff of charges**

The tariff of charges for services and levies were taxed differently by each of the dissolved municipalities. For example, the former Borough of Verulam levied R830.00 for a burial, whilst the erstwhile Tongaat Town Board levied only

R430.00 for a burial. These differing tariff of charges had to be rationalised into a common set of tariff of charges for the entire North Local Council. This was a huge undertaking and was successfully completed after much consultation on 1<sup>st</sup> October 1998 (Panday 1999: interview).

#### **4.5.7.1.9 Financial and other regulations**

Only the former Tongaat Town Board had financial regulations. The other disestablished municipalities did not possess any financial regulations. The Executive Director: Finance processed a fresh set of financial regulations that would be applicable throughout the North Local Council and it was approved on 22<sup>nd</sup> June 1998 (Panday 1999: interview).

#### **4.5.7.1.10 Town Planning Schemes**

The founding proclamation that established the Northern Transitional Metropolitan Sub-structure Council, that is, KwaZulu-Natal Provincial Proclamation LG 123, regulated under paragraph 8 (2) of Schedule 5, *inter alia*, that all “structure plans, development plans and town planning schemes in the course of preparation .....”in operation in the former areas of jurisdiction of the local government bodies shall continue in operation until the new council adopts a new town planning scheme. In the same vein the founding proclamation that established the North Local Council, that is, Provincial Proclamation No. 80 of 1996, regulated under paragraph 14 of Schedule 7, *inter alia*, that the town planning schemes in operation in the former areas of jurisdiction shall continue to be in operation until amended or replaced by the new council.

### **4.8 DURBAN - IN - TRANSITION IN THE NATIONAL SOCIO-ECONOMIC CONTEXT**

Durban is regarded as the second largest metropolitan region in the country with an estimated population of some 2.2 million people in 1995. It has the highest proportion of ‘African/ Black’ residents when compared to other metropolitan areas in the country, “and it is also the metropolitan area with the highest proportion of residents living in informal settlements”. It is therefore deemed to be the most needy of all South African metropolitan areas in developmental terms (McCarthy, 1998:18).

Surprisingly, Durban has the healthiest metropolitan/ local government finance in the country. Its rate of economic and employment growth have also been amongst the best in the country. Employment increased by approximately 30% between 1985 and 1991. The value of buildings completed in Durban during 1997 amounted to R1,42b (McCarthy, 1998:18).

Durban is strategically located on the east coast of South Africa and has a large natural seaport through which most of South Africa's imports and exports pass. Most goods passing through the port of Durban has its origin or destination in Gauteng. Durban has a complex metropolitan economy with just over a quarter of the local jobs being derived from manufacturing whilst commerce and finance provide another quarter of the jobs. Many of the firms in Durban are branch plants or offices of companies in Gauteng, which further underscores the extent of Durban's integration into the national economy. As such Durban's success as one of South Africa's leading metropolises is critical to the economic well-being of the country as a whole (McCarthy, 1998:18).

#### **4.9 GENERAL DIMENSIONS OF THE DURBAN METROPOLITAN REGION**

Approximately two thirds of the estimated 2.2 million people that reside in the Durban Metropolitan area reside in the North Central Council and South Central Council areas. The rest of the population is shared amongst the other four substructures (McCarthy, 1998:18).

The population figures and dwelling conditions of residents of the area are provided in table 5 hereunder:

**TABLE 5: DURBAN, POPULATION FIGURES AND DWELLING CONDITIONS**

Transitional Substruct.	Total Popul.	% DMA Pop	Total Formal	Total Inform.	Total Peri-Urban	Total Dwell.	% DMA Dwell.
North	121 842	6	109 624	9 881	2 337	28 117	6
North Ctrl	736 836	34	520 050	214 701	2 086	173 725	35
South Ctrl	604 456	28	481 530	120 072	2 855	141 243	29
South	118 519	6	95 160	23 298	60	27 948	5.5
Inner West	305 855	14	196 517	107 907	1 432	71 657	14.5
Outer West	259 479	12	75 752	89 318	94 409	49 852	10
<b>TOTALS</b>	<b>2 146 987</b>	<b>100</b>	<b>1 478 633</b>	<b>565 177</b>	<b>103 179</b>	<b>492 092</b>	<b>100</b>

[Source: Urban Strategy Department, Durban Metropolitan Council, 1995]

According to Professor Jeff McCarthy (1998: 19) the current metropolitan and substructure boundaries were the result of both technical and political considerations. Technically there was a working group established in 1994 which looked at the outer boundary of the metropolitan region and somewhat tried to correspond this boundary with an area known as the Durban Functional Region. Political and legal persuasions since 1994 established today's metropolitan boundary resulting in a smaller metropolitan area than initially envisaged. The boundaries of the previous local authorities were utilised to determine the substructure boundaries which were determined in a way to achieve both internal racial balance and a degree of balance between population and local property tax bases.

Durban is noted as being financially the strongest of all the metropolitan authorities in the country. This is due to the sound financial management and investment strategy of the former City of Durban which had historically built up investments and reserves. The per capita rate of income in Durban is approximately R2100 p.a. on average which is comparable to most other cities and metropolitan authorities. For example the equivalent figure in Pretoria is approximately R2200 p.a. The Durban region has a relatively good commercial and industrial rates base and a profitable electricity service which is utilised to

offset the budgetary effects of a relatively large, poor population (see table 5 above). About a third of Durban's population live in either "informal" settlements or the traditional hut-type dwelling (McCarthy, 1998:19).

There are currently 164 ward councillors and 109 proportionally representative councillors serving on the substructures in Durban. They are divided amongst the substructures as follows, namely the North Central Council has 70 councillors, The South Central Council has 60 councillors, The Inner West has 42 councillors, the Outer West has 41 councillors whilst the North and South Councils each have 30 councillors. Apart from the councillors that serve on the substructures the Metropolitan Council has 70 members, 42 of whom have been drawn from the substructures and the balance of 28 elected directly. There is, therefore, a total of 301 councillors that serve on all seven councils. All seven councils have elected Mayors, Deputy Mayors, and Executive Committees from their own members.

The average population per ward councillor is 13400 whilst there is a total councillor to population of about 7300 which is slightly above twice the national average but still lower than that of Pretoria which is about 12000. Because of the varying population densities across the Metropolitan ward area sizes and population figures will have certain distortions. (McCarthy, 1998: 21).

The changes necessary to democratise local government had to take place at essentially two levels, the political and administrative levels. Disestablishing old apartheid councils and establishing new councils only took care of the political change that has become necessary. Administrative restructuring, however, proved to be far more complex and could not merely be done by the stroke of a pen. Much of the difficulties experienced under administrative restructuring will be dealt with in a later sub-heading entitled "The impact of the transition on the stakeholders". To deal with the administrative restructuring, a special body had to be instituted which has been named the Change Management Committee and comprises representatives of all seven councils. Essentially this committee had been established in terms of the Provincial Proclamations that established both the Transitional Councils and the latest councils in the Durban Metropolitan region to oversee and ensure that the change process takes place in an unencumbered fashion. Key to this was to agree on a process of administrative rationalisation (Schedule 2 of Proclamation 123 of 1995). So successful has this committee been in executing its duties that when establishing the current

metropolitan family of councils the Member of the Executive Committee for Local Government and Housing reinstated the said committee for the elected councils (see Schedule 2 of Provincial Proclamation 80 of 1996). The said committee has also been a useful platform to raise and debate many other issues such as the Local Government White Paper and more recently the Municipal Structures Act.

The Councils of the Durban Metropolitan area have also established a committee known as the Joint Steering Committee that deals with Metropolitan wide planning issues. Durban has been very successful in planning and, whereas the Joint Steering Committee formulated an Integrated Development Framework (IDF) for the Metropolitan region as a whole, each of the councils formulated their own Integrated Development Plans (IDP) to synchronise with the Metropolitan wide IDF.

The IDF contains a vision, a mission and a set of development principles as well as a series of strategies and action plans.

The metropolitan wide vision is as follows:-

**“BY THE YEAR 2015, METROPOLITAN DURBAN WILL BE A THRIVING WORLD CLASS INDUSTRIAL AND COMMERCIAL CENTRE, AN ATTRACTIVE TOURIST DESTINATION AND THE GATEWAY TO KWAZULU-NATAL AND SOUTHERN AFRICA.**

**IT WILL BE A CLEAN AND SAFE ENVIRONMENT WITH FULL, EFFECTIVE EMPLOYMENT, WITH ITS RESIDENTS LIVING IN ACCEPTABLY SERVICED HOUSING, AND WITH A GENERALLY HIGH QUALITY OF LIFE THAT CAN BE SUSTAINED.**

**DEMOCRACY AND TOLERANCE WILL BE AN ESTABLISHED WAY OF LIFE IN A UNITED METROPOLITAN AREA, WITH A HIGH LEVEL OF SERVICE AND DEVELOPMENT ORIENTATION AND CIVIC PRIDE”** (Integrated Development Framework for the Durban Metropolitan Area 1997: 15).

The Integrated Development Framework and all the Integrated Development Plans are reviewed annually.

#### 4.10 **EMPIRICAL SURVEY ON THE QUALITY OF LIFE IN DURBAN**

A survey on the quality of life in the Durban Metropolitan area was undertaken. It is difficult to analyse the results of this survey because it was undertaken during the transformation which is a very awkward period as well as the fact that there are no previous surveys to compare the current survey with. Existing resources had to be stretched over a larger area. People who had full services had to take a drop in services and this drop in services is often exaggerated by the public especially by those who are opposed to the transformation. On the other hand, those that come into the fold and start receiving services often have great expectations and because limited resources are stretched over a much wider area these expectations take time to satisfy. Those that have no houses and are squatting may have to still wait for a few more years before they are accommodated in their own homes. These are some of the dynamics of change that must be managed very carefully especially in a public environment where it is difficult to please often diverse groups of people.

Nonetheless, a survey to gauge public opinion is important because as progress is made with the transformation, the results of this survey could be compared with the results of future surveys. As the transformation starts to reap the intended benefits, public confidence starts to build and further surveys are more likely to reveal accurate results.

A random survey of 3967 residents was undertaken in the Durban Metropolitan area on behalf of the seven councils by the Urban Strategy Department of the Durban Metropolitan Council to ascertain what people thought about the quality of life in the region. A copy of the survey form is appended hereto, labelled *Annexure 9*. Some of the questions and corresponding results of the survey are provided hereunder:

**Table 6: Life satisfaction**

*“In general, how satisfied have you been with your life over the past year?”*

●	Very satisfied	5.8%
●	Satisfied	37.5%
●	Neither/ nor	17.3%
●	Dissatisfied	27.4%
●	Very dissatisfied	11.7%
●	Non response	<u>0.4%</u>
		<b><u>100 %</u></b>

(Urban Strategy Department: 1999).

Without previous surveys it will be difficult to draw a comparison with this survey to determine the success or otherwise of the transformation of local government thus far. One can, however, detect that more people are satisfied than dissatisfied with their lives.

**Table 7: Life satisfaction in each of the different Councils areas**

	S	D	n
	%	%	
Central North - formal	54	28	1140
Central North - informal	25	48	240
North - formal	63	20	119
North - informal	34	42	90
Central South - formal	50	35	865
Central South - informal	27	57	392
South - formal	50	30	149
South - informal	24	48	33
Inner West - formal	40	36	452
Inner West - informal	16	74	208
Outer West - formal	30	46	274
Overall average	43	39	3962
Average formal settlements	48	33	2999
Average informal settlements	25	53	963

Very satisfied, satisfied = S. Dissatisfied, very dissatisfied = D.

(Urban Strategy Department: 1999).

The above table depicts the level of satisfaction in formal and informal households. There is a correlation between the levels of satisfaction and the type of household. As can be seen from the table, formal households are more satisfied than the informal households. This is not unexpected, and from the survey a further correlation between the type of household and other critical family circumstances has been detected as follows:

**High life satisfaction.** All highly satisfied clusters are formal settlements spread over the entire metropolitan region. The mean age of these residents is higher,

suggesting lower dependency on income earners. Family sizes are predominantly small. There is a low incidence of female-headed households and unemployed household heads. Income levels are above average. Food is a low priority. Residents are predominantly White and, to a lesser degree, Indian (Urban Strategy Department: 1999).

**Low life satisfaction.** The clusters with the lowest levels of satisfaction are predominantly informal housing widely scattered over the metropolitan area. The population is younger and household sizes tend to be above average. Income levels are well below the breadline. Food is the highest priority expenditure item. Residents are predominantly Black (Urban Strategy Department: 1999).

Taking into account the history of local government portrayed in chapter two of this study, the findings of the survey are not surprising. Blacks were suppressed under apartheid and the position the Durban Metropolitan Council and associated local councils find themselves in today is largely the product of the system of separate development under apartheid.

PTO for Table 8

**Table 8: Community features - ratings**

*"How do you rate the following features of this community/suburb?" - very good (VG), good (G), neither good nor bad (NGB), bad (B), very bad (VB)*

Ref No.	VG %	G %	NGB %	B %	VB %
1. Access to shops	16	49	13	14	8
2. Co-operative neighbours	18	58	16	6	2
3. Safe from crime	4	22	23	28	23
4. Peaceful	10	43	22	16	9
5. A safe area for bringing up children	6	37	22	21	14
6. Trees and natural surroundings	9	41	18	20	12
7. Good value when paying for rates	4	28	23	24	21
8. Active local councillors	3	17	25	29	26
9. Active Development Forums	2	14	27	31	26
10. Active Civic Associations	2	14	26	32	26
11. Active Ratepayers Associations	2	14	24	30	29
12. Flat/Townhouse Body Corporate	4	13	26	28	29

Rows add to 100% or nearest

(Urban Strategy Department: 1999).

From the above statistics it would appear that civic structures and ward councillors would need to get more active in their areas. Providing people with a sense of safety is also a priority.

PTO for Table 9

**Table 9: Perceptions of improvements by Councils**

*“Have you seen any improvement or deterioration in this community/suburb in the past year?”*

	%	%	n
<i>Sample average</i>	23	10	
Central North - formal	19	10	1123
Central North - informal	43	4	240
North - formal	9	4	118
North - informal	0	9	89
Central South - formal	19	15	854
Central South - informal	23	4	387
South - formal	14	17	149
South - informal	58	10	31
Inner West - formal	28	11	448
Inner West - informal	36	0	208
Outer West	32	12	271

(Urban Strategy Department: 1999)

A small percentage of people from the formal sector found any improvement in municipal services but at the same time an even smaller percentage of the same group experienced a deterioration in municipal services. It would appear that the majority of people from the formal sector have experienced no change in their community life whilst people from the informal sector have experienced a marked improvement in their community life.

People from both the formal and informal sectors were asked to name three of the most serious day to day problems with living in the Durban Metropolitan area and the responses received is provided in Table 11 below:

**Table 10: Perceived problems in daily life**

1. Crime corruption mugging	79%
2. Unemployment retrenchment	31%
3. Pollution (air, water)	10%
4. Cost of living food prices	9%
5. Traffic congested	7%
6. Houses - lack of development	4%
7. Water supply	4%
8. Service costs water etc.	4%
9. Overpopulation	3%
10. Car hijacking	3%
11. Loitering around houses	3%
12. Violence	3%
13. Bus / taxi services	2%
14. Drugs	2%
15. Sanitation	2%
16. Burglary - houses	2%
17. Security safety of people	2%
18. Rates levy	2%
19. Roads narrow	2%
20. Area dirty dump rubbish	2%
21. Accidents	2%
22. Job creation	1%
23. Diseases - illness	1%
24. Drivers fast / reckless	1%
25. Education	1%

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(Urban Strategy Department: 1999)

From the above figures it is clear that people's perceptions about crime, corruption and mugging are the most serious problems for people. Unemployment is also fairly high. From the above results it would appear that most of the issues that fall within the direct competence of municipal government

is perceived as a problem to a very small percentage of people. These issues include housing, water supply, rates levy, traffic congestion and sanitation.

#### **4.10.1 Optimistic outlook for Durban**

This report has reviewed the life satisfaction of Durban residents and related issues including satisfaction with, *inter alia*, housing, household services, community services, use of urban facilities, and solutions to major problems which depress quality of life in 1999.

The vision set for Durban (see item 4.9 above) is to become a world class city. This is the setting which promises to provide a good and sustainable quality of life which satisfies.

All told, some 53% in Durban's Quality of Life '99 survey are of the opinion that Durban will succeed in its mission to become a world class city by the year 2015. Only 13% are pessimistic while one third (34%) are uncertain (Urban Strategy Department: 1999).

Durban residents who are optimistic about their economic future and who report an improvement in the crime situation in their area are significantly more optimistic than others that Durban will achieve its goal of becoming a world city. The key issue for people in Durban is the crime (Urban Strategy Department: 1999).

Younger Durbanites, mainly Blacks and coloureds are generally more positive about Durban's future than others. Among Blacks, the informally housed are more optimistic about Durban's future than township and suburban residents. Although numbers are small, residents who recently gained access to piped water are more likely to express greater confidence in Durban as a future global city.

Persons with a higher level of education are more pessimistic in their outlook for Durban. At the same time, the better educated are also better informed about Durban and concerned about solutions to many of the problems facing poorer areas. Some 90% of persons with a matric-level or higher education follow reports on Durban's development compared to only 69% among the less educated. Durban residents follow reports on Durban on the radio (85%), on television (71%) and through the newspapers (68%). The corresponding

percentages for Black residents are 90%, 59%, and 57%. Nonetheless, in spite of following reports on Durban, most citizens, 90%, are not informed on Durban's Integrated Development Plan or know the details of the plan. Of the 8% who know of the Integrated Development Plan only one in every three of them know the details of the plan (Urban Strategy Department: 1999).

#### **4.11 BUDGETARY DETAILS AND TRENDS IN THE DURBAN METROPOLITAN REGION**

Local authorities are currently in the transition phase and new legislation is being developed in preparation for the "final phase" of the restructuring process. One of the key considerations in the restructuring process has been the financial resources available to local government bodies. In order to assist with this exercise some depth of the Durban financial scenario is provided hereunder. It was mentioned earlier that the overall financial position of the Durban Metropolitan Region is relatively healthy.

##### **4.11.1 Overall size of budget**

In the 1996/1997 financial period the total budgetary provision for the capital expenditure was in the order of R1102m. This figure increased in the following financial period to R1567m. Insofar as the operating expenditure is concerned the total budgetary provision for the 1996/1997 financial period was R4179m and in the following financial period this figure increased to R4844m. The overall trend in Durban has been towards greater capital expenditure in previously underdeveloped areas whilst maintaining existing levels of service in its developed areas (McCarthy, 1998: 21).

##### **4.11.2 The budgetary relationship between the Durban Metropolitan Council and its Substructures**

From the total capital expenditure of the Metropolitan region the Metropolitan Council's share was 66% for 1996/1997 whilst in the following financial year the figure decreased to 59%. With regard to the operating expenditure the figures reflect that the Metropolitan Council had a share of 67% of the operating expenditure in 1996/1997 whilst in the following financial period this figure increased slightly to 68% (McCarthy, 1998: 23). In relation to all its

substructures together the Durban Metropolitan Council does have a larger slice of both the capital and operating expenditures. This is not unexpected because, in terms of its powers and functions, the Metropolitan Council is responsible for bulk infrastructure across the entire Metropolitan region both in terms of capital provision and operating and maintenance expenses.

The proponents of the unified city concept have, as their main argument the redistribution of wealth. As can be seen from the above figures redistribution ought to take place where the overarching metropolitan council has the largest share of both the capital and the operating budgets. If, in fact, the metropolitan council does not redistribute its share of the budget it currently has, it is doubtful whether it will effect redistribution, should it control the total operating and capital budgets. In the Durban region redistribution has taken place in a meaningful way. It must also be stated that at each local council level, redistribution takes place amongst the various entities that make up each local council's area of jurisdiction. For example, in the North Local Council approximately 65% of the rateable income is generated from Umhlanga whilst both in terms of capital and operating expenditures Umhlanga receives far less than what it contributes. This is so because the Council decided to spend money upgrading the underdeveloped areas under its control.

#### **4.12 CONCLUSION**

This chapter dealt with municipalities during the transition phase and the focus was on the Durban area. It covered the legislation that mapped out a programme for the transformation of municipalities, that is, the Local Government Transition Act (Act 209 of 1993).

It was important to demonstrate how the transition was executed and how its effects were felt on the ground. It must be remembered that when transformation takes place within an institution, its effects are felt both internally and externally. In the public sector the impact of transformation has far reaching implications, especially for the general public.

Particular focus in this chapter has been on the transformation of the North Local Council of the Durban Metropolitan region. Fine details of how its resources were rationalised and deployed were discussed. The difficulties with the transition were addressed as well as how the Durban Metropolitan Negotiating

Forum painstakingly pieced together transitional structures for the Durban Metropolitan area. The establishment of the Durban Transitional Metropolitan Council and its associated transitional substructure councils, as they unfolded, were provided in this chapter after which the next phase in the transformation programme, that is the interim phase, which saw democratically elected councils for the first time in South Africa, was also examined in detail. In this section the magnitude of the transformation of municipal government became evident and the lack of the management of change apparent. Clearly the most difficult aspect of the transformation proved to be the internal rationalisation of staff. Ordinarily staff rationalisation is a difficult exercise in any institution but what compounded the problem in the North Local Council were two critical issues, namely,

- i) political interference; and
- ii a lack of proper planning, in other words the change was not managed.

The result was that the Council ended up with staff working in the same building but with vastly different working conditions and service benefits. Strangely what held the council together was the management, that is, the permanent officials, in a very difficult set of circumstances. No wonder the management spent the better part of the transformation performing 'crisis management'. Polunic (1999: no page no.), a visiting French student attached to the University of Natal, is accurate in her thesis, **the system of local government: from apartheid to democracy**, where she states, *inter alia*, that transformation is too often equated with the firing of the 'old guard officials' and the appointment of party members instead of going to the root of the problem which is the lack of definition of a political role in relation to a technical one, and clearly delineating respective responsibilities, councillors think that they control the decision-making process by increasing their technical knowledge and appointing friends.

No doubt some politicians in the North Local Council would argue that had the politicians not been involved in the placement of staff the said Council would not have been transformed. The counter point to this argument would be that it could have been handled better by the politicians without them being directly involved in the placement process but merely establishing policy for transformation to take place.

Other aspects of the transformation such as by-laws, rules, regulations, policies, delegated authority and assets and liabilities and so forth for the different geographical areas have been included in this chapter. The chapter ends with some general practical issues as well as the results of a survey on the quality of life since the transformation of municipal government began in the Durban region. From the quality of life survey there is evidence that the transformation did have some measure of success, for example the Durban Metropolitan Council and its associated local councils had a unified integrated development plan. In years gone by it would not have been possible because within the Durban Metropolitan area were some forty eight municipalities each doing their planning independently.

## CHAPTER FIVE

### CHANGE MANAGEMENT WITH PARTICULAR REFERENCE TO THE DURBAN METROPOLITAN AREA

**“There is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system”.**

*Delavigne and Robertson (1994:141)*

#### 5.1 INTRODUCTION

This chapter is devoted to the theory of change and the management of change. Municipalities have already undergone substantial change and further changes which will take municipalities through to the final phase in its transformation programme are still to be implemented. The changes thus far were neither undertaken on a sound theoretical basis nor were they managed properly.

The different categories of change have been identified and explained. Municipal government underwent ‘transformational change’ in the first instance and will have the opportunity at the so called ‘final phase’ of its transformation programme to undergo ‘planned change’.

The reason for transforming municipal government has been placed within a theoretical context under the heading **THE ORGANISATION NO LONGER FITS REALITY** whereafter the process for change has been outlined. However, change as a process must be managed and it is within that context that the role of management in change is discussed. Critical variables in change such as *resistance to change* and *organisational culture* are also addressed in this chapter.

The changes taking place in municipal government is to, *inter alia*, institute democratic government and democratic values for governance. These democratic

values, which includes *representation*, *openness of policy making* and *accountability*, amongst others, have been elucidated upon.

The changes in municipal government impacted on all individuals and institutions in one way or another. Such impact on the various role players is provided in brief. The prolonged transition of municipal government necessitated a transition within a transition. In other words, during the interim phase, some municipalities are preparing for the final phase of transformation. This chapter is concluded with a section on the preparation for the final phase of transformation.

## 5.2 THE THEORY OF CHANGE

There is a saying that has become prominent in recent times and one suspects will become even more prominent in the future, which is, “**the only thing we are certain of today is change**”(anon). How true. The world around us is continuously changing. In the mid 1980's it would have been difficult to predict that within a relatively short space of time the system of government in South Africa would change so significantly from a system of apartheid to a fully fledged democracy. In fact most South Africans were not ready for such dramatic change. People from all walks of life are still getting used to such a turnaround of life in this country. Institutions such as private companies, large corporations, non-governmental institutions, community based organisations and even structures of government are still, in the late 1990's, grappling with the impact of these changes.

The key questions to ask in the wake of all of these changes are:

- > Were South Africans ready for all these changes?;
- > Were private companies and public companies ready for such changes?;
- > Were organs of civil society ready for these changes?; and
- > were organs of government prepared for these changes?.

What South Africans were used to in the past were minor changes that really only affected them slightly. South Africans were not ready for dramatic change.

Most South Africans have now woken up to this important phenomenon called "**change**". Change will become a permanent feature in our lives.

This being the case it is important to understand what change actually means. According to the Collins Concise Dictionary several meanings are attached to the word "**change**". There are, *inter alia*, the following meanings:

"to put or take (a thing) in place of something else";

"substitute";

"to undergo alteration or replacement", and

"the act or process of substitution, alteration or variation"(Collins Concise Dictionary, 1978).

The word "**change**" appears to be a bit mild for the purposes intended in this dissertation. Municipalities did not merely undergo an "alteration". Alteration may suggest that that which was altered retains its essential character. On the other hand, municipalities were not replaced. The essential elements of a municipality still remain intact. It will, for example, still possess its legislative and executive powers. It will also still retain its political and administrative wings. What will be different about municipalities will be the way it is to be structured, recognised by other spheres of government and how it will operate within a democratic environment to be both effective and efficient, and in the long term financially sustainable. These were the key elements that were missing from municipalities under the apartheid system of government.

A more pointed word to use to state what has happened and still is to happen to municipalities is "**transform**". According to the Collins Concise Dictionary the word, "**transform**", means *inter alia*, the following:

"... to change the form or appearance of ...";

"... to change the condition, character, or function of ...",  
(Collins Concise Dictionary, 1978).

Municipalities more than merely changed, they were transformed. Their character and functions have changed. They are now and will in the future be democratic and fully representative of the South African society. They will be developmental in nature and provide basic services to all its communities. It will act under the condition of being an essential organ of the state that will hopefully be sustainable.

Since '*transform*' encompasses '*change*' these two words will be used interchangeably in this dissertation which is concerned with the management of such change or transformation in local government. Perhaps at this juncture it would be important to also clear up the meaning of the other key word in this discussion which is '*management*'. Management is derived from the word '*manage*'. The Collins Concise Dictionary provides these meanings, namely, 'manage' means "to control or to have charge of", whilst 'management' means "the act, art or manner of managing, controlling, et cetera."

Change or transformation may be regarded as a planned or unplanned reaction to stimuli in the environment. Various factors, such as technological, economic, political, legal and labour developments may force institutions to transform (van der Waldt and Knipe, 1998:28). The most important concern of any institution is survival and according to Fox, Schwella & Wissink (1991:165) "... survival is only possible when the institution is able to adapt to the changes in its environment". In the case of municipalities in this country these factors for change included, *inter alia*, political, social and economic factors.

From all that has been stated about municipalities in the previous chapters there appears to be no doubt that these organs of government had to undergo significant transformation. In fact the transformation of municipal government is a key to remedying most of the social 'ills' that apartheid has left in its wake. The enormity of this task cannot be overstated. Because this transformation is so significant it has to be managed skilfully. The transformation of municipal government touches the lives of all the citizens of the country as well as impacts on every institution, whether public or private in one way or another.

With regard to the transformation of municipalities both the political and the administrative arms of municipalities had to undergo change. This created the need for two levels of change, firstly, the political level and secondly, the

administrative or institutional level. The first level of change took place with external stakeholders and the political component of councils which impacted severely on the administrative changes that took place because these changes had to take place within the ambit of the political framework. In that sense it was difficult to manage these unavoidable series of changes that took place at the political level. The administrative changes, however, should have been managed.

Establishing a new system of government is vastly different from instituting changes within an institution. What happened to municipalities in this country was that a new system of government (municipal government) was established which resulted in institutional changes becoming necessary. It was here at this second level, at the level of institutional changes that change needed to be managed within each municipality. This, unfortunately, was not the case. The fact that change was unavoidable, and the fact that institutional changes were dictated to in no small way by the political structures is all the more reason why the institutional changes at the administrative level had to be managed very carefully.

Organisational change does not only refer to a change in structure, but consists of the following seven important components:

- ii organisational structure;
- ii strategy;
- ii systems;
- ii management style;
- ii skills;
- ii personnel objectives; and
- ii organisational objectives (van der Waldt & Knipe, 1998:28).

‘Strategy’ as an element of organisational change relates to the intensity with which the change process is managed.

The ‘management of change’ is a multidimensional process instituted to guide an institution through a period of change. It involves informing personnel of the need to change, identifying agents of change, creating the environment that will be susceptible to change and ensuring that the objectives of the institution are adapted to meet the requirements expected of it (van der Waldt & Knipe, 1998: 28). Unfortunately the change process was not managed nor were agents of

change identified to solicit support for the changes experienced in municipal government. Change was only managed on an *ad hoc* basis by senior management as and when crises were detected.

When determining the transformation process the following key elements should be included in the process:

- ii duties to be performed;
- ii which employees will perform which tasks;
- ii informal organisational structures and procedures, and
- ii formal structures, processes, systems and procedures of the institution (van der Waldt & Knipe, 1998: 28).

The above issues are extremely relevant when effecting administrative changes. This was, however, difficult to undertake in an environment where there is political interference. The problem was twofold. Firstly, there were those senior management staff who for various reasons, resisted change and secondly, certain councillors had political agendas during the changes process.

### 5.3 CATEGORIES OF CHANGE

According to van der Waldt & Knipe (1998: 28-30), there are six categories of change, namely, planned change, reactive change, developmental change, transitional change, transformational change and change as a paradigm shift. Two of these categories of change are discussed below:

#### 5.3.1 Planned change

This is change done in an orderly manner and on time in anticipation of approaching events. Planned change allows an institution to plan strategically and is applied when the changes are far-reaching and expected to take place over a long period. This type of change also requires more time, resources and additional expertise for formulating and implementing the change process but at the same time could be more effective if minor changes to the activities of the institution are needed. The key to effective, planned change lies in accurately determining the type of change needed.

### 5.3.2 Transformational change

This type of change refers to radical change. An example of this type of change is the change that took place in the system of local government since the enactment of the Local Government Transition Act of 1993, especially in the metropolitan areas that saw local authorities fundamentally transformed. A two tier metropolitan government system was introduced wherein powers and functions between the two tiers were shared.

This type of change assumes that management will change its vision on variables such as values, its mission, culture and leadership.

In the theoretical evaluation of 'change', set out in this chapter perhaps the simple question to ask is, why change? Although the answer appears to be obvious from what has been stated in previous chapters it is nevertheless important in a study of this nature to provide an answer to such a question. The answer is provided hereunder.

## 5.4 THE ORGANISATION NO LONGER FITS REALITY

To start with, one can ask why was municipal government rapidly failing in the latter period of the apartheid era?. The simple truth is that the assumptions on which municipalities were built on, and run, did not fit reality. According to Drucker, "these are the assumptions that shape any organisation's behaviour, dictate its decisions about what to do and what not to do, and define what the organisation considers meaningful results" (Drucker 1998: 20). These assumptions Drucker says, is called the "*theory of business*" and is about customers, markets, technology and its dynamics and about a company's strengths and weaknesses (Drucker 1998: 20).

Well what about a municipality! A municipality could be likened to a business. In fact, it is in the business of providing services and goods and its ratepayers and consumers are its customers. According to Drucker (1998: 20), "every organization, whether a business or not, has a theory of the business". A valid theory that is clear, consistent, and focussed is a very powerful tool (Drucker 1998: 20).

Under the apartheid regime, municipalities' *theory of business* was very much dictated to from above. In fact central government utilised municipalities to propagate its policy of separate development. At the time municipal government started to fail in this country, its *theory of business* and the reality on the ground were not aligned.

The realities that municipalities faced, changed quite dramatically from those it still assumed it lived with. Put another way, the reality changed but the theory of business did not change with it. There were rent boycotts in Black areas and consumer boycotts in White areas. The scenario was that Black people who worked in White municipal areas and lived just outside that area, started to require municipal services in the area in which they worked because the area in which they lived couldn't satisfy their needs adequately for a variety of reasons. White run municipalities, on the other hand, were reluctant to incorporate large Black areas for fear of the high cost of upgrading these areas. Besides, at that stage the government's policy of 'separate development' still prevailed. The result is that the Black man started to urbanise at a rapid rate into White municipal areas and even squatted there, still without basic municipal services. It was unlikely that the Black man's requirements for basic municipal services would disappear. In fact it grew stronger. Hence, most municipalities were on the verge of collapse in the early 1990's.

Drucker identified four specifications for a valid *theory of business*. The first is that **"the assumptions about environment, mission and core competencies must fit reality"**. The country cannot, for example, have world class cities in which only White people live and thrive whilst the majority Black folk live in dire poverty without basic services on the fringes of these cities and be expected to provide labour in the cities. It was a failure. The environment is not going to be a passive recipient of whatever the city provides to it. The mission to provide anything must be tested against what is required on the ground. The core competencies must be aligned with the expectations of the people it serves (Drucker 1998: 20).

Secondly, **the assumption in all three areas have to fit one another** (Drucker 1998: 20). This is fairly self explanatory since it would be pointless if the mission did not suit the environment. In the municipal context in South Africa the environment has changed substantially. The mission, therefore, of municipalities had to change to fit into the environment.

Thirdly, **the theory of the business must be known and understood throughout the organisation.** This is easy when an organisation is still in its infancy. As the organisation becomes successful it starts to take its theory for granted and starts to become less conscious of it. The organisation then becomes careless and starts to cut corners. It begins to do what is expedient as opposed to doing what is right. It stops thinking. It stops debating within the organisation. It knows the answers but has forgotten the questions. The theory of business becomes a *culture*. Culture is no substitute for discipline. The theory of business is a discipline (Drucker 1998: 28).

In the old South Africa *the theory of the business* of municipalities was well known and understood by, especially, the bureaucrats. Their *theory of business*, of course, was within the policy of the apartheid system, including separate development. For example, small White municipalities would not undertake integrated development planning with their neighbouring Black municipalities.

Many of these bureaucrats have worked for these institutions for several decades. Since the transformation of municipalities began in 1994, in the pre-interim phase, a new refined *theory of business* started to emerge but was not made known and understood throughout the councils in many cases. Employees were at a loss as to the direction their councils were moving. In this situation they could hardly be expected to be effective. This would most certainly be the case especially if they were used to working under the old regime, they would need to be taught what the new *theory of business* is and why changes were necessary.

Fourthly, **the theory of business has to be tested constantly.** Needs continuously change, especially in a rapidly developing world continuously improving technology. An institution must constantly test its *theory of business* to ascertain whether it is still valid (Drucker 1998: 28). The *theory of business* of municipalities stayed the same for decades although the environments around them changed quite dramatically.

The new democratic government in this country forced an interim change which saw many White-run municipalities merge with neighbouring Black municipalities. Under the apartheid system of government, municipalities were used by the apartheid regime to promote separate development. At the time the

apartheid municipalities were failing, these municipalities *theory of business* did not fit reality.

But even today many municipalities, although merged with other smaller municipalities, are still going about doing business as they did under the apartheid government with just minor cosmetic changes. What municipalities needed was radical transformation. This is envisaged in the *final phase* of transformation as stakeholders embark on a new journey to once again restructure municipalities in South Africa.

Perhaps the most important question to ask is, whether the transformation of municipal government is actually being **managed** properly since its effects are so wide reaching.

## 5.5 MANAGEMENT OF CHANGE: THE PROCESS

Before any change can be implemented, a series of steps must be followed. Schein in Fox *et al.*, (1991:165) states that the sequence of activities which begins the change in the environment and ends with a more adaptive equilibrium for dealing with change, may be called the institution's adaptive coping cycle. Change is a means to an end, not an end in itself. It is a process that involves skill and must be preceded by careful planning. Planning can only be done when all the facts are gathered and all the circumstances understood. It is also important that all those stakeholders who will be affected by the change, 'buy-in' to the process of change as well as for the envisaged change. The process for the management of change can be stated as follows:

- ii Gather all the information necessary for decision-making.
- ii Evaluate the information and identify whether there is a need for change (diagnose any problems).
- ii Formulate a vision and joint direction.
- ii Formulate change programmes.
- ii Devise an implementation plan.
- ii Implement the change programmes (do away with the past, create a sense of urgency, support a strong leader and obtain political support).
- ii Formulate structures of authority.
- ii Communicate widely about all the mechanisms that will be instituted

to effect the change. Try to solicit participation. Be open and transparent.

- ii Strengthen and institutionalise change.
- ii Continuously evaluate the results (van der Waldt & Knipe, 1998: 31).

According to Smit and Cronje in (van der Waldt & Knipe, 1998: 30), "the management of change is a systematic process which can be divided into a sub-processes:

- ii awareness of the forces for change;
- ii recognition of the need for change;
- ii diagnosis of the problem;
- ii identification of alternatives for the development of the organisation;
- ii recognition of the restricting circumstances;
- ii selection of a method for change; and
- ii implementation and monitoring of change strategies".

These processes are important to ensure success in the management of change. However, before any change is instituted there must be adequate communication. In fact, communication must precede change. It takes communication to resolve or stimulate conflict (Fox *et al.*, 1991:165).

## 5.6 **ROLE OF MANAGEMENT IN CHANGE**

Management holds the key to change being either a success or failure. Although there are other roleplayers such as staff unions, customers and so forth which could hinder or help the change process management is considered to be the main driver of change. A positive attitude by management towards change is a prerequisite for its success. They must act quickly and decisively in order to ensure stability in a new system (van der Waldt & Knipe, 1998: 41).

Within the municipal context perhaps, one needs to clear up who the management actually is, because there are councillors who are the elected political office bearers and then there is the senior management such as the Chief Executive Officer and the heads of departments who are permanent officials and workers of the council. Simplistically stated the council establishes policy and the officials execute policy. Within a changing environment it would be unwise for the councils to institute changes especially on administrative matters such as

service delivery options and staff rationalisation without consulting and sometimes even negotiating with their management officials. The attitude by councillors that, 'we are the decision-makers and the management officials will do as we decide', is inappropriate and will stymie the desired changes. Councillors and their senior management must work as a team because policy-making and its implementation are really two sides of the same coin which renders the councillors and their management officials joint management of the relevant municipality.

Many of the changes in municipal government has focussed more on the political transformation whereas the administrative transformation has been given less consideration and prominence. At the end of the day any system could either work or fail, depending on the attitude of the roleplayers towards change.

#### **5.6.1 Public managers as change agents (the permanent officials)**

The role public managers play in every aspect of change cannot be underestimated. They play an extremely important role as the creator and sometimes the co-creator of a new vision, values, beliefs and expectations to recreate the institution (van der Waldt & Knipe, 1998: 41). Without management's support, change would be very difficult. In the public sector, if management were to cause difficulties, change would be almost impossible. Municipalities are public bodies that comprise people from various political parties. All these parties do not support the changes taking place in local government to the same degree, and management sometimes uses the disagreement amongst political parties to resist change.

To be successful, public managers must act as change agents. In other words, fully support the changes that have been decided upon. In this regard managers should develop employees, increase their needs levels, encourage them and elicit the support of all role-players that will be affected by the change (van der Waldt & Knipe, 1998: 41). Any public manager may act as a change agent, although any change agent may be a non-manager, for example a staff specialist (Fox, *et al.*, 1991:164)

Change agents must have legitimacy among the employees of the institution and must possess certain skills such as negotiation and communication skills.

### 5.6.2 Role of management in determining the need for change

Managers play a leading role in the management of change. As key players in the transformation process, they must convert the vision and mission into reality and 'sell' it to the rest of the personnel and in so doing their notion of change should have the following five elements:

- ii ***Dissatisfaction with the current situation.*** Management should always look for better ways of doing things. They must believe that every situation can be improved upon.
- ii ***Impartiality.*** Managers should encourage subordinate staff to make suggestions on ways to improve productivity.
- ii ***Self-confidence.*** Managers should not hesitate to implement change, nor should they be afraid of criticism.
- ii ***Confidence in subordinates.*** Mutual respect between management and employees reduces the fear of change.
- ii ***A possible attitude towards possible change.*** Managers who are aware of changes before the actual change is implemented, apart from responding to the challenges, deliberately plan for timeous change (van der Waldt & Knipe, 1998: 43).

It is necessary in municipal government when deciding the need for change, such as structures and institutional arrangements, that management be consulted and support such change which would instil in them the aforementioned elements thus enabling them to become agents of change. It should never be a one-way issue where the politicians decide on issues and instruct management to merely implement such changes.

### 5.6.3 Transitional communication: the role of managers

It is management's duty to convey the change strategy in detail to employees so that they can become a part of the change process. The purpose of transitional communication should be to emphasise *value change* which will encourage *behavioural change*. Passing on information will reduce conflict (van der Waldt & Knipe, 1998: 44).

The contact between management and employees should be utilised by management to promote change. It is also better for management to communicate personally with employees rather than through written communication which only creates suspicion and rumours (van der Waldt & Knipe, 1998: 44).

#### 5.6.4 Role of skills and training

A lack of skills, particularly management skills, may be an obstacle in the transition process. Managers must acquire new skills to manage the new, transformed system. The following aspects are important to prepare managers properly for change:

- ii "sensitivity to opinions, attitudes and perceptions towards change;
- ii clear formulation of objectives;
- ii flexibility and adaptability in changing circumstances;
- ii team-building to integrate all role-players affected by change as a team;
- ii establishment of networks to support the change process;
- ii tolerance of other points of view and opinions;
- ii communication and negotiation skills;
- ii political sensitivity;
- ii interpersonal skills and motivation of people" (van der Waldt & Knipe, 1998: 45).

If the above aspects of training receive the necessary attention, the change process should be managed much easier than if it were not.

#### 5.7 CRITICAL VARIABLES IN CHANGE

When a strategy for organisational change is prepared, certain key variables must be taken into account. These variables if not considered carefully may bring about delay and even failure of transformation. The two key variables in this regard are *resistance to change* and *organisational culture*. These variables will now be discussed.

### 5.7.1 Resistance to change

Change increases uncertainty and research shows that people dislike uncertainty. Change requires people to move from the known to the unknown. Both individuals fear that change may adversely affect them and therefore create barriers to change (Fox *et al.*, 1991:166). After a period of time in a given situation people do get familiar and comfortable with the environment. Change involves being removed from ones comfort zone and from that which is familiar to that which is uncertain. It is obvious that people will have doubts. They wonder whether and how they will be accommodated in the new situation and whether their skills and experiences will be acknowledged. They also wonder whether they will be able to keep up with the change. The immediate question by the affected persons is, "what will happen to me"? If this question is not answered there will be a lot of stress and anxiety which may lead to irrational behaviour and a drop in work performance (van der Waldt & Knipe, 1998: 46).

#### 5.7.1.1 Reasons for resistance

A few reasons for the resistance of change have been mentioned above. However, Mondy & Premeaux in (van der Waldt & Knipe, 1998: 46) elaborate on this as follows:

- ii uncertainty among those affected by change;
- ii possible loss of social status as people may have new designations;
- ii loss of income since people may become redundant;
- ii inconvenience - this may result from being relocated;
- ii affected persons may lose control over their own future because change is unavoidable;
- ii there are unforeseen implications because institutions are open systems and will continuously be subject to the force of change;
- ii individuals and groups may lose their power base as a result of change.

From the changes experienced in municipal government thus far, many of the aforementioned reasons for the resistance to change were prevalent, the underlying cause, however, could be attributed to historical racial problems in this country where experienced White and, to a lesser extent, Indian officials feared abandonment.

### 5.7.1.2 *Management of resistance to change*

The problem of initiating change is significant because people resist change, even when the intentions are highly desirable (Fox *et al.*, 1991: 66). Venter in (van der Waldt & Knipe, 1998: 48), proposes the following process in the management of resistance to change:

- ii *Determine the institution's readiness for change.* An institution's readiness for change is determined by the institutional culture and also by the way the institution handled change in the past.
- ii *Identify the origin of the resistance.* The origin of resistance stems from groups, individuals or coalitions.
- ii *Determine the nature of resistance.* Resistance to change could fall into one of three categories, namely, passive, active and aggressive resistance.
- ii *Diagnose the reasons for resistance.* The causes for resistance to change may stem from within (internal) the institution or from the outside (external). Internal causes may lie with the individuals and internal relationships. External resistance lies in the environment, for example, change in legislation.
- ii *Implement strategies for the management of change.* Many strategies could be used which often depends on the type and extent of the resistance. Such strategies include negotiation, co-opting, provision of information, training programmes, encouragement, recognition and financial rewards.
- ii *Evaluate and monitor the process.* This is important because if a programme does not achieve the desired results it must be stopped and a fresh programme installed. Early detection of a programme that is not working will save time, money and frustration.

According to Fox *et al.*, (1991:167) sensitivity training, non-directive counselling and group processes presupposes that changes are more likely to be accepted by persons who have been favoured with an opportunity to determine the content and the process of change.

### 5.7.2 Organisational culture

The definition of organisational culture is provided under the heading 'terminology' in chapter one. An organisational culture once established, is difficult to change. It influences the way an institution operates and if it has to change it often must be worked at over a period of time. This is an important issue to understand as transformation and change are only possible by "the adaptation of an institution's culture" (van der Waldt & Knipe, 1998: 52-53).

There are two approaches to organisational culture. The first view is the *scientific rational* approach and the second view is the *anthropological* approach. According to the scientific rational approach "cultural change is simply 'social engineering' - a rational, technical, physical and scientific activity aimed at manipulating the culture of an institution" (van der Waldt & Knipe, 1998: 52).

In contrast with the scientific rational approach the anthropological view assumes that institutions are part of the broad cultural environment and not *vice versa*. This approach maintains that societies have and are a culture. Institutions operate within this culture and therefore cannot have a culture of its own (van der Waldt & Knipe, 1998: 52).

## 5.8 MOVING TOWARD DEMOCRATIC LOCAL GOVERNMENT

The big question facing all spheres of government in the new South Africa is which would be the shortest route to rid the country once and for all of the ills of the past. In other words which would be the best possible way to redress the imbalances and inequalities of the past and how to deliver sustainable services within the context of true democracy?

The structures so created must give citizens the full opportunity to participate in shaping the country's political future. This means going beyond the realms of "Purely Representative Democracy" (Sabela & Reddy 1996: 10 ). The need for this is several viz ;

- Instil confidence in the government of the day. Such confidence is sadly lacking by the majority. Citizens had no faith in the previous government;

- the process would educate people in the matters of government because of the apartheid past people were and still are reluctant to participate in;
- to rid the country of the elitist politics which “monopolised politics without the genuine consent of the masses, pursuing their own interests to the detriment of the majority (Sabela & Reddy 1996: 10);
- rebuild communities torn apart by apartheid, and
- allow people to benefit from majority decision-making i.e. to shape their own future.

Local government must be transformed to enable all stakeholders to utilise their newfound political strength individually and collectively for the promotion of democratic values at local level. Some of these values for sound governance, are discussed in the following paragraphs (Sabela & Reddy 1996: 11).

#### 5.8.1 Representation

Representation is an essential element of democracy. Unfortunately the system of apartheid deprived the majority of South Africans proper representation in government, especially at the local level. The idea of representation in a democracy suggests that majority views or desires will prevail over that of minority views. But in a democracy, minority views will at least be tabled, considered and debated. In other words, local government under the new order in South Africa will carry the representation of all the citizens it serves. This does not mean that each citizen's desires will be fulfilled and there may often be differing views. Only majority views in a democracy will be satisfied. That is how democracy operates.

It would be up to the elected representative to decide on a particular issue whether his constituencies wishes conflicts with his own and whose view to put forward. He would be the best judge of the situation. “Local government democracy further demands that it is not just the representative who goes to a higher level, but also the citizens' decisions”.

### 5.8.2 Self Determination

The demands that must be placed on elected representatives in South Africa is for them to work closely with their constituencies. Self determination means that the citizens truly participate. This could be achieved through various interest groups such as civic associations and ratepayer bodies. This presupposes that wards will be manageable in size so that "public opinion can be sounded". Councillors are not only elected by their parties but by the electorate from the ward. Therefore, councillors would do well to solicit the views of their constituents as well, and not only that of their parties. This ties in with respect for societal values.

### 5.8.3 Constant dialogue (Two Way Communication )

There must be constant communication between a councillor and his or her ward. Meaningful dialogue could not take place previously because the majority of citizens in South Africa were excluded from participating in local government activities. Dialogue means receiving and imparting information. Such dialogue must be regular. A councillor who gets active only during an election campaign normally leaves the electorate in no doubt as to his motives (Sabela & Reddy 1996: 11-12).

This ties in perfectly with the thinking of the legislature in this country. Municipalities are now required, in terms of the laws of the country to communicate with the electorate. These laws have been quoted in the previous chapter herein under section 4.8.6 . It must be noted that it would be practically impossible to gather everyone's views on all key issues. Therefore municipalities must devise mechanisms to achieve this objective. In this regard the Draft Municipal Systems Bill under section 6 states the following:

#### **"Mechanisms, processes and procedures for public participation**

**6. (1) A municipal council must establish appropriate mechanisms, processes and procedures to enable residents, communities and community organisations in the municipality to participate in the local affairs in the municipality, and must for this purpose provide for -**

**(a) the receipt, processing and consideration of petitions and complaints lodged by residents, communities and community organisations in the municipality;**

**(b) the receipt, processing and consideration of written objections and representations with regard to any matter with regard to which it is required to invite public comment;**

**(c) public meeting of residents, on a ward or any other basis;**

**(d) public hearings by the council and its committees when appropriate; and**

**(e) surveys among residents when appropriate and the processing and publication of the results”,(Systems Bill, 1999: 7-8).**

The section following the above quoted section in the said Bill require municipalities to cater for people who cannot read or write, people with disabilities and disadvantaged groups (Systems Bill, 1999: 8).

The extent to which the legislature has gone could prove to be costly to municipalities. Firstly, direct costs in which the municipality would have to spend money on newsletters and other publications as well as hosting public consultative meetings and so forth. Secondly, municipalities may incur indirect cost in delays because consulting is time consuming. Municipalities must not over consult nor under consult but strive to strike the correct balance in this regard. From what is stated above, under-consulting would result in municipalities contravening the law and effecting unpopular policy decisions. Should they over-consult then they would suffer from **consultation paralysis** which is just as bad as not consulting or under-consulting. In this regard municipalities must be creative.

#### **5.8.4 Openness of policy making**

Previously, local authorities did not practice openness when formulating policy.

The democracy in South Africa is still settling. On the one hand, people who had all the privileges under the apartheid regime find that minority views find little support when weighed against the majority views whilst, on the other hand the majority of South Africans have unrealistic expectations. The pressure felt by local authorities because of the diverse needs, placed upon its limited resources, is extreme. In being open with its policy-making, local authorities must lead and at the same time, be led. It must bear in mind that it serves the interests of the whole community and not that of particular interest groups. After listening and debating various views, it must make the decision. The municipality is the statutory body empowered to establish policy (Sabela & Reddy 1996 :12).

However, difficult it may sometimes be, it would be in the best interest of the local authority to be transparent in its decision-making process. Its decisions must be able to withstand public scrutiny.

#### **5.8.5 Accountability**

An essential aspect of any public body is that that body must be acceptable to the public it serves. Its office bearers could be called at any time to give account for their actions. Accountability means to be able to give an account at or any time for action taken. This is an essential aspect of public life (Sabela & Reddy 1996: 11).

#### **5.8.6 Managing the finances in local government**

Local authorities must have adequate financial resources to meet its aims and objectives. Other capacities such as human resources and equipment are dependant on a local authority's financial capacity. Lack of delivery is easily noticeable at the local sphere of government. Service delivery or the lack of it has a major impact on the lives of people. For many people in South Africa, mainly impoverished and illiterate, the concept of government commences and ends at the local level. Having been deprived for so long their expectations are high and that is why local authorities must ensure that all available money is effectively spent (Sabela & Reddy 1996:12).

#### **5.8.7 Efficiency and effectiveness**

Whenever efficiency and effectiveness as phenomena come under scrutiny in the

public sector, the question of their measurability comes to the fore. Such intangible objectives as, "the promotion of the general welfare", in the public sector make it difficult to measure efficiency and effectiveness (Hanekom, Rowland & Bain, 1986:211).

Despite these difficulties the public sector must make every attempt to achieve efficiency and effectiveness. Nonetheless, there are many areas in the public sector that both efficiency and effectiveness can be monitored (Hanekom *et al.*, 1986: 211).

It is necessary to understand the difference between efficiency and effectiveness. In the context of this discussion efficiency denotes the "how" of government action; that is to say, the ways in which functions and activities are carried out. In contrast, to this effectiveness denotes the result of such function or action, that is to say how successful it is. According to Hanekom *et al.*, (1986:212) in practice an authority may be efficient without being effective, that is, without achieving the optimal realisation of its purpose. It is interesting to note from Hanekom *et al.*, (1986: 212), with the aid of an example, that the converse is also true where an authority solves some problem by sheer luck. This is the example, **"compare for example the performance of a first-class rifleman with that of a five-year-old-boy. Despite his skill and experience the practised shot (efficiency) will not invariably score a bull (effectiveness), while the inexperienced boy might well score a bull with his first shot by a fluke"** (Hanekom *et al.*, 1986:211).

These two terms are therefore not synonymous but are closely related and in practice difficult to separate (Hanekom *et al.*, 1986:211).

With the pressure for service delivery coupled with a lack of resources, municipalities must ensure that they are both efficient and effective. Public servants in the old South Africa were reputed to be inefficient. If new local government structures are to be successful they need to be efficient and effective. To this extent municipalities can utilise the expertise of the private sector. One way of doing this is to 'out-source' certain services. In so doing municipalities must be transparent about this and negotiate with all stakeholders including the unions.

The aforementioned norms, necessary for successful governance was sadly lacking during the apartheid era, must be incorporated into any new dispensation. But these norms would not be achieved without a proper framework. You cannot have efficiency, for instance, within an inefficient framework. You would end up with efficient inefficiency which is worse than just ordinary inefficiency. Hence, any restructuring must create the environment for the practice of these norms and standards.

#### 5.8.8 **Restructuring**

In any restructuring exercise one needs to distinguish between what needs to be changed with what shouldn't change. The normative values described above, for example, should not be changed unless the values of the relevant society changes. Municipalities *current theory of business* is an example of something that should change. In the restructuring of central and provincial governments a complete and effective restructuring took place. Municipal government on the other hand only underwent *patching* and *spot-welding*, so to speak, during the pre-interim and the interim phases and according to Drucker, "that never accomplishes anything" (Drucker 1998: 251). There would be no results unless there is a radical change in the way municipalities are managed. The habit of continuous improvement must be built into all municipal structures (Drucker 1998: 251).

What is equally needed is '*benchmarking*': every year comparing the performance of municipalities with other municipalities or similar institutions, with the best becoming the standard to be met by all the following year (Drucker 1998: 252). Continuous improvement and benchmarking are foreign concepts in municipal government and administration. These issues must be brought to the attention of all the roleplayers as essential ingredients to achieving long term success in municipal government and administration.

Another point to consider is that any organisation whether biological or social, ought to change its basic structure if its size changes substantially. Any organisation that doubles or trebles in size must be restructured. Further, any organisation including government must rethink itself once it is more than forty or fifty years old. By that stage it would have outgrown its policies and rules of behaviour. If it continues as it did for too many years it becomes ungovernable, unmanageable and uncontrollable (Drucker 1998: 253).

### 5.8.9 Rethinking

The first reaction in a crisis situation is to do patching and then to do downsizing. This may not always be the best remedy. Many top companies have tried this in a panic and did not solve the crisis, for example, IBM, Sears and General Motors. According to Drucker (1998: 253), “in many if not most cases, downsizing has turned out to be something that surgeons for centuries have been guarded against: *amputation before diagnosis*. The result is always a cripple”.

It is therefore important for organisations to “rethink” themselves before taking any action. A large hospital in Boston called Beth Israel did turn itself around after a crisis by firstly rethinking itself. This company knew that if they start reducing expenditure it would not get control of its costs. The starting point is to identify activities that are productive, that could be strengthened, promoted and expanded. (Drucker 1998: 254). To adapt this to a municipal environment, municipalities must look at their strengths, that which they are good at and which is well received by the public at large. For example, it might have a good public transport system that is fairly well supported by the public, it needs to strengthen this further, promote it and think about the benefits if it was expanded. If the municipality was undergoing a crisis and it started to retrench staff it would be disastrous in this instance if it retrenched staff in its public transport division.

According to Drucker the best guide for organisations to rethink itself would be for the organisations to take every policy, every programme and every activity and ask these questions: “What is your mission?”, “Is it still the right mission?”, “Is it still worth doing?”, “If we were not already doing this, would we be doing it now?” (Drucker 1998: 254).

The overall answer is hardly ever “This is fine as it stands; let’s keep on”. In many cases the answer is likely to be “yes we would do it again, but with some changes. We have learnt a few things” (Drucker 1998: 254).

According to Drucker, “we need something we do not have: a theory of what government can do”. Many writers, the author claims, deals with the process of government: with constitutions, with power and its limitations, with method and organizations. No one deals with the substance. Nobody asks what the proper functions of government might be and could be (Drucker 1998: 262). Rethinking

government will give us the factual information but not a new political theory. The new political theory needed “rests on an analysis of what does work rather than on good intentions and promises of what should work because we would like it to”. Rethinking will not give us the answers but compels us to ask the right questions (Drucker 1998: 262).

Just how far have we stuck to the theory in our quest for a new dispensation for municipal government in South Africa?

## **5.9 THE ROLE AND IMPACT OF THE TRANSFORMATION PROCESS ON THE VARIOUS STAKEHOLDERS**

The transformation of local government started to impact on the lives of everyone in one way or another. For example, the consumers of electricity and water in the Tongaat area have to deal with the Durban Metropolitan Council which is the new supplying authority for water and electricity in the region. Staff and councillors had to get used to this situation. Hereunder are some brief points, some of which have been taken from personal interviews regarding the role and impact the various stakeholders experienced in the transition up to this stage.

### **5.9.1 The role of the administration in the transformation of local government**

As was mentioned earlier, the transformation of the administrative arms of municipalities is far more complex to deal with than the transformation of the political arm of municipalities. At the start of the transformation several changes that took place and are still to take place, does not and will not take place in a vacuum. The officials played a vital role in the transformation of local government.

Part of the complexity has been dealt with in some detail in sections 4.4.7.1 above. The administration played a key role towards achieving the administrative rationalisation. Most councillors came into office for the first time and were not *au fait* with local government administration. They had to be taught by the officials in most cases. The politicians did have a feel for what changes were necessary but it was the officials who undertook the preparatory investigations and presented reports to council to take policy decisions regarding the changes

in respect of the rationalisation. The officials, mainly the management staff, through their experience, know what would work and what would not work and advise the council accordingly. For example, the council has inherited a monumental building in a suburb called Waterloo. Waterloo is an area where the North Local Council is currently undertaking a large low cost housing project that will provide approximately 7000 homes. It was suggested by the officials to the council that the Housing Department relocate to the monumental building in Waterloo where the key housing staff from the Tongaat, Verulam and Hambanathi entities could be situated. It was also suggested that a minimal housing service be provided in the Tongaat, Verulam and Hambanathi areas. This was supported by the full council and the move was effected without disruption to the housing service (Mudaly 1999: interview).

The treasury staff had commenced with a common set of books for the entire North Local Council whilst at the same time prepared the financial statements for the previous year on an individual basis, that is, per entity. The balance of the staff had to start thinking and operating for the entire North Local Council rather than their previous location of a single entity. For example, the key staff in the Engineering Department were mostly located in Umhlanga from where they were required to prepare budgets, undertake capital projects and maintain the entire North Local Council area. This was new territory which they hardly knew and proved to be quite a challenge especially with public expectation fairly high. The reason that most of the engineering staff were located in Umhlanga was because staff from the other entities either resigned, retired or became medically boarded. This loss of staff was not peculiar to just the Engineering Department of the North Local Council, all departments suffered the same fate. Several staff members were dismissed for corruption whilst two key staff members were dismissed for gross negligence and/ or gross incompetence in the performance of their duties (Naidoo 1999: interview).

In terms of impact the administration had to undergo severe stress and strain. Firstly, staff morale was low due to staff not being certain whether, when and where they would be placed. Secondly, working on a decentralised basis within the North Local Council as well as elsewhere in the Metropolitan area did raise stress levels among staff members. Quite often senior staff could not keep track of where their staff might be working. A further impact was the lack of proper office accommodation. Within one department staff was decentralised. The union/ management power play was also a distressing factor. No sooner had

management tried to get something going than the unions showed their frustration because they required to be consulted whilst management felt it was not an issue that the unions should be consulted on.

In terms of the transition, the administration certainly did play a vital role and the impact of the transformation on the administration was severe.

### 5.9.2 The Councillors

During the pre-interim phase of transition as described in chapter 3 of this research, councillors were nominated. Fifty percent of the councillors were made up of members from the non-statutory component and the other fifty percent of the councillors came from the statutory component. At that stage party politics very clearly entered municipal government in a big way. In the North Local Council as with many other councils, party alliances were formed.

This first set of councillors, whether from the statutory component or the non-statutory component, experienced quite a unique feature of local government in this country. For the first time both wealthy and poor areas were within the same municipality and councillors from both these areas served alongside each other and competed for the same resources. This was quite a challenge for these councillors when compared to the apartheid era.

Councillors are expected in the first instance, to serve the overall interests of the council and then their constituency (North Local Council, 1996: 4). This is not a bad principle to practise but extremely difficult to defend if you are a councillor from an area that did not receive municipal services previously, and are still not making much headway during the transition phase or if you are a councillor from a wealthy area such as Umhlanga and services have dropped dramatically in your area in favour of providing services to new areas, yet the largest slice of rateable income of the council is derived from your constituency. Councillors had to manage this situation which certainly had an impact on them, in no small way.

One of the most stressful times of the North Local Council was the point at which the Council decided to equalise its property rates. This meant having a single rates base on a common valuation roll.

During the interim phase, democratically elected councils came into power. Sixty percent of the councils were made up of ward councillors and forty percent based on party proportional representation. Of the ward councillors fifty percent of the wards came from the Black areas known as "B" areas. The purpose of this inclusion in the elections regulation was that African areas were badly neglected during the apartheid era and this was an effort to bring in proper representation from the African areas.

In the Durban Metropolitan area before the elections, that is, during the pre-interim phase due to the alliances between political parties, the IFP was the dominant party. After the elections throughout the Durban Metropolitan area the African National Congress became the dominant party.

Many of these councillors began holding office as councillor for the first time. They had to get on the job training. It was particularly difficult in the Durban Metropolitan area with six local councils plus the metropolitan council. Each of these councils resource base was substantially different. This was not appreciated by the councillors. For example, whatever one mayor had all the mayors demanded. If one mayor had a bodyguard and a chauffeur all mayors, supported by the parties, demanded the same.

This was irrespective of whether their councils could afford it or not. Councillors started to demand offices, telephones and secretarial staff. With the merging of municipalities and the inclusion of areas that were not covered by municipalities under the old system of government, most councils in the metropolitan area experienced a shortage of resources. Municipalities could not afford equipping all their councillors with telephones and offices, let alone secretarial staff.

Over a period of time compromises were worked out. For instance, just the Mayor and the Chairman of the Executive Committees throughout the metropolitan area were given offices and secretaries.

### **5.9.3 Officials - The human resources factor**

Human resource management is an essential activity of municipal government. Only with adequate human resources can a municipality attain its objectives. Personnel in municipalities are required to, *inter alia*, implement policy, manage service delivery and render services (Penceliah, 1996: 113).

Since the transformation of municipal government was not managed properly the impact of the transformation was very severe on the officials. Quite often officials were kept in the dark as to where their future stood with their council. In the North Local Council the Treasurer, Deputy Treasurer, two Engineers, the Director of Planning, Deputy Director of Planning, Manager of Administration & Personnel, a Senior Accountant, the Director of Protection Services and the Manager: Legal and Estates either resigned, took early retirement or applied to be medically boarded within the first year of the transformation. Many mid-management and junior staff also left the services of the council during the same period. An institution can easily be crippled when it loses so many members of staff in such a short space of time, many of whom held senior positions. Many of these staff members were uncomfortable with the transition and some of them even left the country to settle abroad. Much of the uncertainty amongst the staff could have been avoided had the change been managed properly. It would obviously be difficult to please everyone and whilst managing the transformation won't guarantee that staff would not leave the services of the Council it would certainly reduce the number of staff members vacating their posts.

Unfortunately the transformation was focussed on the political arm of municipal government and little attention was given to the administrations of municipalities. Whenever attention was given to the administration it was coupled with political interference which sometimes became untenable for the officials. The rationalisation of the staff of the North Local Council has been addressed in the previous chapter (see section 4.5.7.1.1)

#### 5.9.4 Affirmative action

Affirmative action has been another factor that has further added to the complexity in the rationalisation of the administrations of municipalities. There are many definitions of affirmative action. The one best suited to this dissertation is the definition provided by Khoza (1999: 40), who stated that:

“Affirmative action is a form of **positive discrimination** used as a measure to **correct imbalances** created by generations of oppression. It has been called different names at different times: whether you call it affirmative action, Black advancement, equal opportunity employment, or strategic resourcing (the

latest version), the issue remains: the need to redress discriminatory employment practices” (Herholdt & Marx 1999: 40).

Whilst undertaking the internal rationalisation of staff that has arisen out of the merger of various autonomous institutions the question arises - should this be an opportunity to implement an affirmative action programme?. Certain councillors and certain trade unions think that this is an ideal opportunity to implement affirmative action. This means that certain councillors and certain trade unions think not. In today’s practice of human resource management, the tendency is to adopt a kind of compromise approach (Carrell *et al.* 1998: 235). In other words, where it is feasible to implement affirmative action during internal rationalisation of staff, this must be done, but with great sensitivity and consultation with all affected persons. Affirmative action should not be carried out without a proper strategy or programme in place, especially during a transition. Affirmative action must not be seen as a single event but rather a journey that takes time to achieve. When a programme or strategy is in place which has been properly workshoped with all roleplayers particularly the employees, there tends to be greater support for such programmes. The negative impact that may arise is minimised. All roleplayers become a part of the programme and buy into it.

Perhaps the point being made here is to guard against **forced Black advancement**. The initial purpose of Black advancement was to develop the skills of Black people which was never encouraged during the apartheid era (Herholdt & Marx 1999: 40). When forced Black advancement takes place the following problems arise according to Herholdt & Marx:

> **Window dressing** is a prime example. This is often done to create a favourable impression to other stakeholders. The problem is these beneficiaries hold senior positions without having a say in corporate matters. When this approach is used the company remains fundamentally unchanged and it is expected and accepted that the incumbent will not perform (Herholdt & Marx 1999: 40).

> Many affirmative action appointees see their appointments as nothing more than **tokenism**. This strategy will have an adverse effect on productivity,

motivation of the beneficiary and the long term success of the institution (Herholdt & Marx 1999: 41).

> **Favouritism or preferential treatment** is an extreme measure to remedy imbalances in the workplace. According to Daniel (1999:42), if preferential treatment is implemented in the correct context it will not be seen as discriminatory. The situation created by apartheid may necessitate extreme measures. Fischer in Herholdt & Marx points out that from “research undertaken in terms of access to training and development, opportunities were found to be an acceptable form of preferential treatment. It would appear that the favouritism strategy is only successful when people from the disadvantaged groups benefit from training and development programmes (Herholdt & Marx 1999: 42).

In the rationalisation exercise of the North Local Council a measure of **forced Black advancement** was instituted where several staff members were placed in positions well beyond their abilities. This issue should not be taken lightly as Herholdt & Marx has this concluding remark to make on this topic:

**“It can be concluded, therefore, that forced Black advancement usually has negative outcomes as it often gives rise to window-dressing, tokenism and favouritism. This strategy can usually be implemented as a result of political pressure and in most cases lead to a negative reaction among the workforce peripheral to the affirmative action process, who sees it as reverse discrimination. Ironically, beneficiaries also experience this strategy in a negative way. This may be due to their inability to perform, or as a result of White backlash “(Herholdt & Marx 1999: 44).**

This issue of implementing affirmative action during internal rationalisation of staff must be considered very carefully by all the stakeholders in municipalities throughout the country since there is another rationalisation process due shortly after the next municipal elections. All stakeholders mean councils, trade unions, management staff, and other interest groups such as the chambers of commerce and civic and ratepayer bodies.

The seven municipal administrations of the metropolitan area will be further rationalised during the final phase of transformation and if affirmative action is going to be implemented when this happens then training and development programmes should commence immediately, if not already started.

#### 5.9.5 The Trade Unions

The definition of a 'union' as provided by Carrell *et al.*, (1998:235), is the following:

**“A union is an organisation of workers formed to further the economic and social interests of its members”.**

Trade unions have become an integral part of all working environments. They have an important role to play generally and a very important role to play in any rationalisation exercise. The decisions they take on behalf of their members has an impact not only on their members but on the institution as a whole.

In the rationalisation of the administration of the North Local Council, the unions did play an important role without whose overall support the transformation would not be at the stage it is in, currently. Whilst the unions attempt to gain maximum benefit for its members this may not always be in the best interest of the institution. Likewise whilst the council will strive to gain maximum benefit for all its constituencies same may not be in the best interests of the union's membership. Quite often deals need to be struck and compromises reached.

An example of one area of transformation might highlight the unions attitude in general. In the North Local Council the refuse service required rationalisation as it was different amongst the different entities. The situation was as follows:

- > Umhlanga residents enjoyed a refuse collection service of **two bags twice per week;**
- > Tongaat residents had a refuse collection service of **one bag twice per week,** and

> Verulam residents had a refuse collection service of **one bag once per week**.

It was the intention of council to provide the same refuse service to all areas by providing a collection service of **two bags once per week** and levying the same tariff to all users of the service (North Local Council, 1999b). It was further decided to utilise the excess capacity arising therefrom to extend the refuse collection service to areas which did not receive such a service. These were mainly the informal settlements and a 7000 unit low cost housing development named Waterloo. The Central Councils within the Durban Metropolitan region currently provide a refuse collection service of **two bags once per week**. This was the noble intention of the North Local Council. The unions delayed implementing this system for seven months with every excuse imaginable. Eventually the unions cinched a deal with the council on a non related issue which enabled the council to implement its new refuse collection service.

To the question of role and impact, yes, the unions did play a role both positive and negative. Their impact on the transition was felt and will be felt for many years to come.

#### 5.9.6 **Ratepayer and other community based organisations**

In the new South Africa there are many clichés or buzz words. One such word is *consultation*. Municipalities are expected to consult on almost everything these days. Section 10G (1) (g) of the Local Government Transition Act, Second Amendment Act, 1996 states that municipalities must:

**“Annually report to and receive comments from its community regarding the objectives set in its integrated development plan”.**

Further in this regard the Constitution of the Republic of South Africa, which is a later Act than the one aforementioned, states under Section 152 (1):

**“The objects of local government are -**

.....  
**.....(e) to encourage the involvement of communities and community organisations in the matters of local government”.**

Arising from the provisions of the Constitution of the country the draft Municipal Systems Bill dated 29 March 1999 provides an entire chapter on **PUBLIC PARTICIPATION** (see chapter 2 - Draft Municipal Systems Bill dated 29 March 1999). Under the heading **encouragement and facilitation of public participation** the aforementioned draft bill states under Section 1. (2) **“To facilitate such participation, a municipal council must -**

.....  
**(d) keep the residents and the communities in the municipality and, where appropriate, the national government and where relevant provincial government, informed about its main activities”** (Systems Bill, 1999: 7).

With this strong message coming from both the government and organs of civil society the North Local Council has certainly consulted widely on key issues affecting the community. The North Local Council consulted with the ratepayer and civic associations and all other interest groups such as the chambers of commerce and sports bodies since its inception on the annual estimates as well as its integrated development plan. It was the civic associations who forced the rationalisation of a single rates randage on a common valuation roll which in turn had an impact on the rationalisation of the administration, particularly the finance service unit.

In the North Local Council area there are three main umbrella civic associations each with many affiliates under their wings. These three are the Tongaat Civic Association (TCA), the Verulam Combined Civic Association (VCCA) and the Northern Allied Ratepayers Association (NARA). Each of these associations represent constituencies that are vastly different in terms of their race, wealth, infra structural requirements, ability to pay for services and so forth and as such they each possess divergent views. TCA and VCCA represent areas that have been receiving partial municipal services in the past because of their limited

ability to pay for such services. In the main these services have been limited because of poverty. Both Tongaat and Verulam are dormitory towns with low economic bases. On the other hand NARA's constituency is fairly affluent and had full municipal services in the past. Under the separate rating system Tongaat and Verulam ratepayers had to pay fairly high property rates and vigorously pushed for a single rates randage on a common valuation roll whilst NARA vehemently opposed this claiming that it should be phased in over a period of time.

The North Local Council saw fit during the 1997/98 financial year to institute a single rates randage on a common valuation roll. The effects of this is covered under section 4.4.7.1.5. The point to make is that after this exercise was over the main civic bodies decided to join forces and work together. In other words, have a common approach when negotiating with the North Local Council on various matters particularly the annual estimates. In this regard they signed a record of understanding and launched themselves as the Northern Allied Civic Forum on 17<sup>th</sup> November 1998 (North Local Council, 1998).

Another role performed by the civic bodies was their participation on a **BUDGET MONITORING COMMITTEE**. This was a committee established by the council which had civic representation on it to steer the budget through and to ensure that budgetary provisions were spent both cost effectively and efficiently. This committee has been successful in achieving its objectives (Naidoo 1999: interview).

The ratepayer bodies certainly played a vital role during the transformation of the administration and definitely had an impact on its outcome.

#### 5.9.7 **The general public**

The citizens at large - everyone claims to represent their interests, from the councillors, to the civic and ratepayers associations, to the religious groups and even the officials. But the general public - what role did they play in the transformation of municipal government? The entire transformation was undertaken for their benefit. The democratising and restructuring of municipal government was to take basic municipal services to the masses who were deprived of such services previously.

The general public played an important role in the transformation by drawing to the council's attention the various problem areas that required attention. Requests by individuals are also given due attention.

#### **5.10 A TRANSITION WITHIN A TRANSITION**

Now that the above legislation is either approved or still being drafted, does local government operate as they currently operate or do they begin to operate as they anticipate they would in terms of the new legislation which would no doubt make life a lot easier when the new legislation becomes effective as municipal government reaches the final phase of its transformation? If they don't have some degree of readiness then the day after the next municipal election and the weeks and months that will follow will be totally chaotic. For example, where would a re-zoning application from a property developer in Tongaat get processed? Would officials based in the North Local Council area possess the delegated authority to adjudicate re-zoning applications or would a sub-council be in place with the necessary authority to process such an application? If issues such as this are not sorted out prior to the next election same would have to be processed at Metropolitan Council level. To co-ordinate same would be time consuming and extremely difficult. The agendas would be fairly substantial. Property developers, business houses, civic associations, consumers and residents would be concerned about long delays in processing their matters. In fact the chaos and delays that could be caused would be detrimental to the economy of the country and should not be taken lightly.

The next issue to deal with is the level of readiness that one needs to achieve before the next election. How far does one structure municipalities bearing in mind that when the new council is elected it may wish to change things completely from the way they were prepared, especially if there is a new political complexion on these councils. In preparing for the changes there needs to be a kind of Plan A and a Plan B. One needs to be fairly flexible.

The metropolitan councils and local councils of Johannesburg, Cape Town and Durban have begun setting up structures to look at the anticipated changes. In Durban the structure is called the Unicity Committee and made up of representatives of all seven councils within the Durban Metropolitan region.

### 5.10.1 Unicity Committee

The Unicity Committee was established by the Durban Metropolitan Council and its associated local councils, by agreement. A **Deed of Agreement** had to be approved by all seven councils, which it was, and the Mayors and Town Clerks of these councils were nominated to sign the agreement on behalf of their councils (see extract of council minutes dated 13<sup>th</sup> May 1999 per *Annexure 10*. The Mayor and Town Clerk of the North Local Council signed the said agreement on 26<sup>th</sup> May 1999. In view of the importance of this agreement a full copy of the agreement is appended hereto labelled *Annexure 11*.

The crux of the agreement is to be found under chapter ii, clause 6 of the agreement. In essence the Unicity Committee has been appointed by the seven councils to be its agent in preparing for the envisaged unicity, that is, a category 'A' metropolitan municipality with full executive authority which will have a single administration. It is further mandated to:

- > to take decisions on any staff, financial or policy matter which would impact on the future Metropolitan Council;
- > instruct the respective Chief Executives officers of each of the councils to take preparatory steps as may be necessary or incidental to the introduction of new administrative and delivery systems for the new, still to be elected, Metropolitan Council;
- > make the necessary representations on behalf of the seven councils on any legislation, including subordinate legislation that will impact on the future metropolitan council; and
- > make representations to the seven councils on legislative changes necessary for the future metropolitan council (Unicity Agreement, 1999).

The Unicity Committee is a political structure put in place to prepare for the next phase of the transformation of local government. It is made up of councillors from across the seven councils and is based on a system of proportional representation for each political party serving in the metropolitan area. The

seat(s) per political party is in the same proportion as the parties are represented across the metropolitan area.

Backing this political structure are a series of technical task teams made up of officials across all seven councils from the various disciplines. They are the following technical task teams, namely,

- > Institutional Systems;
- > Finance;
- > Legal;
- > Human Resources; and
- > Boundaries.

Although the Unicity Committee was only established recently these working groups have been commissioned by the committee of Town Clerks several months ago and their work is well under way.

Simplistically stated each technical task team's terms of reference is to gather all the data from the entire metropolitan region relevant to their discipline and to evaluate this data against the legislation proposed and being proposed and to make appropriate recommendations to the Unicity Committee in respect of the future running of the Metropolitan Council. For example, the Institutional Technical Task Team will look at the following in respect of Political Institutional systems:

- > relevant legislation: Municipal Structures Act;
- > metro areas will have category A municipalities;
- > within this category there are eight types of municipalities that are possible;
- > provincial legislation may narrow these options;
- > detailing the political systems possible in the Durban Metropolitan area and considering the pros and cons of each option;
- > identifying the preferred option for Durban;
- > interfacing the administrative systems with the political systems, and the following in respect of the Administrative Systems:

- > relevant legislation - Municipal Structures Act and the Municipal Systems Bill;
- > summarising existing administrative systems;
- > listing functions of local government;
- > defining the role of the state, that is, greater or less involvement in actual service delivery;
- > define the way in which to classify or group functions;
- > outline a restructuring framework;
- > investigating business systems and considering how re-organisation can improve efficiencies;
- > investigating options for delivery systems and identifying preferred options for various functions;
- > linking the integrated development plan to institutional arrangements; and
- > defining the appropriate phasing for the restructuring of institutional systems” (Scope of brief, Institutional Technical Task Team, 1999).

## 5.11 CONCLUSION

Change is a peculiar phenomenon that has to be managed carefully. Change is a process and not an end in itself. The more intense the magnitude of change the longer it will take for the change process to be completed. In order to manage change carefully certain steps within the change process must be followed. These steps follow a logical sequence and have been outlined in this chapter.

The problem with local government during the previous era was that they were structured within an apartheid framework. The apartheid system separated people into areas along racial lines. What was sadly lacking in municipal government in the previous era was that certain fundamental democratic principles were missing. These democratic principles included, *inter alia*, representativity, openness of policy-making, accountability, efficiency and effectiveness. Since these principles were lacking, municipalities were unable nor willing to cope with, *inter alia*, the pressures of urbanization, job creation and service provision. New local government structures must ensure that such values are applied in order to achieve local government bodies that are truly

representative and financially viable. These values, included in this chapter, serve as guiding principles for local government and development.

It is clear that metropolitan governments will be a strong feature in the new dispensation. They need to be structured properly to ensure their viability. There has to be the right balance between cost effectiveness and efficiency. This would be difficult to determine the first time round, since there are no ready-made formulae, and perhaps the way around it would be not to go overboard but to start off as small as it would be feasible and allow metropolitan authorities to evolve over a period of time to their "correct size". Of course this "correct size" would alter in respect of each metropolitan council in the county as each of them develops and grows.

## CHAPTER SIX

### GENERAL CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 INTRODUCTION

Against the background that municipal government is the pivot around which everything flows in a society, this dissertation has two important areas of focus, namely,

i) it identified the need for the transformation of municipalities,  
and

ii) it critically evaluates the **MEASURE** of such transformation  
and the proposed further transformation of municipalities.

In essence this study has identified the need to change municipal governments, examines the change that took place and the envisaged change as well as the management of change within the public sector, makes certain recommendations and provides a model for metropolitan government. Change must be instituted to improve what already exists in a given set of circumstances and during a particular period and is more likely to be successful if it is undertaken in a controlled manner. In other words change must be managed. In order to manage change several steps must be carefully followed in order to shorten the period of change, make it more acceptable and remove or reduce resistance to change. Change is a process and not an end in itself.

Following the introduction, which broadly outlined the scope of this study, chapter two provided an historical overview of municipal government in South Africa. The problems with the apartheid system of municipal government became evident and the need for its transformation obvious. The primary change was to democratise municipalities and make them an integral part of the government machinery of the country.

It was demonstrated that municipal government was only established in certain

areas and not in other areas where the majority of people lived. Large parts of the country where Black people lived did not have municipal government and where they were established these municipalities were impoverished and ineffective. It was explained in chapter two that the apartheid system of government divided people into areas along racial lines which eventually started to crumble as the masses began demanding for municipal services coupled with the increased pressure for urbanisation. Eventually the apartheid regime took notice of the appalling state of affairs of municipalities and in the early 1990's began seriously addressing these problems with all the roleplayers and a series of measures was instituted.

The key role which municipal government plays in the country cannot actually be overstated. Municipalities play a vital role in providing basic services to communities, they are involved in social upliftment and development and are stimulators of the economy. Without strong municipal government, South Africa will not transform adequately and speedily from the baggage of the apartheid era to enable the nation as a whole to develop and prosper. There is no doubt then that municipalities had to be transformed especially when viewed against the background of its poor history provided in chapter two of this study.

South Africa underwent dramatic transformation when a new democratic government was elected in 1994. This gave birth to the *New South Africa*. During the negotiations prior to this historic event it was agreed by all stakeholders that democratic elections would take place in respect of the national and provincial governments and that the transformation of municipal governments would take place in terms of a time-frame outlined in the Local Government Transition Act (see Act 209 of 1993, parts iv and v).

The Local Government Transition Act (Act 209 of 1993) provided rigid time-frames which gave impetus to the transformation process. Other legislation such as the Interim Constitution (Act 110 of 1983) and the current Constitution of the country (Act 108 of 1996) started to focus on the importance of municipal government. These and other legislative measures instituted to restructure municipalities have been captured in chapter three which spells out the legislative process and the various phases of transformation which have already taken place.

Chapter three also deals with the legislative measures for the further transformation of municipalities in the final phase. Within the context of change

some of these legislative measures go too far at an inappropriate time of development in this country. For all intents and purposes municipal government in South Africa is still in its infancy in terms of it covering all areas as well as being democratic. To introduce a single tier metropolitan government with full executive and legislative powers and a single administration to govern huge metropolises which are vastly under-developed is premature. The Durban Metropolitan Council, for example, has a multitude of small and large informal settlements, spread across the length and breath of the whole region, and people living in these areas live in abject poverty, with poor or no infrastructure and services and in extremely unhygienic conditions would have to rely on a council that will have an enormous challenge, under-resourced and a fair distance away from them. The developmental challenges facing South African cities are enormous and would take time to overcome. Municipalities would therefore need to be structured in a way that would best enable it to cope with these challenges in all areas. The old saying that surgeons often use, “**striving for perfection could be the enemy of good**”, is important to bear in mind. What is also important to remember is the experiences of late. In the current two tier system of municipal government, services such as water and electricity that have been ‘metropolitanised’ are the problematic ones. When all the services are ‘metropolitanised’ in an extensive underdeveloped municipal environment, it would be extremely difficult for a single tier metropolitan council to effectively take full municipal services to all areas in the foreseeable future. Breaking down these developmental challenges into manageable portions by retaining the local councils with extensive powers will render the councils more effective in addressing these developmental challenges as well as retain local government in local communities. Most people who have recently experienced local government for the first time and to whom this form of government is the only government they know and see, should not have it taken away from them.

Whilst chapter three dealt with the legislative arrangements to effect the transformation of local government, chapter four has focussed on the establishment of the Durban Metropolitan Council and its associated local councils within the transformation framework set by the legislature. The details of the transformation have been outlined with particular focus on the North Local Council of the Durban Metropolitan region.

The transformation of local government has indeed come a long way in a short

space of time. From the preparatory work through to the pre-interim phase and the interim phase, local government has transformed significantly in the last five years and is now on the brink of the final phase of its transformation.

The theory of change and the management of change is the essence of chapter five. The transformation has been protracted over several years and still has to be completed. The transformation of municipal government thus far did not take place on a solid theoretical basis and the focus has been primarily on the political transformation of municipal government whilst the administrative arm of municipal government merely had to follow the political changes and 'muddle through' its own transformation by merely adapting existing systems. For example, staff appointments were done on a 'cut-and-paste' basis where posts were created merely to accommodate existing personnel rather than formulating an organogram to suit the needs and goals of the institution.

Change must be carefully thought out and strategically planned so that the organisation fits reality. Other components of change include systems, management style, skills, personnel objectives, organisational objectives and organisational structure. Questions such as the following will require answers prior to instituting change in municipal government:-

What systems will be necessary for service delivery? Will the municipality use other agencies to provide some of these services? Will it privatise certain functions?

What skills are available and what training will be necessary? Will councillors be trained?

What type of management style would the municipality adopt? Will there be delegated powers? What will be the relationship between councillors and staff? Up to what level should councillors interact with staff?

What personnel policies will be necessary? How will personnel be consulted on the changes to be instituted? Will consulting with staff be done only through the unions or should other means of communication be used?

What will be the organisational objectives? How will these objectives be determined? Who will participate in setting objectives?

Finding answers to these questions forms part of the change process which has to be carefully managed. If changes are allowed to take place in a disorganised fashion chaos will reign which may prove to be difficult and costly to remedy. This was the case with many municipalities where change was implemented without the proper planning and management of change.

The consequences of not managing change and its processes, especially in the public sector, are serious for several reasons. These reasons are mentioned below:-

**Change is unlikely to be successful.** If change is not managed properly it is less likely to be successful. In fact in most cases, but especially in the public sector change without proper planning and managing will fail.

**People start to reject change.** In the public sector this would include, *inter alia*, individuals in the public - the ratepayers and consumers, ratepayer bodies, sport bodies, religious groups, municipal staff, management, staff unions and political parties.

**Change could be heading in the wrong direction.** In the public environment how does one know that changes instituted will improve a given situation since there are so many variables? By consulting with all stakeholders it is possible to gauge a sense for the change that is desired and the change that will work and be supported. If change is not supported by the majority of roleplayers and beneficiaries it is more likely to fail.

**Unplanned change leads to chaos.** Change must take place in an orderly fashion. It must be carefully programmed and executed to avoid chaos.

**Persons to plan and effect change will not be appointed.**

Change should not be undertaken by one person. It must be properly planned by a team of people and tasks should be allocated to individuals and groups to effect change. It would be better to keep an institution unchanged rather than perform change in part and then abandon the total envisaged change.

These are just some of the consequences of not managing change. In essence change is a process that has to be carefully planned and executed. There are several steps involved in the change process that have been identified above (see item 5.5, in chapter 5).

In this chapter certain conclusions of the study will be drawn, and several recommendations will be made.

Within the concept of '*change*' itself one must appreciate that each system has a finite capacity and time to endure change. One must then consider the benefit of such prolonged change of local government for several years against leaving a 'partially' transformed system to develop into an 'ideal' system sought by the government of the day in consultation with its citizens. The vision for local government as spelt out in the White Paper was in search of an 'ideal' system for local government, however, the time frame allocated to achieve this vision is ambitious. Besides what is the 'ideal' form local government should take. There exists no blue-print or master plan that can create the best system for local government. There are far too many variables. Systems of a public nature often evolve within a given environment and within its own time-frame. Systems, especially those of a public nature differ from one country to another and even from one region to the next. It would be unwise to copy a system or model from another place without checking whether the circumstances in that place are similar to your own. Even in the same country and region each municipality has unique characteristics about it in terms of its culture, people, requirements, wealth and so forth. Each municipality may adopt a different approach to overcome its challenges.

Crucial to the transformation of municipalities in this country is the demarcation of municipal boundaries. Given the history of separate development, autonomous wealthy municipalities interspersed among a multitude of poor areas, tribal areas and the economic challenges to name a few of the problems, demarcating municipalities will be quite a daunting task.

At the time of study, (October 1999), the Demarcation Board issued its initial demarcation (in terms of the Demarcation Act this is a section 26 notice) of the Durban Metropolitan region. The physical area of the Metropolitan region has been increased by 85% thus rendering the proposed Durban Metropolitan region 60% rural and 40% urban which if finally demarcated would effectively change the role and concept of metropolitan government. This goes against the grain of the definition of a category A municipality (see section 3.4.2.1) which to recap briefly is a densely populated area that has extensive development and a complex and diverse economy. The Municipal Structures Act also defines a metropolitan area as having an intense movement of people, goods and services. The proposed demarcation for Durban does not meet the requirements of a metropolitan area (Dominik 1999: 2-3).

The current boundaries of the Durban Metropolitan Council has a 40% rural 60% urban split and is quite a challenge just upgrading the urban areas with infrastructure let alone trying to provide sub-economic services to the rural areas (Dominik 1999: 7). If the proposed boundaries are determined to be the final boundaries, the challenge the new metropolitan council will face in terms of meeting its objectives as required in the Constitution and the Local Government: Municipal Structures Act would be extremely difficult and time consuming. The proposed boundaries are well ahead of its time.

South Africa set itself a three phased process to change its system of municipal government. This change time-frame has been spelt out in the previous chapters and what follows are a few recommendations and a model for metropolitan government in South Africa.

## **RECOMMENDATION ONE**

### **Municipalities must be democratic and transparent**

A study of the history of South African municipalities has revealed that they were neither democratic nor transparent. In the new order of government in South Africa democracy and transparency must not be taken for granted nor be compromised. The way municipalities are structured is very important to promote democracy and transparency.

If, for example, the Metropolitan Council in Durban ends up with a fairly large area, larger than the present area, with one council and a single administration with weak or no substructures it would be extremely difficult for the council to be transparent and operate within democratic principles. Without proper decentralised structures to conduct effective consultation the metropolitan councils would be forced to take unpopular decisions thereby rendering them undemocratic and non-transparent. The key to promoting democracy and transparency would be to have proper decentralised structures that are fairly strong in terms of decision-making and preferably structures that would enable consultation to take place at grassroots level.

## **RECOMMENDATION TWO**

### **Municipalities must be financially viable**

The reason most municipalities failed in the past was because they were not financially viable. Many of them did not possess an adequate rates base because they were fairly large impoverished residential areas like Soweto and Kwa Mashu. Some of them were even small dormitory-type municipalities like Hambanathi, Marburg and Isipingo.

The simple fact is that if they are not financially viable they would not be able to provide municipal services to their residents and other consumers efficiently and cost effectively. Any municipalities' ability to provide services is directly related to its 'publics' ability to pay for such services.

The other danger to be avoided is to merge neighbouring municipalities together where there is one financially viable municipality and several non-financially viable ones and believe that the new larger municipality would be financially viable. Demarcation of municipalities is not an easy exercise and rather than "over do" the amalgamating of municipalities an incremental approach should be adopted. It must be borne in mind that it would be easier to amalgamate municipalities and effect their rationalisation than to separate or annex them from each other should it later be discovered that it was an error. Ideally the demarcation of a municipality should possess a happy mix between wealthy and poor residential areas with reasonable activities to promote economic well being. This may include industrial and commercial activities or tourist activities or a fair

share of all of these activities. If a municipality does not have these activities that will promote its growth and development it must at least have the potential to promote such growth and development.

### **RECOMMENDATION THREE**

#### **Promote mixed use zoning of land wherever feasible**

Jobs and economic opportunities must be as close as possible to each other. Under the apartheid government planning was so poor that the majority of people had to travel long distances to their places of employment. Transport facilities were also inadequate. In today's practice of town planning the new buzz words are "mixed use zoning". This means that commercial and industrial land would be close to residential areas. This practice will cut off travel time and travel costs for innumerable people. The social advantages, such as having more time for family, self, exercise and so forth would be difficult to quantify. There would also be the advantage of integrating societies much quicker when people who live further afield work in these new land uses for commercial and industrial activities start moving into the nearby residential areas to be close to where they work.

### **RECOMMENDATION FOUR**

#### **Recognise that each town or area will have features that are unique and must be taken into account in any transformation**

If legislation is rigid and boundary demarcation done without consideration of the uniqueness of certain towns and areas, change would be slow and difficult. Where possible communities must be given choices. Forced change is often difficult and much of it could be avoided. For example, the Tongaat Town Board (TTB) was fully independent in the sense that it offered all the services that the City of Durban offered to its residents. The TTB had its own Water and Electricity Departments and provided all other services required of a municipality. If given the choice in 1994 the residents may have chosen to be a part of Dolphin Coast Transitional Local Council rather than go into the Durban metropolitan area.

## **RECOMMENDATION FIVE**

### **Change must be processed in manageable portions**

The old saying, 'Rome wasn't built in a day' is important to remember when instituting change. Changing structures that affect the lives of millions of people must be managed carefully and the best way to do that, especially in a public environment, would be to effect incremental changes so that change could be managed by both the initiator and recipients of change. Quiet often, but especially in the public sector, it is difficult to predict the full outcome of change; therefore dramatic change must be managed over a period of time. Perhaps an example will highlight what has been stated. The then City of Durban was far more than a city, it was a metropolitan council although there was no legislation in place to recognise it as such. Several smaller municipalities were on its fringes such as the Boroughs of Westville, Verulam and Umhlanga Rocks. These smaller municipalities could easily have merged with the City of Durban whilst Tongaat and Hambanathi could have been kept out of the Durban Metropolitan region with the option to join the metropolitan council through negotiation when the timing was more appropriate. Tongaat and Hambanathi and the surrounding areas such as the Tongaat Hulett properties should have merged and developed as an autonomous municipality.

## **RECOMMENDATION SIX**

### **Any new system must be given adequate time to settle:**

Major changes do not happen overnight but take time to implement and settle before any benefits of such change materialise.

From the history of local government in South Africa it is clear that change was needed. As can be detected in earlier chapters adequate changes have been achieved. The new systems put in place needed to settle and develop. For example in the Durban Metropolitan area water supply and reticulation has been proclaimed as a metropolitan function (Provincial Proclamation No. 38 of 1996: clause 3). When the Durban Metropolitan Council took over this function the service immediately dropped significantly whilst the tariff for water consumption increased in certain areas, for example Tongaat, quite substantially. This situation

no doubt had a negative impact on consumers. Phrases like “services haven’t dropped, they have plummeted” were hurled at officials and councillors on an ongoing basis. Some four years later the actual benefits of ‘metropolitanising’ the water function in Durban is starting to reap the benefits initially sought. The Durban Metropolitan Waste Water Management Department still has a long way to go but is steadily improving. Firstly, more people are being serviced and the rate of connecting new consumers to the water supply is on the increase. The overall price of water throughout the Durban Metropolitan area is cheaper.

The change was dramatic and took place virtually overnight. The decision to make this change was taken at provincial level whilst local communities were not consulted on the matter. After the decision was effected it will take a fair length of time to achieve the intended goals that both national and provincial governments aim to achieve which were to:

be cost effective;

be efficient, and

extend the water service at a more rapid rate. In other words take the service where it doesn’t exist.

The national and provincial authorities had all these noble aims in mind when it was decided that the water service should be a metropolitan function. From the experience gleaned during the pre-interim and interim phases on the transformation of local government the question that arises is whether the process of change was appropriate to attain the desired results and whether a similar process ought to be followed with regard to the rest of the powers and functions of municipalities? One of the options available to the legislature is to create the framework for change to take place and let municipalities decide. In other words let it be a local decision.

## **RECOMMENDATION SEVEN**

### **Senior management must be made part of the change process**

Change and the management of change is a complex issue especially in the public sector and whilst it is the policy-makers prerogative to effect change they should

not do so without the input and support of their senior management. In fact senior management should be a part of the change process.

During the first two phases of the transition of municipal government there was mistrust between the 'old' officials and the 'new' politicians and an understanding of each other's roles took time to develop. This created tensions which resulted in resistance to change, resignations, early retirements and sometimes direct confrontation with each other.

'We are the bosses', type of attitude by the politicians is not helpful but rather they must act like and play the role of employers involving the senior management in the change process. Issues such as resistance to change must be carefully workshopped and skilfully handled to avoid such resistance becoming widespread. Politicians do have the tendency to force change without consideration of the management of change. When change is supported by management, the process of change is much easier. In every transitional situation, even at the municipal level, it is important to have strong leaders. According to Lindsay (1943: 261), "if democracy is to survive it will have to employ and use every bit of skill and knowledge and leadership it can get hold of. This complicated, interdependent world in which we are living cannot be run without knowledge and skill, foresight and leadership. Any cult of incompetence can only lead to disaster". It must be recognised that it is the senior management in municipalities that possess the necessary skills and competence in municipal government and administration and not the politicians and therefore their advice and guidance must be sought and utilised.

### **RECOMMENDATION EIGHT**

#### **The organisation must fit reality on the ground**

This issue was discussed in chapter 5 (see 5.4 above). Municipal government failed during the apartheid era because municipalities did not 'fit reality on the ground'. Whilst it is difficult to devise a perfect system or model for municipal government, the key to its success, however, would be that the system or model which fits reality on the ground. The developmental challenges facing metropolitan governments in South Africa are enormous and widespread within each metropolitan area. One needs to question whether a unicity model (single

city) in Durban for example with a massive area that is 60% rural in nature and a vastly underdeveloped urban component would 'fit reality on the ground'. The reality is that many areas received municipal government and its services for the first time in 1995 and if the unicity fails especially in those outlying areas it would be disastrous for these people. Whilst the issue of the size of municipal government has not been resolved it must be borne in mind that there is a direct relationship between size, efficiency and circumstances. For example a large unicity in Toronto may be efficient whilst a similar size unicity in Durban may be grossly inefficient because its circumstances are different. It comes down to an institution fitting reality on the ground. The reality on the ground is the 'circumstances' that prevail at a given time. Durban would need to grow and develop, like Toronto did, before it becomes a unicity.

#### **RECOMMENDATION NINE**

**A process for change must be determined and then change must be implemented according to that pre-determined process**

A process was outlined in chapter 5 (see 5.5) the salient features of which are recorded hereunder:

- ▶ Gather all the information necessary for decision-making;
- ▶ Evaluate the information and identify whether there is a need for change (diagnose any problems);
- ▶ Formulate a vision and joint direction;
- ▶ Formulate change programmes;
- ▶ Devise an implementation plan;
- ▶ Implement the change programmes (do away with the past, create a sense of urgency, support a strong leader and obtain political support);
- ▶ Formulate structures of authority;
- ▶ Communicate widely about all the mechanisms that will be instituted to effect the change. Try to solicit participation. Be open and transparent;
- ▶ Strengthen and institutionalise change, and
- ▶ Continuously evaluate the results (van der Waldt & Knipe, 1998: 31).

These are important steps to follow in order to manage change in a logical sequence. Often people start a process for change and then when things don't quite work out the way they expected it to they try to change or abandon the process. In the municipal sector the politicians and staff unions are most guilty of not following the process. Politicians and unions often argue about what was agreed to and try to stretch interpretations to suit their ends. As far as possible policies and plans must be clear and precise.

## **RECOMMENDATION TEN**

### **Avoid organisational change that is ineffective**

It was quoted earlier under sub-heading 5.5 that organisational change is said to be effective when:

- ▶ the institution is transformed from its existing state to a new state;
- ▶ the transformed state meets expectations;
- ▶ the transition takes place without excessive costs, and
- ▶ the transition takes place without excessive emotional costs to the individual (van der Waldt & Knipe, 1998: 33).

The above should be taken collectively because in as much as an institution may change from an existing state to a new state it may not meet expectations. Change is a peculiar phenomenon that often depends on external stimuli to test its effectiveness. In other words has the change been favourably received and is it benefiting the recipients of the change? Prior to instituting change, especially in the public sector, the external environment must be studied and understood and taken into account when contemplating change. In the public sector change is often to improve the external environment.

## **6.2 TOWARDS A MODEL FOR METROPOLITAN GOVERNMENT IN SOUTH AFRICA**

### **6.2.1 Introduction**

South African metropolitan areas require substantial development. In many cases these areas are vastly rural with little or no municipal infrastructure. The current Durban Metropolitan area is 40% rural in nature. With the proposed boundaries

for the Durban metropolitan area its size will increase by 85% and will leave Durban with 60% rural land. The size of the Durban metropolitan area will be approximately 2525 square kilometres of land (Unicity Durban Community Update 1999: 3). It would be difficult for a single council with a single administration to offer municipal services to such a vast underdeveloped area.

### 6.2.2 The model

The model proposed for the structuring of South African metropolises at this stage of the country's development is the following, namely,

**A two tier metropolitan government system with strong autonomous local councils and a policy-making metropolitan council. The bulk services such as water and electricity must be provided by public utility companies which will be answerable to all the councils within a metropolitan region.**

In the aforementioned model each of the local councils must be autonomous with both executive and legislative powers and be in full control of all municipal functions within its area of jurisdiction. The metropolitan council must be made up of representatives of each of the local councils and must only deal with broad policy issues such as rating policies, the setting of tariffs, negotiating bulk purchases (for example, electricity), integrated development planning and other broad based issues that affect the metropolitan council as a whole. The public utility companies must be autonomous bodies that work for and are answerable to all the councils within the metropolitan area. Municipalities must start moving away from being the service provider to being just the service facilitator if they indeed wish to become more efficient and globally competitive as this seems to be the trend of modern day municipalities. This transition where municipalities transfer the service delivery function to the private sector must be managed carefully.

The metropolitan council must have the power to raise income through levying the local councils for a small percentage of their rateable income, say a maximum of up to 15% *per annum*, in order to redistribute financial resources.

### 6.2.3 The rationale

Generally the current system of metropolitan government in this country is working. Councils are democratically elected and as far as possible municipalities are made up of both the former advantaged areas and the former disadvantaged areas. There are, however, a few minor problems with the current model and if modified slightly the model will meet the country's developmental challenges.

Some of the problems with the current system are the following:-

- ▶ shared services between metropolitan and local councils - nobody takes responsibility when problems arise;
- ▶ areas that have the most representation in councils receive special attention. For example, in the Durban Metropolitan region both the North Central Local Council and South Central Local Council have the most number of councillors serving on the Metropolitan Council leaving a strong focus on the both the central councils requirements much to the detriment of the other councils;
- ▶ conflict exists between the metropolitan council and local councils as to where infrastructure should be located. For example, the North Local Council vigorously promotes development which in turn creates desperately needed jobs in the area but does not receive the full support of the metropolitan council for the infra-structure required for all its development. If on the other hand the water, electricity and sewerage services were in the hands of a utility company that was answerable to the local council, the required infrastructure would be virtually guaranteed.
- ▶ there is overlap of certain functions.

These are difficulties that could be overcome. It is not necessary to change the entire system of municipal government because of a few problems as this could be counterproductive.

#### 6.2.4 The motivation for the proposed model

One of the primary reasons the government has for instituting a single tier metropolitan council was to effect redistribution of resources (Ministry of Provincial Affairs and Constitutional Development 1998: 5). Real redistribution ought to be currently taking place, for example, the Metropolitan Council in Durban spent slightly more than 60% of the total capital expenditure whilst 40% was spent by all the local councils for the 1996/97 and the 1997/98 financial periods. For the same financial periods the operating expenditure was around 67% in favour of the Durban Metropolitan Council whilst the balance of approximately 33% was spent by the local councils.

Within the context of metropolitan government there are currently two levels of redistribution, namely the following:-

- i) at the local council level, and
- ii) at the metropolitan council level.

Each local council has both developed and underdeveloped areas and in the Durban Metropolitan area each local council has made significant progress, with limited resources, to take services and infrastructure to the previously disadvantaged areas. When a single metropolitan council is introduced there is the danger that services will not reach the outlying areas of the metropolitan council, some of which are desperately in need of municipal infrastructure and services. In this regard the local councils played a significant role. This situation will get progressively worse for a single tier metropolitan council if the proposed metropolitan boundaries are introduced where the metropolitan boundaries will be significantly increased.

In the above proposed model each local council will be fully in control with executive and legislative authority to manage all municipal functions within its area of jurisdiction whilst at the same time redistribution could be managed and controlled with the metropolitan council in place to back up on any special requirements in term of redistribution. Within the Durban context the areas badly in need of development, that is, both the central councils already have the largest slice of the budget and should this not be the case in other metropolitan areas the back up for redistribution would be the metropolitan council who could draw

money in terms of the proposed model and redistribute to the needy areas in a controlled manner.

The question of cost effectiveness versus efficiency is important to consider in this context. The question is how large must an institution be to be cost effective (that is, to achieve economies of scale) but at the same time not lose efficiency or put the other way around how small must an institution be to be efficient without losing cost effectiveness. In the public environment both efficiency and cost effectiveness are important, especially with limited resources available.

If any service is taken on a metropolitan wide basis such as protection services or electricity, to be effective these services will have to be split into geographical areas as is done in the case with many of the services in large institutions. The point being made is that if one has to make a choice between a single metropolitan administration (**SMA**) versus a multiple metropolitan administration (**MMA**), that is, a two tier metropolitan council with strong local councils, including strong autonomous local administrations fully responsible for service delivery, the point being argued is that there is very little difference in terms of cost between the two administrative models. The setup is the following:-

**SMA** = One administration split into many area branches equivalent in size to the current local council areas, whilst

**MMA** = several administrations equal in size to area branches.

Because of the size of a single metropolitan administration it has to split into more manageable area branches. These branches, however, have to be accountable to a single administrative head or deputy head who in turn will be accountable to the head of department. The administration in turn will be accountable to a single council.

On the other hand multiple administrations will possess smaller bureaucracies and be directly accountable to a smaller (still larger than the apartheid structures of the previous era), more focussed council which will be in touch with its constituencies.

The public utility companies will be answerable to the local councils who in turn will be answerable to the consumers and ratepayers for the services they provide.

Finally within the context of change it must be stated that the complexities of managing change in the public sector cannot be overstated with innumerable dynamics including political power play. Therefore any changes instituted must be changes that could be managed. Since the transition began most municipalities have been performing 'crisis management' because the changes instituted were not planned and managed properly. In other words management spending most of their time attempting to resolve one crisis after the next.

It was mentioned earlier that the changes thus far took place at both political and administrative levels and that the focus was more on the political transformation at the expense of the administrative transformation of local government. What the above model hopes to achieve in metropolitan areas is to strengthen the existing local councils, create the opportunity for the further redistribution of resources, retain local government at local level whilst at the same time ensuring effective service delivery and accountability through the introduction of public utility companies. What is important though is that this change could be planned and managed because essentially the structures are in place. The danger of having bloated bureaucracies within inefficient administrative frameworks is that at the end of the day it very well could be **rule by bureaucracy**.

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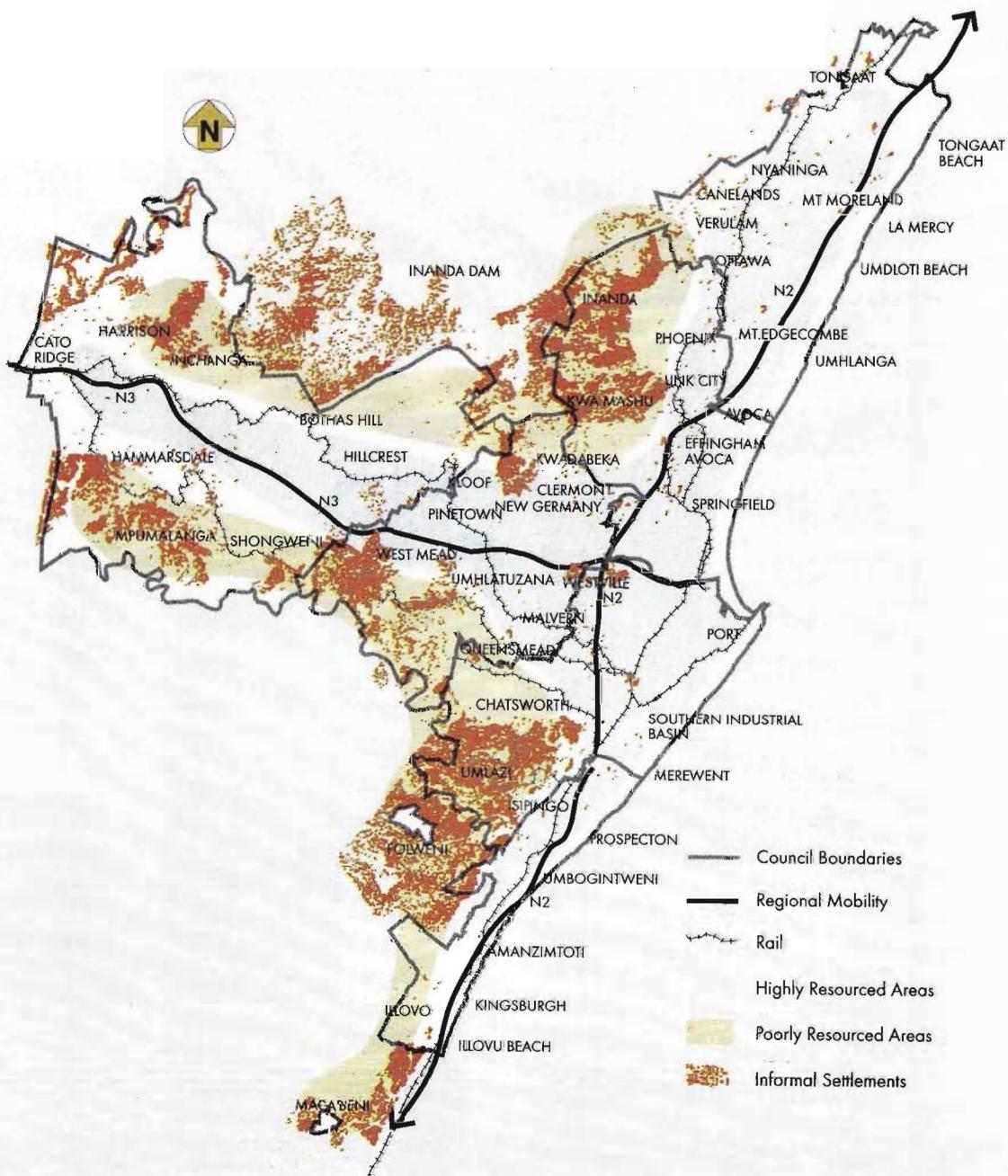
## Socio-spatial characteristics

### Informalisation

Increased urbanisation has given rise to the growth of informal settlements within the DMA and on its periphery (map 4). Many of these areas are amongst the most densely settled and densities of up to 75 households per hectare (p/Ha.) are not uncommon. Most of the historically White areas have densities of less than 15 households p/Ha.

### Inequities

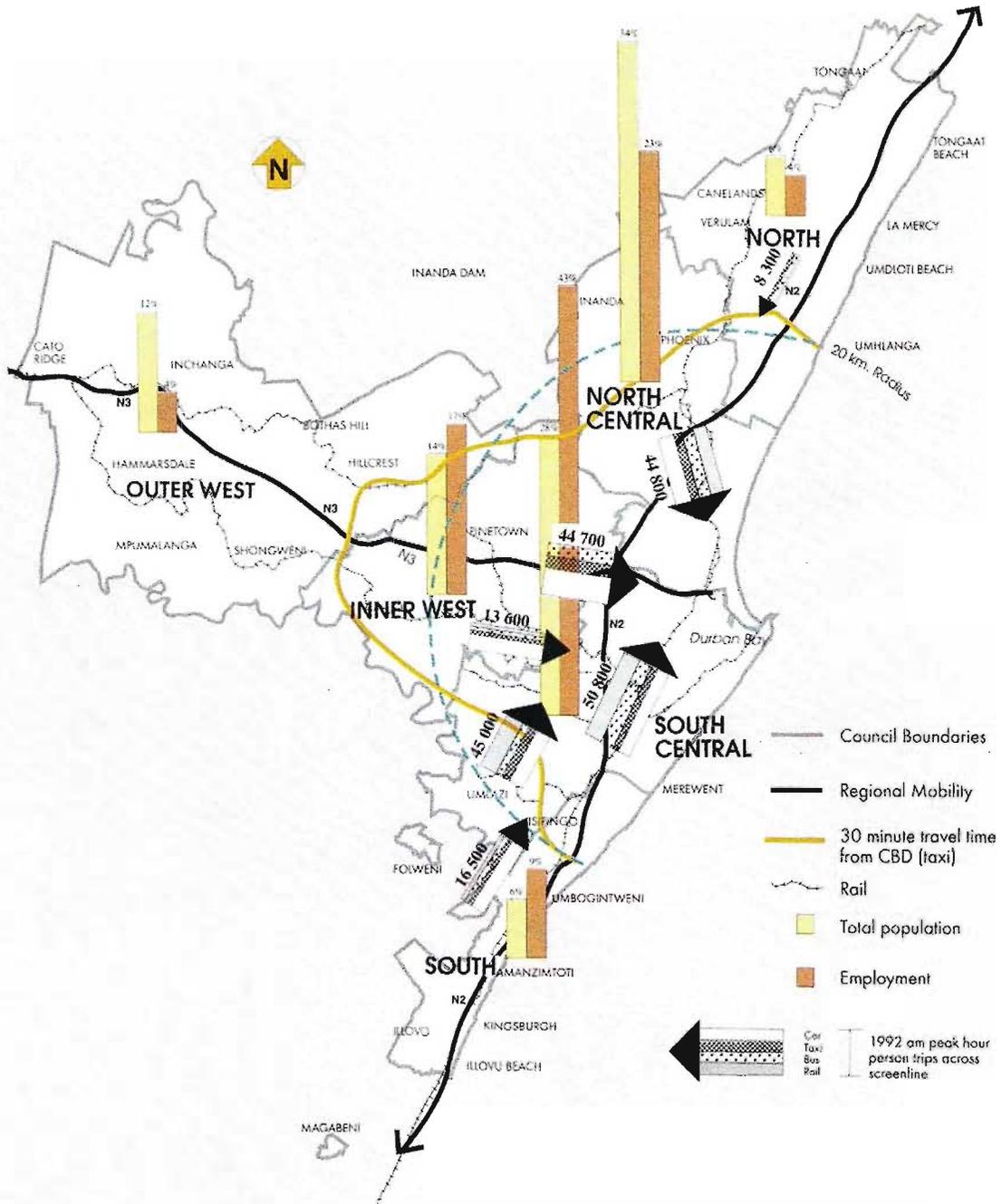
Most of the townships, informal and peri-urban areas (which have developed historically as part of the apartheid city and are occupied predominantly by the Black community) have poor levels of infrastructure and hence access to basic services. This has resulted in a distinct pattern of inequity across the DMA (map 4).



Inequities Map 4

## Inefficiencies

Apartheid development has also resulted in a very inefficient city-structure due to the high degree of segregation between home and work. This results in long home to work journeys which not only impose travel costs but also affect productivity at work, and family life (map 5).



Inefficiencies

Map 5



### MEANING OF COAT OF ARMS (Significance)

*The design on the shield symbolises the coming together in harmony of two great cultures - two separate civilisations in the common purpose always to co-operate with each other and to give of their best for the common good.*

*The civilisation of the West is symbolised by the Cross - the oldest and most venerated of all Christian symbols - and that of the East is emblemised by the Lotus Flower. The Lotus, a flower of exquisite beauty - is the symbol of rebirth, of life in essence. It is also the symbol of purity in all matters concerned with the purity of man and women. (or purity of human beings).*

*The wavy line at the top of the shield is indicative of water and symbolises both the River Ganges and the River Umdhloti, on the banks of which the Borough of Verulam is situated. In the case of both cultures it is indicative also of the purification of the heart, of men, women and children.*

*The Inescutcheon at the centre of the shield, is the armorial bearings of the market town of St. Albans (Verulamium) in Hertfordshire, England. Its inclusion calls to mind the historic link between two towns, in that Verulam received its name from those early settlers who, as farmers, came to Natal under the auspices of the Earl of Verulam.*

*The Crest signifies both the Sugar Industry as well as the Indian Community who came from the East to work and settle in Natal. The Star on the Crest is the recognised symbol of the Province of Natal.*

**THE MOTTO: Floreat Verulam, means MAY VERULAM PROSPER.**

TELEPHONE/TELEFOON 458041  
 TELEGRAMS/TELEGRAMME : HEALCOM  
 115 LOOP STREET/LOOPSTRAAT 115  
 P.O.BOX 416/POSBUS 416  
 PIETERMARITZBURG 3200  
 FAX No 0331-427158



Reference No./Verwysing No.

3/4/2-322

Your ref./U verwysing No.

**DEVELOPMENT AND SERVICES BOARD***(Constituted under Ordinances Nos. 20 of 1941 and 14 of 1974)*

ENQUIRIES:

Miss Vorwerk

**RAAD OP ONTWIKKELING EN DIENSTE***(Gestig kragtens Ordonnansies Nos. 20 van 1941 en 14 van 1974)*

11 JAN 1994

The Town Clerk  
 Borough of Umhlanga  
 Private Bag X4  
 UMHLANGA  
 4320

Dear Sir

**FUTURE OF DEVELOPMENT AREA OF MOUNT MORELAND**

Pursuant to an Executive Committee directive that my Board proceed with steps to bring about the amalgamation of its areas, Buffels Draai, Hazelmere, Mount Moreland, Ottawa, Redcliffe and Riet Rivier, representatives from the said areas established a Steering Committee in August 1993 to investigate the proposal. A recommendation, by the said Committee, that application be made to the Administrator for the appointment of a demarcation board to determine the amalgamation of certain Board areas and other local authorities that fall within the Magisterial District of Inanda into one Borough, was approved by my Board on 8 December 1993.

At a recent meeting of the Mount Moreland Advisory Committee, which is the representative body of the ratepayers, the members were informed of the implications of the Local Government Transition Bill. The Committee resolved that, notwithstanding the Board's application for a demarcation board enquiry, discussions be initiated with your Borough to incorporate the Development Area of Mount Moreland into Umhlanga.

At this stage the Board only wishes to enquire whether your Council agrees to the request, in principle, and I look forward to hearing from you in this regard.

Yours faithfully

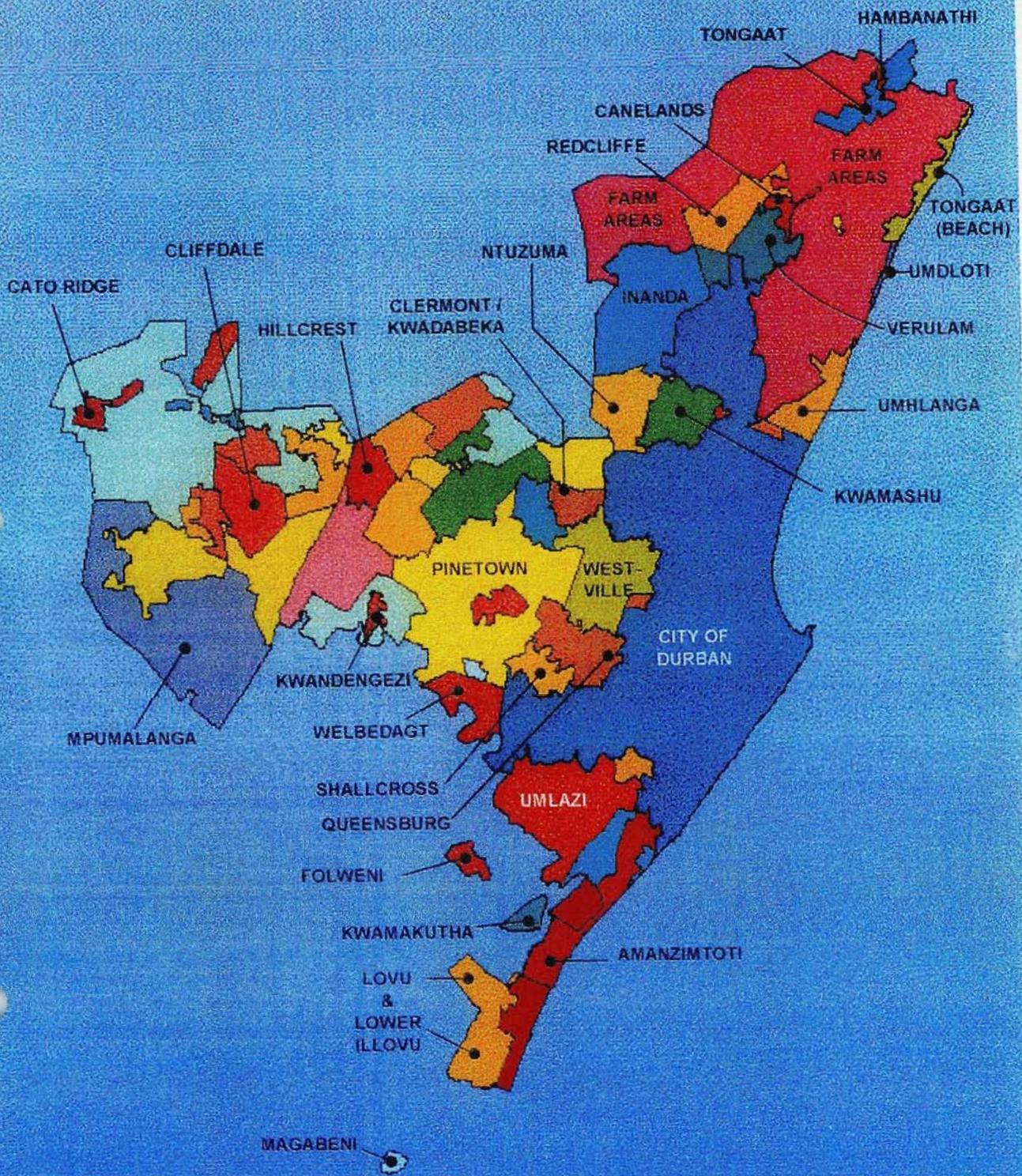


SECRETARY - CHIEF EXECUTIVE

REV/G

BOROUGH OF UMHLANGA	
RECEIVED	
13 JAN 1994	
FILE No.	17/62
ACKNOWLEDGED	

Doc/Letter/FuturecofD/AMtMoreland

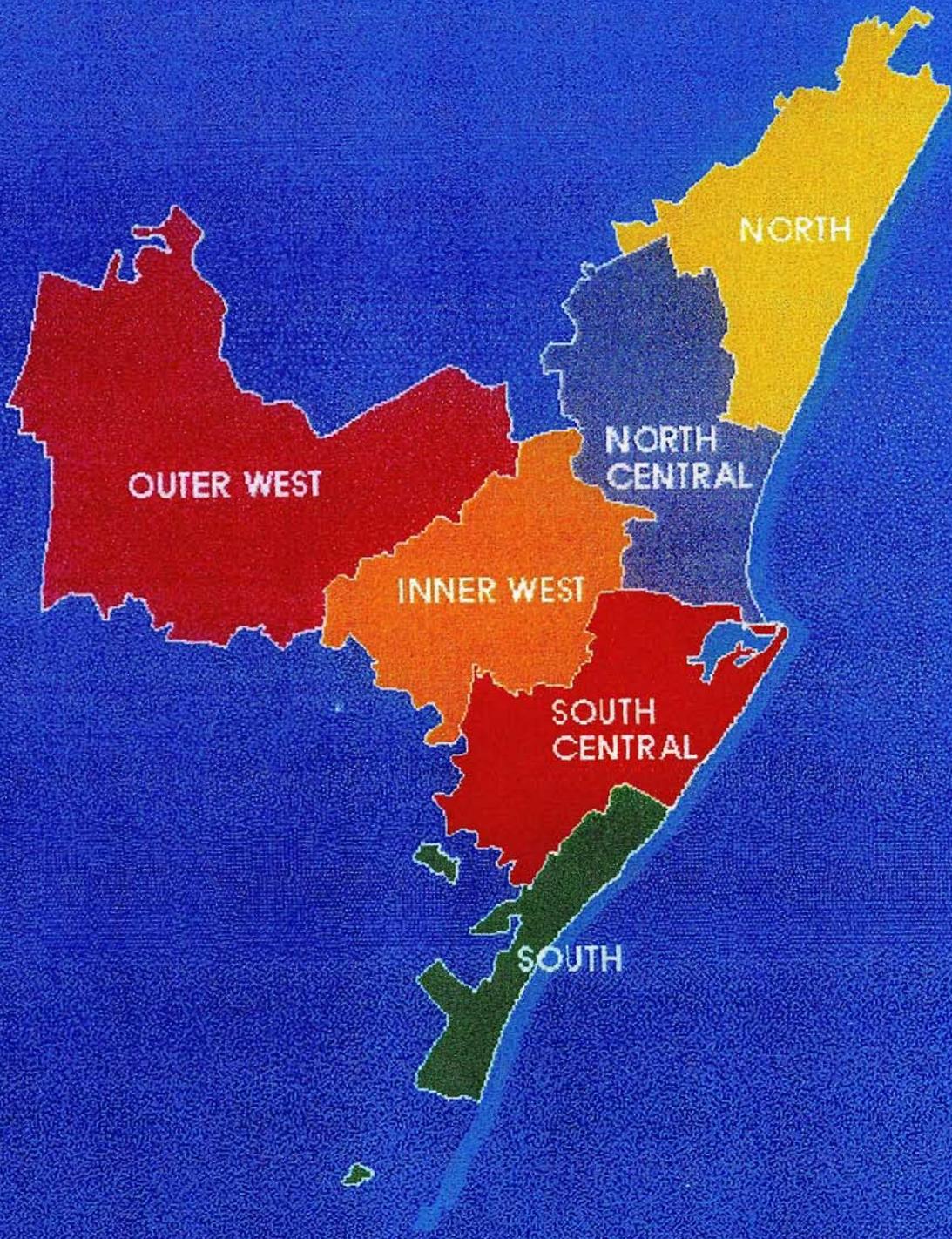


**BEFORE 1994**  
**DURBAN METROPOLITAN AREA**



- Local Authority Boundary
- Community Boundary
- Durban Metropolitan Boundary

**TRANSITION PERIOD 1994 - 1996  
IN THE  
METROPOLITAN DURBAN**



**AFTER 1996**  
**DURBAN METROPOLITAN AREA**

# INDUSTRIAL COUNCIL FOR THE DURBAN METROPOLITAN AREA

## WORKING GROUP - STAFF REORGANISATION

### STAFF PLACEMENT POLICY AND PROCESS

1. It is accepted by the parties that, arising from the need to restructure local government and functions within the Durban Metropolitan Region, the reorganisation of existing staffing structures (including geographic redeployment) may be necessary to meet operational objectives of service delivery.
  
2. Councils should prepare the envisaged final organograms of Departments wherever there is reasonable certainty as to the requirements and it is unlikely that any substantial changes to these structures will be required in the foreseeable future.
  
3. Where it is not possible at this stage to prepare final organograms, temporary deployment of staff will take place in terms of structures prepared on a "cut-and-paste" basis.
  
4. All organograms, whether final or on a "cut-and-paste" basis, are to be referred, in the first instance, to the Area Industrial Councils established for each of the following Councils :-
  - Northern Council
  - Southern Council
  - Western Council (Inner and Outer)
  - Central / Metropolitan Council (combined)

When Metropolitan organograms are considered by the Central/Metropolitan Area Industrial Council, the Trade Unions will be entitled to have representatives present from other Councils which may be affected by such organograms.

Thereafter all organograms are to be submitted to the main Industrial Council for final approval.

2/ .....

5. Each Area Industrial Council is required to create a "Placement Committee" consisting of equal numbers of employer and employee representatives. The terms of reference of these Committees will be to consider and reach consensus regarding the placement of existing employees into posts in the new structures.

6. Staff are to be placed in these structures on a permanent basis. Every attempt will be made to place all existing staff within these new structures. New or major changed posts will only be advertised where no "close-match" placement is possible including consideration of staff in the Metropolitan Staff Placement Pool which will be created to accommodate any surplus staff.

7. The parties are committed to ensuring continuity of employment and every attempt will be made to ensure that no retrenchment/redundancy will occur provided affected employees are willing to accept alternative positions that are offered. Every effort will be made to ensure that such alternative offers are reasonable.

The following will not constitute grounds for retrenchment/redundancy :-

- Reasonable geographical redeployment.
- The transfer from one employer to another employer without any material change to functions and/or conditions of employment.

8. Prior to Departments forwarding submissions to the Placement Committee, each member of staff concerned must receive a letter and copy of the section of the relevant organogram indicating their proposed post and classification thereof, Department, Service Unit where applicable, and Council in which they will be placed. Where changes to duty schedules and/or geographical relocation is envisaged, adequate consultation with affected staff will take place. In such instances, a meeting of the affected employees concerned should be convened with Trade Union representation at their discretion.

## 9. **PLACEMENT COMMITTEE**

The following processes will be followed in regard to the placement of staff within the new structures :

3/ .....

## **9.1 Classification of Posts**

### **9.1.1 Unchanged Posts**

These are posts involving no change to their schedule of duties or geographical location. The Councils will be required to merely list these posts with the names and service numbers of the present incumbents and submit same to the Placement Committee for information.

### **9.1.2 Minor Changed Posts**

These are posts involving minor changes to the duty schedule e.g. change of title with no change to duties or minor changes to the duty schedule which has no material effect on the level of responsibility. These posts, together with the names and service numbers of present incumbents should be submitted to the Placement Committee for information.

### **9.1.3 Redeployed Posts**

These are posts involving no change or minor change to the duty schedule but where a change in geographical location will occur. These posts, together with the names and service numbers of present incumbents and details of current and proposed location of affected posts should be submitted to the Placement Committee.

### **9.1.4 Major Changed Posts**

These are posts which have undergone a major change to their duties and responsibilities and as such require submission for grading. Wherever possible, consideration in the first instance should be given to the placement of existing staff in these posts on a "close-match" basis. These posts with existing and proposed duty schedules should be submitted to the Committee together with the names and service numbers of employees to be placed in the posts on a "close-match" basis. Following publication of the decision of the Placement Committee and finalisation of any grievances arising therefrom, the post/s concerned will be submitted for grading.

**9.1.5**      New Posts

These are posts which carry duties and responsibilities which do not exist in any form in the present structures. These posts with detailed duty schedules will be submitted to the Placement Committee for consideration of possible placement of existing staff on a "close-match" basis or placement of staff from the Metropolitan Staff Placement Pool and thereafter sent to the Grading Forum for grading. Should no suitable candidate be identified from within the Council service, the post will be advertised.

**9.1.6**      Other Posts

Any other posts that do not fall into any of the above categories (e.g. additional posts similar to existing posts to cater for increased workloads) must be listed under this category and submitted to the Placement Committee with appropriate proposals, followed by grading where necessary.

**9.2**      Publication of Decisions

All decisions of the Placement Committee shall be communicated to employees by means of publication in a decision circular.

**9.3**      Decision-Making Process

The Placement Committee shall strive to reach consensus on the staff placement submissions under consideration. Where consensus cannot be achieved, the Council's proposal will be published in the decision circular indicating that no consensus was reached. Notwithstanding any decision of the Placement Committee, individual employees or Trade Unions on behalf of their members retain the right to lodge grievances against published decision/s. Any grievances lodged will be dealt with in terms of the grievance procedure as set out in Clause 12 below. Following the standard grievance period of 10 days, staff placements against which no grievances have been lodged will be deemed to be final.

**10.**      It is accepted in principle that staff placed in the new staff structures within the Northern Council, Southern Council, Inner Western Council and Outer Western Council will be placed on the applicable grade and salary structure of the highest graded local authority within that

Council. However, in the first instance, an urgent investigation shall be done into the cost implications of applying the salary structure of the highest graded local authority in each of these Councils in order to determine a cost effective implementation process in this regard.

In the case of the Metropolitan and Central Councils, due to the fact that more than one job grading system applies and that the "Durban City Council" grading system operating within the Central Council, which is the highest graded local authority, does not have clearly defined structures and criteria and furthermore a lengthy research process is required in order to grade posts, it is not recommended that this system and its cumbersome salary structure be perpetuated any further by placing additional staff onto the system.

In this regard it is proposed that an urgent investigation should be done into the process implications of applying the TASK job evaluation system in the Central and Metropolitan Councils, initially to posts placed in the new structures from Ningizimu, the former Joint Services Board and Yellowwood Park, as well as to all major changed, new and other posts emanating from the Administrative Entity of Durban. Thereafter, all other posts in the Metropolitan and Central Councils will be graded in terms of the TASK job evaluation system. It will also be necessary to create a salary structure that reflects the national market interquartile salary ranges per TASK grade of the TASK Survey for these Councils and in terms of which the aforementioned posts will be paid; it being recorded that in the creation of such salary structure, those employees from outside the Administrative Entity of Durban occupying identified and agreed posts, would not be allocated salary rates below the applicable minimum "Durban City Council" salary rate.

Notwithstanding the foregoing, staff in all Councils would retain all other current conditions of service following placement in the new structures until rationalisation of such conditions of service has been completed.

## **11. GEOGRAPHICAL RELOCATION**

**11.1** All submissions in terms of the abovementioned classification are to indicate whether geographical relocation of staff will be required.

**11.2** Geographical redeployment of staff will only take place where for sound operating and/or economic reasons :

- 1.2.1 the functions of the post/s are to be relocated in another geographical area;
- 1.2.2 the functions of the post/s are reduced and/or combined resulting in a necessity to rationalise resources;
- 1.2.3 the functions of the post/s are abolished in that particular geographical area.

11.3 Where it is necessary to geographically redeploy only part of a Section/Department, the selection of employees for redeployment in each of the affected job categories will be done in terms of the following criteria :-

- (a) Call for volunteers from employees within each job category.
- (b) Should too many affected employees volunteer to be redeployed, then selection will be done on the basis of "first in, first opportunity" (FIFO).
- (c) Should too few affected employees volunteer to be redeployed, then selection will be done on the basis of "last in first out" (LIFO) i.e. the employees with the shortest service in the job category concerned will be selected for redeployment.

11.4 In the event of equivalent vacancies subsequently being advertised at the previous geographic location within a period of 12 months from redeployment, any redeployed employee will receive preference should he apply for transfer thereto.

## 12. GRIEVANCE HANDLING PROCESS

12.1 Should a grievance be lodged arising out of the placement (including geographic redeployment) of any employee/s a meeting shall be convened within 5 working days between the employee/s, management and Trade Union/s concerned. All relevant information requested will be made available.

7/ .....

**12.2** Should the parties reach agreement, the proposed placement/s will be implemented.

**12.3** Should the parties disagree and should the matter not be resolved within a period of 10 working days as to whether the proposed placement is reasonable, then the matter will be referred to a Grievance Tribunal in terms of the agreed procedures.

**12.4** Should the Arbitrator rule that the placement proposal is reasonable, the employee/s concerned will be obliged to accept the placement.

**12.5** Should the Arbitrator rule that the placement proposal is unreasonable and the parties concerned are still not able to resolve the matter, the following will apply :-

The employee will be placed in the Metropolitan Staff Placement Pool for a period of not more than 6 months or such agreed extension thereof, during which period alternative employment will be sought for the employee who would, in addition, be expected to :-

- identify alternative positions to which placement would be acceptable (and the employer will canvass the feasibility thereof on his behalf); and
- actively make application for suitable vacancies advertised; and
- carry out any reasonable alternative duties assigned.

**12.6** In the event of the employee being offered an alternative position or successfully applying for a post which has a basic salary of not more than 20% (1/5th) below his current basic salary and the employee accepts such alternative position, the employee will be entitled to retain his current basic salary as personal to holder i.e. future general salary increases will be based on the substantive rate for the post and not the employee's actual rate of pay.

**12.7** In the case of an employee accepting geographical redeployment which is regarded as unreasonable, and such employee, within a period of 6 months following such redeployment moves his place of residence in order to reside closer to his new place of work, the Council concerned will pay the costs of removal of his household goods to his new place of residence.

2.8

In the event that it is not possible to find an acceptable solution or alternative position within the 6 month period referred to in 12.5 or such agreed extension thereof, and the post previously occupied has been abolished as a result of the restructuring process, the employee will be retrenched on the following basis :-

- He will be entitled to any benefits prescribed in his Conditions of Service/Conditions of Employment.
- He will be eligible for severance benefits (as detailed under Clause 9 of the Procedural Agreement (Retrenchment) for the City of Durban and corresponding provisions in other applicable agreements);

12.9

Should the employee not wish to be placed in the Metropolitan Staff Placement Pool, he may elect to be retrenched, on the basis that he would be entitled to any benefits prescribed in his Conditions of Service, but :-

- he will not be eligible for any severance benefits (as detailed under Clause 9.2 of the Procedural Agreement (Retrenchment) for the City of Durban and corresponding provisions in other applicable agreements); and
- he will not be eligible for re-employment with any other local government body within the Durban Metropolitan Area for a period of 24 months commencing from the date of termination of service.
- Should re-employment of a retrenched employee by a local government body within the Durban Metropolitan Area take place within the periods stipulated in Clause 12.9 above, the employee concerned will be required to repay all severance, gratuity and pension monies paid out following his termination of service.



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Corporate Services

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***KEY PERFORMANCE INDICATOR / QUALITY OF LIFE  
QUESTIONNAIRE SURVEY 1999***

*IN THE*

***DURBAN METROPOLITAN AREA***

***URBAN STRATEGY DEPARTMENT***

***OF THE***

***DURBAN METROPOLITAN COUNCIL***

**Introduction**

Hello. My name is ..... This household has been randomly selected to participate in the Key Performance Indicator/Quality of Life survey. The survey aims to obtain your views on the performance of the seven councils of the Durban Metropolitan Area in terms of their Vision and how this affects the quality of your life.

The Vision is: "By the year 2015, metropolitan Durban will be a thriving world class industrial and commercial centre, an attractive tourist destination and the gateway to KwaZulu-Natal and Southern Africa. It will be a clean and safe environment with full, effective employment, with its residents living in acceptably serviced housing, and with a generally high quality of life that can be sustained. Democracy and tolerance will be an established way of life in a united metropolitan area, with a high level of service and development orientation and civic pride."

Your assistance in this survey would be appreciated. A report will be compiled in such a manner that it cannot be traced back to any individual. The completed report will be made public in July 1999 so that you will be informed of the results.

**THE SELECTION OF THE RESPONDENT AT THE SEBROTT HOUSEHOLD**

QUESTIONNAIRE NUMBER	1. NUMBER OF HOUSEHOLDS AT VISITING POINT 2. NUMBER OF PERSONS IN THE HOUSEHOLD													
1	26	51	76	1	2	3	3	2	4	6	4	7	5	3
2	27	52	77	1	2	1	4	6	3	5	6	3	1	5
3	28	53	78	2	1	3	1	3	2	6	2	1	3	7
4	29	54	79	2	3	4	2	2	6	7	7	3	3	4
5	30	55	80	1	1	3	2	4	1	3	5	8	6	5
6	31	56	81	1	1	2	5	1	7	2	3	2	1	11
7	32	57	82	2	3	1	3	2	7	5	6	5	7	7
8	33	58	83	1	1	3	1	4	5	3	1	6	2	9
9	34	59	84	2	2	1	5	3	6	4	3	4	6	2
10	35	60	85	2	3	2	4	1	4	7	8	2	5	6
11	36	61	86	1	3	2	5	4	1	3	8	1	3	8
12	37	62	87	1	3	4	3	1	2	2	3	4	8	3
13	38	63	88	1	1	4	3	4	3	8	7	7	11	1
14	39	64	89	2	3	3	1	6	5	1	5	9	10	3
15	40	65	90	1	2	4	1	3	3	6	9	10	11	12
16	41	66	91	1	2	1	4	2	7	6	9	3	5	11
17	42	67	92	2	3	2	1	3	5	8	6	2	4	2
18	43	68	93	1	1	4	5	6	3	5	7	5	9	8
19	44	69	94	2	2	1	3	5	2	8	9	10	4	9
20	45	70	95	2	1	4	2	6	4	1	4	8	9	10
21	46	71	96	1	2	3	4	2	6	4	2	3	2	12
22	47	72	97	2	3	2	5	6	2	2	1	9	10	1
23	48	73	98	2	1	1	4	1	4	1	4	6	3	6
24	49	74	99	2	2	2	3	5	6	7	8	7	1	4
25	50	75	100	1	2	3	2	5	1	4	2	1	7	10

A) Questionnaire Number

B) Record Number. To be completed by Urban Strategy

Visiting Point address and telephone number

---

Substitute Visiting Point address and telephone number

---

C) Interviewer Number

D) Enumerator Area

E) Formal = 1; Informal = 2

F) Settlement

G) Local Council

H) No of households at this visiting point

I) Selected household number

J) Number of people at the selected household



### M) Transport Household Roster

			Indicate all modes of transport used to work or study											
A			B			C	D	E	F	G	H	I	J	K
Work Placename code			Study Placename code			walk	bicycle	bus	train	Minibus taxi	Motor car	Lift Club	Work from home	Do not work/study
1						1	2	3	4	5	6	7	8	9
2						1	2	3	4	5	6	7	8	9
3						1	2	3	4	5	6	7	8	9
4						1	2	3	4	5	6	7	8	9
5						1	2	3	4	5	6	7	8	9
6						1	2	3	4	5	6	7	8	9
7						1	2	3	4	5	6	7	8	9
8						1	2	3	4	5	6	7	8	9
9						1	2	3	4	5	6	7	8	9
10						1	2	3	4	5	6	7	8	9
11						1	2	3	4	5	6	7	8	9
12						1	2	3	4	5	6	7	8	9
13						1	2	3	4	5	6	7	8	9
14						1	2	3	4	5	6	7	8	9
15						1	2	3	4	5	6	7	8	9

### N) Which type of dwelling does this household occupy? (Interviewer mark from observation)

House or formal structure on a separate stand	1
Traditional dwelling/hut/structure made of traditional materials	2
Flat in a block of flats	3
Town/cluster/semi-detached house (simplex/duplex or triplex)	4
Unit in retirement village	5
House/flat/room, in backyard	6
Informal dwelling/shack, NOT in backyard, e.g. in a squatter settlement	7
Informal dwelling/shack, IN the backyard of a formal house	8
Room/flatlet in main dwelling	9
Other: please specify	10

### Biographical information

(INTERVIEWER PLEASE OBSERVE AND MARK THE ANSWERS TO QUESTIONS 1 AND 2. FOR QUESTIONS 3 AND 4 COPY THE DETAILS FROM THE HOUSEHOLD ROSTER. THEN ASK THE RESPONDENT FROM QUESTION 5 AND MARK THE RESULTS)

#### 1 To which group does the respondent belong?

1	Black	2	Asian	3	Coloured	4	White
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#### 2 What is the respondents' gender

Male	1	Female	2
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#### 3 What is the respondents' age in years. \_\_\_\_\_

#### 4 What is the respondents' household roster number? \_\_\_\_\_

**ASK THE RESPONDENT FROM QUESTION 5**

**5 What is your current marital status?**

Married with legal certificate	1
Common law marriage	2
Traditional marriage	3
Divorced / Separated	4
Widowed	5
Never married/ single	6

**6 What language do you speak mostly at home?**

Afrikaans	1	Sepedi	6	Tshivenda	10
English	2	Sesotho	7	Xitsonga	11
isiNdebele	3	Setswana	8	Oriental	12
isiXhosa	4	siSwati	9	Other:	13
isiZulu	5				

**7 If unemployed or on pension what is the type of work that you can do or have done previously.** \_\_\_\_\_

**If you are employed how satisfied are you with your job?**

Very Satisfied (VS)	Satisfied S	Neither satisfied or dissatisfied NSD	Dissatisfied D	Very Dissatisfied VD	Not applicable N/A
1	2	3	4	5	6

**9 Are you a member of any of the following clubs or organisations?**

	Yes	No
1. Ratepayers Association	1	2
2. Sports club	1	2
3. Civic Associations	1	2
4. Woman's club/organisation	1	2
5. Environmental Organisation	1	2
6. Church, religious club, choir	1	2
7. Development Forums	1	2
8. Community service organisation,	1	2
9. Neighbourhood Watch	1	2
10. Book club, library	1	2
11. Social or recreational club	1	2
12. Youth Organisation	1	2
13. An organisation for the Disabled	1	2
14. Senior centre or luncheon club for seniors	1	2
15. Savings club (stokvel)	1	2
16. Burial society	1	2
17. Other, please specify	1	2

**10 Please rank the following monthly household expenses.** (Start by writing 1 next to the item on which most money is spent. Please note that this is not intended to cover all expenses. If the respondent is not aware of these expenses you may need to consult the head of the household to get these details)

1) Housing (rent, bond)	6) Food
2) Education	7) Transport
3) Rates	8) Telephone
4) Water and electricity	9) Support of family outside Durban
5) Health Care	10) Other expenses more than the above, specify:

11a. Do you save any money after all expenses?

Yes	No
1	2

11b. If you are saving what will you use your savings for? \_\_\_\_\_

12 Does this household:

	Yes	No
1. Have a domestic worker living in?	1	2
2. Have a domestic worker but NOT living in?	1	2

13 Does this household have a:

	Yes	No
1. Car	1	2
2. Telephone or cellphone	1	2
3. Television set	1	2
4. Radio	1	2
5. Electric stove	1	2
6. Fridge	1	2
7. Piped hot water	1	2
8. Micro wave oven	1	2
9. Polisher/ Vacuum cleaner	1	2
10. Washing Machine	1	2
11. Use dishwashing liquid	1	2
12. Credit card	1	2
13. Bank overdraft facilities	1	2
14. Insurance policy	1	2

### Personal well-being

14 In general how satisfied have you been with your life over the past year?

Very Satisfied (VS)	Satisfied S	Neither satisfied or dissatisfied NSD	Dissatisfied D	Very Dissatisfied VD
1	2	3	4	5

15 Compared to one year ago how is your economic situation?

Better	1	Same	2	Worse	3
--------	---	------	---	-------	---

16 What do you expect your economic situation to be in five years' time?

Better	1	Same	2	Worse	3
--------	---	------	---	-------	---

17 During the past year, has the crime situation in this area got better, stayed the same, or got worse?

Better	1	Same	2	Worse	3
--------	---	------	---	-------	---

### Migration history

18a. How many years have you lived in Durban? \_\_\_\_\_

18b. How many years have you lived in this dwelling? \_\_\_\_\_

**8c. Have you found that the local community has a welcoming attitude to newcomers?**

YES	NO
1	2

**9. If you have lived in other dwellings can you give some details of the last two places that you lived before moving to this dwelling, and how long you lived there?**

**9a Last dwelling details:**

- 9a1 If the last dwelling was in Durban use the Placename code \_\_\_\_\_
- 9a2 If the last dwelling was not in Durban name the town \_\_\_\_\_ and province \_\_\_\_\_
- 9a3 How long did you live there? (Years) \_\_\_\_\_

**9b Second Last dwelling details:**

- 9b1 If the Second last dwelling was in Durban use the Placename code \_\_\_\_\_
- 9b2 If the Second last dwelling was not in Durban name the town \_\_\_\_\_ and province \_\_\_\_\_
- 9b3 How long did you live there? (Years) \_\_\_\_\_

**10 Did you move to this residence in Durban for any of these reasons?**

	YES	NO
1. Not applicable (always lived here)	1	2
2. Employment, business	1	2
3. Schooling	1	2
4. Health reasons	1	2
5. Retirement	1	2
6. To escape violence, safety and security reasons	1	2
7. Family and personal reasons	1	2
8. To live in a better, more suitable dwelling	1	2
9. Other, please specify	1	2

**11 Was the area where you lived previously a.....?**

0	Not applicable (always lived here)	5	Suburban area
1	Rural area, farm	6	Retirement village
2	Tribal Authority Area	7	City Centre
3	Shack area / informal settlement in a township	8	Shack area / informal settlement in a city centre
4	Township		Other, please specify

**12 Have you ever thought of moving out of this neighbourhood?**

(If no, go to Q24)

Yes	1	No	2
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**13 (If yes in Q22) Why would you want to move out of this neighbourhood? Which of the following reasons comes closest to yours? (Circle all reasons that the respondent identifies)**

1. To live in a better, more suitable dwelling	1
2. To be closer to services and facilities, schools and employment	2
3. To live in a more affordable neighbourhood	3
4. To live in a higher class neighbourhood	4
5. To live among people from similar background	5
6. To be closer to family and friends	6
7. To live in a safer area	7
8. To live in an area with a country atmosphere	8
9. To increase the value of my property	9
10. Other, please specify .....	10

24 If you were to move, but within the Durban Metro Area, to which area would you move? \_\_\_\_\_ (use Placenames codes)

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25 Have you ever thought of moving away from the Durban Metropolitan Area? (IF NO, GO TO Q26a)

Yes	1	No	2
-----	---	----	---

26 If yes in Q25, would you want to move away from the Durban Metropolitan Area for any of these reasons?

1	Employment, business	6	To achieve a more relaxed lifestyle
2	Schooling	7	To live in a better house
3	Health reasons	8	Family and personal reasons
4	Retirement	9	To live in a cleaner, more pleasant environment
5	To escape violence, for security reasons	10	Other, please specify

26a. If you were to move from Durban to another place in South Africa, where would you move to? \_\_\_\_\_

27 If you have ever seriously thought of emigrating from South Africa, which country would this be to? \_\_\_\_\_

### Transport

28. If cars are used how many are owned or available to household members? \_\_\_\_\_

29 From home how long does it take you to reach a public transport point?

Less than 15 minutes	1
Between 15 minutes and 30 minutes	2
More than 30 minutes but less than 1 hour	3
Between 1 hour and 1.5 hours	4
Between 1.5 hours and 2 hours	5
Over 2 hours	6
Not applicable - Do not work	7
Not applicable - Work from home	8
Not applicable - Use own transport	9

29a. If you use public transport are you satisfied or dissatisfied with the following public transport modes and why? (Please give a maximum of 3 reasons. Interviewer to circle the relevant response, ie: yes or no, and to write the code of the main reasons in columns 1,2 and 3. Answering yes would be followed by satisfied codes. A No answer would be followed by dissatisfied codes)

	NA	Yes	No	1	2	3	Satisfied's codes		Dissatisfied's codes	
1. Durban Transport Bus	0	1	2				Good Drivers	1	Reckless Drivers	9
2. KZT Bus	0	1	2				Reliable	2	Unreliable	10
3. Olympic Bus	0	1	2				Clean	3	Dirty	11
4. South Coast Bus	0	1	2				Good Condition	4	Break Down	12
5. Private Bus Operators	0	1	2				Affordable	5	Expensive	13
6. Minibus-taxis	0	1	2				Safe	6	Accidents	14
7. Trains	0	1	2				Comfortable	7	Crowded	15
							Punctual	8	Late	16

**30 After leaving home how long does it take you to reach your place of employment or educational institution?**

Less than 15 minutes	1
Between 15 minutes and 30 minutes	2
More than 30 minutes but less than 1 hour	3
Between 1 hour and 1.5 hours	4
Between 1.5 hours and 2 hours	5
Over 2 hours	6
Not applicable - Do not work	7
Not applicable - Work from home	8

**31 At what time do you leave home to go to work or educational institution?**

Before 06:00	06:00	06:15	06:30	06:45	07:00	07:15	07:30	07:45	08:00	After 08:00
1	2	3	4	5	6	7	8	9	10	11

**32.a How long does it take you to return home from work or educational institution?**

Less than 15 minutes	1
Between 15 minutes and 30 minutes	2
More than 30 minutes but less than 1 hour	3
Between 1 hour and 1.5 hours	4
Between 1.5 hours and 2 hours	5
Over 2 hours	6
Not applicable - Do not work/study	7
Not applicable - Work from home	8

**32b At what time do you leave work or educational institution to return home?**

Before 16:00	16:00	16:15	16:30	16:45	17:00	17:15	17:30	17:45	18:00	After 18:00
1	2	3	4	5	6	7	8	9	10	11

### **Household Services**

**33 What type of toilet facility is available in this house?**

1	Full Waterborne Flush toilet (off site disposal)	5	Chemical Toilet
2	Septic Tank (on site disposal)	6	None
3	Ventilated Improved Pit Latrine	7	Other, specify:
4	Basic Pit Latrine		

**34 How is the refuse or rubbish of this household disposed of?**

Refuse bags removed from the house by local authority at least once a week	1
Refuse bags removed from the house by local authority, less often	2
Removal by local authority from community refuse container	3
Placed on communal refuse dump but not collected by local authority	4
Placed on own refuse dump but not collected by local authority	5
Other means of removal: specify:	6
No refuse removal	7

**35 What is the main water source for this household?**

Piped water in dwelling from full pressure pipes	1
Piped water in dwelling from roof tank	2
Ground tanks next to the house (bailiff operated)	3
Street taps (standpipes)	4
Borehole / rainwater tank / well	5
Dam / river / stream / spring	6
Other	7

36 If water was recently supplied to this house how has it improved the quality of your life?

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37 Does this dwelling have electricity?

Dwelling has electricity (with conventional meters)	1
Dwelling has electricity (with prepaid card)	2
Dwelling does NOT have electricity	3

38 If electricity was recently supplied to this house how has it improved the quality of your life?

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### Housing

39. Is this household paying rent, paying off a bond, or is the bond fully paid off?

Paying rent for a privately owned dwelling	1
Paying rent for a state owned dwelling	2
Paying off a bond	3
The bond is paid off	4
Other specify:	5

39a If you are paying off a bond, is it subsidised by your employer?

Yes	No
1	2

40a How satisfied are you with the dwelling you are currently living in?:

Very Satisfied	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Very Dissatisfied
1	2	3	4	5

40b. Would you prefer to own or rent your dwelling?

OWN	RENT
1	2

40c. If you would like to own a dwelling for the first time, how much would you be willing to contribute as a deposit? \_\_\_\_\_

40d. How much would you be willing to contribute as a monthly repayment on a new home? \_\_\_\_\_

40e. Have you benefited from the Government Department of Housing subsidy scheme?

Yes	No
1	2

41. Since you have lived here have any of the following been improved in this dwelling?

	Yes	No	Year	Cost
1. New rooms built onto main dwelling	1	2		
2. Outside rooms upgraded	1	2		
3. Interior and exterior walls replastered	1	2		
4. Interior and exterior walls repainted	1	2		
5. New electrical lights and plugs installed	1	2		
6. Roofing upgraded	1	2		
7. Ceiling installed	1	2		
8. New taps installed	1	2		

Q41 continued	Yes	No	Year	Cost
9. The driveway has been paved/tarred	1	2		
10. The floors have been improved	1	2		
11. A garage/car shelter has been built	1	2		
12. Pool	1	2		
13. Fencing	1	2		
14. Boundary walls	1	2		
15. Security gates	1	2		
16. Burglar alarms	1	2		
17. Water tanks	1	2		
18. Other(specify)	1	2		

**42 If no improvements have been made this is because:**

	Yes	No	NA
1. Finances are not available	1	2	3
2. The house is rented	1	2	3
3. We have not improved this dwelling because we may have to move	1	2	3
4. There is no need for improvement	1	2	3
5. Other (specify)	1	2	3

**Services in your Community/Suburb**

**43 How do you rate the following features of this community/suburb?**

Kindly say whether they are very good (VG) , good (G), neither good nor bad (NGB), bad (B), very bad (VB), or not important (NI)

	VG	G	NGB	B	VB	NI
1. Access to shops	1	2	3	4	5	6
2. Co-operative neighbours	1	2	3	4	5	6
3. Safe from crime	1	2	3	4	5	6
4. Peaceful	1	2	3	4	5	6
5. A safe area for bringing up children	1	2	3	4	5	6
6. Trees and natural surroundings	1	2	3	4	5	6
7. Good value when paying for rates and services	1	2	3	4	5	6
8. Active local councillors	1	2	3	4	5	6
9. Active Development Forums	1	2	3	4	5	6
10. Active Civic Associations	1	2	3	4	5	6
11. Active Ratepayers Associations	1	2	3	4	5	6
12. Flat/Townhouse Body Corporate	1	2	3	4	5	6

**44 How satisfied are you with these services in your community/suburb?**

First indicate if the respondent has access to the service and then indicate satisfaction. Very satisfied (VS), satisfied (S), neither satisfied nor dissatisfied (NSD), dissatisfied (D), very dissatisfied (VD), Refuse to answer (RA)?

	ACCESS YES/NO		VS	S	NSD	D	VD	RA
	Y	N						
1. Public telephones	Y	N	1	2	3	4	5	6
2. Postal deliveries	Y	N	1	2	3	4	5	6
3. Post office	Y	N	1	2	3	4	5	6
4. Police services	Y	N	1	2	3	4	5	6
5. Hospital	Y	N	1	2	3	4	5	6
6. Private health services	Y	N	1	2	3	4	5	6
7. Clinic	Y	N	1	2	3	4	5	6
8. Ambulance	Y	N	1	2	3	4	5	6
9. New Housing developments	Y	N	1	2	3	4	5	6
10. Water supply	Y	N	1	2	3	4	5	6

Q44 continued	ACCESS YES/NO		VS	S	NSD	D	VD	RA
11. Electricity supply	Y	N	1	2	3	4	5	6
12. Street lighting	Y	N	1	2	3	4	5	6
13. Roads	Y	N	1	2	3	4	5	6
14. Traffic flow	Y	N	1	2	3	4	5	6
15. Storm water drains	Y	N	1	2	3	4	5	6
16. Signposting of roads	Y	N	1	2	3	4	5	6
17. Pedestrian safety	Y	N	1	2	3	4	5	6
18. Pavements	Y	N	1	2	3	4	5	6
19. Parks	Y	N	1	2	3	4	5	6
20. Sports facilities	Y	N	1	2	3	4	5	6
21. Libraries	Y	N	1	2	3	4	5	6
22. Education facilities	Y	N	1	2	3	4	5	6
23. Community Halls	Y	N	1	2	3	4	5	6
24. Noise pollution control	Y	N	1	2	3	4	5	6
25. Air pollution control	Y	N	1	2	3	4	5	6
26. Refuse removal	Y	N	1	2	3	4	5	6
27. Sanitation	Y	N	1	2	3	4	5	6
28. Bus transport	Y	N	1	2	3	4	5	6
29. Train service	Y	N	1	2	3	4	5	6
30. Mini bus taxis	Y	N	1	2	3	4	5	6
31. Crèches	Y	N	1	2	3	4	5	6
32. Pension payout point	Y	N	1	2	3	4	5	6

**45. What are the most important services that you do not have in this community/suburb?**  
(Start with the most important service)

Service	Service Code (use Q44 codes, i.e. water = 9)
1)	
2)	
3)	
4)	
5)	

**46 Have you seen any improvement or deterioration in this community/suburb in the past year?**

Improvement	1	Deterioration	2	Unchanged	3
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**46a. Please specify any improvement or deterioration** \_\_\_\_\_

***Use of Neighbourhood/Community, nearest Centre and City Facilities***

**47 Do you use any of the following facilities?** (Ask about each facility as follows: Ask 'Do you use a shopping centre in your community, closest centre and City. Then proceed to the next facility. Circle only Yes answer codes.

Q47	Yes, in my neighbourhood/community (a)		Yes, in the closest centre or complex (b)		Yes, in Durban City Centre (c)
1. Shopping centre	1	1. Shopping centre	2	1. Shopping centre	3
2. Restaurant	1	2. Restaurant	2	2. Restaurant	3
3. Cinema	1	3. Cinema	2	3. Cinema	3
4. Library	1	4. Library	2	4. Library	3
5. Clinic	1	5. Clinic	2	5. Clinic	3
6. Hospital	1	6. Hospital	2	6. Hospital	3
7. Swimming pool	1	7. Swimming pool	2	7. Swimming pool	3
8. Sports grounds	1	8. Sports grounds	2	8. Sports grounds	3
9. Public park	1	9. Public park	2	9. Public park	3
10. Community hall	1	10. Community hall	2	10. Community hall	3
11. Bus	1	11. Bus	2	11. Bus	3
12. Train	1	12. Train	2	12. Train	3
13. Mini Bus Taxi	1	13. Mini Bus Taxi	2	13. Mini Bus Taxi	3
14. Place of Worship	1	14. Place of Worship	2	14. Place of Worship	3
15. Bank	1	15. Bank	2	15. Bank	3
16. Public telephone	1	16. Public telephone	2	16. Public telephone	3

48a. Please name the centre/complex and the place where you most often shop and do business.

\_\_\_\_\_ in \_\_\_\_\_ (use placename code below)

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48b. Please name the venue and the place where you pursue your favourite spare time activity.

\_\_\_\_\_ in \_\_\_\_\_ (use placename code below)

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49 What are your three favourite spare time activities?

1. Most favourite	
2. Second favourite	
3. Third favourite	

**Everyday problems of living in a large city.**

50 What are your 3 most serious day to day problems with living in the Metro?

(Interviewer must record the problems but do not elaborate)

50a \_\_\_\_\_

50b \_\_\_\_\_

50c \_\_\_\_\_

**Rates and Services Payment**

51 In your opinion do most people in this area pay rates and service charges?

Yes, I think that most people pay rates	1
No, I don't think that most people pay rates	2
I don't know	3

52 Would you agree that it is the right thing to do to pay rates and service charges?

Yes, I agree that it is the right thing to do to pay for services	1
No, I don't agree that it is the right thing to do to pay for services	2

**Perceptions of your Neighbourhood/Community and the City of Durban**

**Since the Local Government elections in 1996 the new Durban Metro Council and Local Councils have developed a Mission which aims to achieve the following goals by the year 2015.**

**53 Please indicate your level of satisfaction with how Durban Metro has been working towards the following goals since 1996 in the community/suburb in which you live.**

Very satisfied (VS), satisfied (S), neither satisfied nor dissatisfied (NSD), dissatisfied (D), very dissatisfied (VD).  
Leave blank if the respondent does not know

	VS	S	NSD	D	VD
1. Your community/suburb has growing businesses and/or industries	1	2	3	4	5
2. Your community/suburb is attractive to tourists	1	2	3	4	5
3. Your community/suburb is clean	1	2	3	4	5
4. Your community/suburb is safe	1	2	3	4	5
5. Your community/suburb has full employment	1	2	3	4	5
6. Your community/suburb has acceptably serviced housing	1	2	3	4	5
7. Your community/suburb a generally high and sustainable quality of life	1	2	3	4	5
8. Your community/suburb has democratic and transparent local government	1	2	3	4	5
9. Tolerance is a way of life in your community/suburb	1	2	3	4	5
10. Your community/suburb has high levels of services	1	2	3	4	5
11. Your community/suburb is development orientated	1	2	3	4	5
12. You can be proud of your community/suburb	1	2	3	4	5

**54 Please indicate your level of satisfaction with how Durban Metro has been working towards the following goals since 1996 in the city centre of Durban?**

Very satisfied (VS), satisfied (S), neither satisfied nor dissatisfied (NSD), dissatisfied (D), very dissatisfied (VD).  
Leave blank if the respondent does not know

	VS	S	NSD	D	VD
1. Durban as a city with growing businesses and industries	1	2	3	4	5
2. Durban as an attractive tourist destination	1	2	3	4	5
3. Durban as a clean city	1	2	3	4	5
4. Durban as a safe city	1	2	3	4	5
5. Durban as a city with full employment	1	2	3	4	5
6. Durban as a city with residents living in acceptably serviced housing	1	2	3	4	5
7. Durban as a city with a generally high and sustainable quality of life	1	2	3	4	5
8. Durban as a city with a democratic and transparent local government	1	2	3	4	5
9. Durban as a city where tolerance is a way of life	1	2	3	4	5
10. Durban as a city with high levels of services	1	2	3	4	5
11. Durban as a city that is development orientated	1	2	3	4	5
12. Durban as a city that you can be proud of	1	2	3	4	5

**55. Do you think that women and men have equal opportunities in Durban?**

Yes	1	No	2
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**56. A copy of your Local Council's Integrated Development Plan, which describes future development, is in the Public Library.**

	Yes	No
1 Have you heard of an Integrated Development Plan before?	1	2
2 Do you know the details of the Integrated Development Plan?	1	2

**57. Do you follow reports about Durban and development in the following media?**

	Yes	No
1 Radio	1	2
2 Newspapers	1	2
3 Television	1	2

**58. How optimistic are you that Durban will become a leading world city?**

Very optimistic	1	Pessimistic	4
Mildly optimistic	2	Very pessimistic	5
Uncertain	3		

**59. During previous research with Durban residents the following have been suggested as solutions to some of Durban's problems. Do you agree with the following statements?**

	YES	NO
1. Only employment training, which provides work experience, will help the youth find jobs.	1	2
2. Job creation projects are efficient means of reducing levels of crime in local neighbourhoods.	1	2
3. The most successful community projects create local jobs.	1	2
4. Youth development programmes, youth clubs and holiday camps are crime deterrents.	1	2
5. Providing accessible and affordable recreation facilities in poor areas is important.	1	2
6. Micro-credit facilities for small business should be developed.	1	2
7. Transport should be subsidised in outlying areas.	1	2
8. Greater priority should be placed on the needs of outlying constituencies.	1	2
9. Informal trading is an important aspect of Durban's economy and requires consultative planning from Local Government.	1	2
10. A publicity campaign about Metro identity, structures, local government representation, and rates is required.	1	2
11. Co-operation among neighbours is necessary to achieve community goals.	1	2
12. Hostels should be upgraded to make better privacy provisions.	1	2
13. A more vigorous Aids Education campaign is required.	1	2
14. A more efficient justice system and harsher sentencing are necessary.	1	2
15. Stricter control of gambling establishments and shebeens is needed.	1	2
16. Better policing and trustworthy police is a major issue.	1	2
17. Better-paid police would be more motivated.	1	2
18. Durban Metro Council should do more to promote Durban as a tourist destination.	1	2

**60. Have any important local issues been left out of the questionnaire?**

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**Thank you.**

## EXTRACT FROM 13 MAY 1999 COUNCIL MINUTES

**NC059905.66** ESTABLISHMENT OF A POLITICAL STRUCTURE TO PREPARE FOR THE DURBAN METROPOLITAN UNICITY**RESOLVED**

- NC059905.66.1** THAT the North Local Council enter into an agreement with the other Councils within the Durban Metropolitan area in terms of Section 313 of Ordinance No. 25 of 1974 for the establishment of a Unicity Committee or "Unicom" to exercise certain powers and perform certain functions of the Councils in respect of the entire Durban Metropolitan area, as defined in Proclamation 80 of 1996, to prepare for the formation of a Unicity in terms of the Local Government White Paper, 1998 and the Municipal Structures Act, 1998;
- NC059905.66.2** THAT the terms of reference of the Unicity Committee detailed in the Deed of Agreement dated 28 April 1999 in terms of Section 313(2) of Ordinance 25 of 1974 be approved and the Mayor and Chief Executive Officer be authorised to sign such agreement;
- NC059905.66.3** THAT the apportionment of the Unicity Committee budget to the seven Councils within the Durban Metropolitan Area as detailed in the memorandum dated 13 April 1999 from the Executive Director Corporate Financial Services be supported; and
- NC059905.66.4** THAT the representatives of the Unicity Committee as detailed in the report from the Secretariat of Change Management Committee dated 6 May 1999 be approved.

10 May 1999

**DEED OF AGREEMENT**

between

The **DURBAN TRANSITIONAL METROPOLITAN COUNCIL ("DMC")**,The **INNER WEST CITY COUNCIL ("IW")**,The **NORTH CENTRAL LOCAL COUNCIL ("NC")**,The **NORTH LOCAL COUNCIL ("N")**,The **OUTER WEST LOCAL COUNCIL ("OW")**,The **SOUTH CENTRAL LOCAL COUNCIL ("SC")**The **SOUTH LOCAL COUNCIL ("S")**(hereinafter called the "**Seven Councils**")**WHEREAS:-**

In terms of paragraph 27(1) of the Schedule 2 of Proclamation 80 of 1996 (**Proclamation 80**), the **Seven Councils** within the metropole of Durban are obliged to co-operate with mutual trust and good faith by:-

- (a) assisting and supporting each other;
- (b) informing each other and consulting each other; and
- (c) co-ordinating their actions and legislation with each other,

**AND WHEREAS:-**

1. In terms of section 313 of Ordinance 25 of 1974, local authorities may, by agreement, co-operate with each other for the better or more economical carrying out of any matter within the power of the local authorities; and
2. In terms of section 313 of the same Ordinance, the conditions of such agreement must be embodied in a deed of agreement to be entered into and subscribed to by the contracting parties,

**AND WHEREAS:-**

1. As the metropolis of Durban has the characteristics of a metropolitan area as prescribed in the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the **Seven Councils** reasonably anticipate that the metropole of Durban will be demarcated as a metropolitan area and that a Category A municipality within the meaning of section 155 of the Constitution of the Republic of South Africa will be instituted for the metropolis;

and

2. As it is necessary to take numerous reasonable steps to ensure the successful transformation of the political and administrative institutions and structures and to ensure the establishment of appropriate governance and delivery systems in the anticipated new dispensation;-

**NOW THEREFORE** the Seven Councils agree as follows:-

## CHAPTER ONE

### CONSTITUTION AND OBJECTS OF UNICITY COMMITTEE

#### 1.0 Status:-

There is established by this deed of agreement in terms of section 313 of Ordinance 25 of 1974, a *Joint Committee* of the Seven Councils to be known as the *Unicity Committee*.

#### 2.0 Membership:-

2.1 The *Unicity Committee* shall consist of fifteen members jointly appointed by the Seven Councils.

2.2 In the event of a member resigning or ceasing to hold office, the Seven Councils shall jointly appoint a surrogate member.

#### 3.0 Chair:-

The *Unicity Committee* shall elect one of its own members to hold the Chair of the committee and another *vice* such person. The member holding the Chair or, in his absence or indisposition, the person acting *vice* such person shall be the convenor of the *Unicity Committee*.

#### 4.0 Procedures:-

#### 4.1 Rules of Order:-

Subject to provisions of Clause 4.1 the *Unicity Committee* shall determine the provisions for regulating its proceedings.

**4.2.0 Exceptions:-**

4.2.1 The Unicity Committee shall endeavour to exercise its powers and perform its duties on the basis of consensus; and

4.2.2 if consensus on any matter is not achieved, such matter shall be decided by a majority of two thirds of the members present.

4.2.3 The *Unicity Committee* shall meet as and when required.

4.2.4 The quorum of the *Unicity Committee* shall be eight(8).

**4.3 Administrative Regulations:-**

Subject to Clause 4.4.0, the *Administrative Regulations* regulating interfaces between employees of the former City Council of the City of Durban and committees of the former City Council of the City of Durban shall apply to all meetings of the *Unicity Committees*.

**4.4.0 Funding:-**

**4.4.1 Budget:-**

The *Unicity Committee* shall prepare an annual budget of anticipated expenditure necessary to carry out its *Object*.

**4.4.2 Trust Fund:-**

The *Executive Director (Corporate Financial Services)* shall establish a fund in terms of section 264(38) of Ordinance 25 of 1974 which said fund shall be used by the *Unicity Committee* and the employees of the Seven Councils acting under the direction of the *Unicity Committee* to fulfil its *Object*.

**4.4.3 Annual Contributions of the Seven Councils:-**

The Seven Councils shall severally set aside in their *Annual Estimates* and pay to the *Trust Fund* on or before 30th September of every *Financial Year* a sum equal to X divided by  $IWR+OWR+NR+SR+2(NCR+SCR)$  and multiplied by Y where X is the anticipated expenditure referred to in Clause 4.4.1, IWR is the anticipated Rates Income of IW for the *Financial Year* concerned, OWR is the anticipated Rates Income of OW for the *Financial Year* concerned, NR is the anticipated Rates Income of N for the *Financial Year* concerned, SR is the anticipated Rates Income of S for the *Financial Year* concerned, and NCR+SCR is the anticipated combined Rates Income of NC and SC for the *Financial Year* concerned and Y is:-

(1) in respect of IW, its anticipated Rates Income for the *Financial Year* concerned;

(2) in respect of OW, its anticipated Rates Income for the *Financial Year* concerned;

WA: [Signature] Page 262 NS. T.M. [Signature] ME. B

- (3) in respect of NC, its anticipated Rates Income for the *Financial Year* concerned;
- (4) in respect of N, its anticipated Rates Income for the *Financial Year* concerned;
- (5) in respect of SC, its anticipated Rates Income for the *Financial Year* concerned;
- (6) in respect of S, its anticipated Rates Income for the *Financial Year* concerned; and
- (7) in respect of DMC, is the anticipated combined Rates Income of NC and SC for the *Financial Year* concerned.

#### 5.0 Objects:-

The *Object* of the *Unicity Committee* shall be to carry out its mandate from the **Seven Councils** as set out in Chapter II of this Deed of Agreement in accordance with the terms and conditions therein set out.

## CHAPTER II

### AGENCY

#### 6.0 Mandate:-

The **Seven Councils** severally nominate, constitute and appoint the *Unicity Committee* as their lawful attorney and agent with authority to:-

- (1) take all such decisions as may be necessary or incidental to any matter pertaining to the preparation for and implementation of the establishment of a Category A Municipality within the meaning of section 155 of the Constitution within the respective areas of jurisdiction of the **Seven Councils**;
- (2) take all such decisions on any staff, financial or policy matter which have an impact beyond the local government elections in 2000/20001;
- (3) instruct the respective *Chief Executive Officers* of the **Seven Councils** on the taking of any preparatory steps as may be necessary or incidental to the introduction of appropriate new administrative and delivery systems for the said Category A Municipality for the metropolis of Durban;
- (4) make such representations as it deems necessary on behalf of the **Seven Councils** to the relevant provincial and national *Organs of State* on any legislation (including subordinate legislation) proposed, enacted or to be enacted by any legislative body or *Functionary* which will impact on the establishment of the Category A Municipality aforementioned;

- (5) make recommendations to the **Seven Councils** severally on any legislative changes the *Unicity Committee* considers necessary or desirable for the preparation of the metropolis for the establishment of the Category A Municipality aforementioned;
- (6) enter into any contract on behalf of the **Seven Councils** jointly necessary or incidental to the execution of sub-clauses (1)-(5) of this mandate:-
  - (a) of the kind referred to in section 187(3)(h) of Ordinance 25 of 1974; and
  - (b) of the type referred to in section 187(1) of Ordinance 25 of 1974: Provided that such contract does not exceed the limits prescribed by the Regulation relating to the calling for tenders made under the said section for any party;
- (7) decide all matters of a policy nature incidental to the above.

**7.0 Terms and Conditions of Mandate:-**

- 7.1 In carrying out its mandate, the *Unicity Committee* shall deliberate and decide in the best interests of the metropolis of Durban as a whole.
- 7.2 The **Seven Councils** shall be bound by the decisions of the *Unicity Committee* in terms of the mandate and will not instruct any *Chief Executive Officer* or any other person to perform any act at variance with any policy decision of the *Unicity Committee*.
- 7.3 In incurring any expenditure in terms of sub-clause (5) of its mandate, the *Unicity Committee* shall incur no financial commitment in excess of the amount in the *Trust Fund*, or any amount guaranteed by the seven councils, from time to time.
- 7.4 The *Executive Director (Corporate Financial Services)* shall provide to the *Unicity Committee* a Financial Certificate certifying that there is sufficient funds available in the *Trust Fund* where expenditure is contemplated in terms of sub-clause (5) of its mandate and no expenditure shall be incurred by the *Unicity Committee* without such certificate.
- 7.5 In serving on the *Unicity Committee* the members shall incur the usual personal liability of a Councillor serving on a committee of a Municipal Council and the **Seven Councils** shall jointly and severally be responsible for the actions of such Committee as if it were a Committee of the Council concerned.
- 7.6 The *Chief Executive Officer* of DMC shall provide such secretarial support as may be necessary or incidental for the fulfilment of the mandate of the *Unicity Committee* on the instructions of the *Unicity Committee* at the cost and expense of DMC.

7.7 The *Chief Executive Officers* of the **Seven Councils** shall collectively by agreement between themselves provide such other technical support from the human and material resources of the **Seven Councils** as may be necessary or incidental for the fulfilment of the mandate of the *Unicity Committee* on the instructions of the *Unicity Committee*.

8.0 **Termination:-**

This Agreement shall terminate on the date of the next general municipal election to be held in the metropolis or by mutual agreement (whichever is the earlier).

CHAPTER III

GLOSSARY

9.0 **Definitions:-**

Unless inconsistent with the context, the following words and phrases shall have the following meanings ascribed to them:-

**Administrative Regulations:** The Rules regulating the interfaces between the Former City Council of Durban, its Committees and its Employees as set out in Chapter 4 of the Interim Code of Delegations of that City Council;

**Annual Estimates:** The statutory Municipal Budget or Annual Estimates of Income and Expenditure of a Municipality;

**Chief Executive Officer:** The *Functionary* of the *Municipality* as defined in section 10B of the Local Government Transition Act, 1993 (Act 209 of 1993);

**Executive Director (Corporate Financial Services):** The statutory treasurer of DMC;

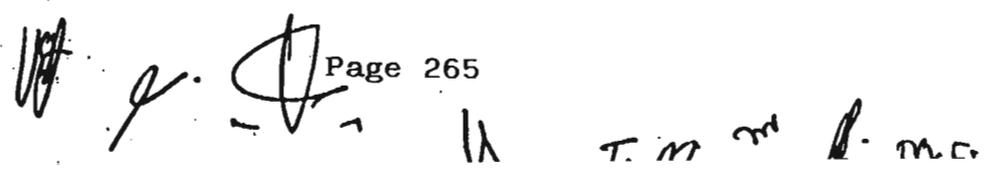
**Financial Year:** 1 July in one year to 30 June in the next;

**Functionary:** Any "Functionary" within the meaning of section 239 of the Constitution;

**Object:** The object of the *Unicity Committee* as described in Clause I/5.0 hereof;

**Organ of State:** Any "Organ of state" as defined in section 239 of the Constitution of the Republic of South Africa with legislative capacity of any kind but excluding the parties to this Deed;

**Rules of Order:** Rules of the kind contemplated in section 84 of Ordinance 25 of 1974;

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lh T. M. M. B. M. C.



Dated at DURBAN this 20 day of May 1999

*APN*  
.....  
MAYOR, North Local Council

I certify in terms of section 186 of Ordinance 25 of 1974 that the Mayor of the North Central Local Council was authorised to sign the above deed of agreement by resolution of the North Central Local Council dated 13/05/99

*[Signature]*  
.....  
TOWN CLERK, North Local Council

Dated at DURBAN this                      day of                      1999

.....  
MAYOR, Outer West Local Council

I certify in terms of section 186 of Ordinance 25 of 1974 that the Mayor of the Outer West Local Council was authorised to sign the above deed of agreement by resolution of the Inner West Local Council dated.....

.....  
TOWN CLERK, Outer West Local Council

Dated at DURBAN this 19th day of MAY 1999

*S. Mkhumbane*  
.....  
MAYOR, South Central Local Council

I certify in terms of section 186 of Ordinance 25 of 1974 that the Mayor of the South Central Local Council was authorised to sign the above deed of agreement by resolution of the South Central Local Council dated 13.05.1999

*N. N. Vedantakumari*  
.....  
TOWN CLERK, South Central Local Council

Dated at DURBAN this 24th day of May 1999

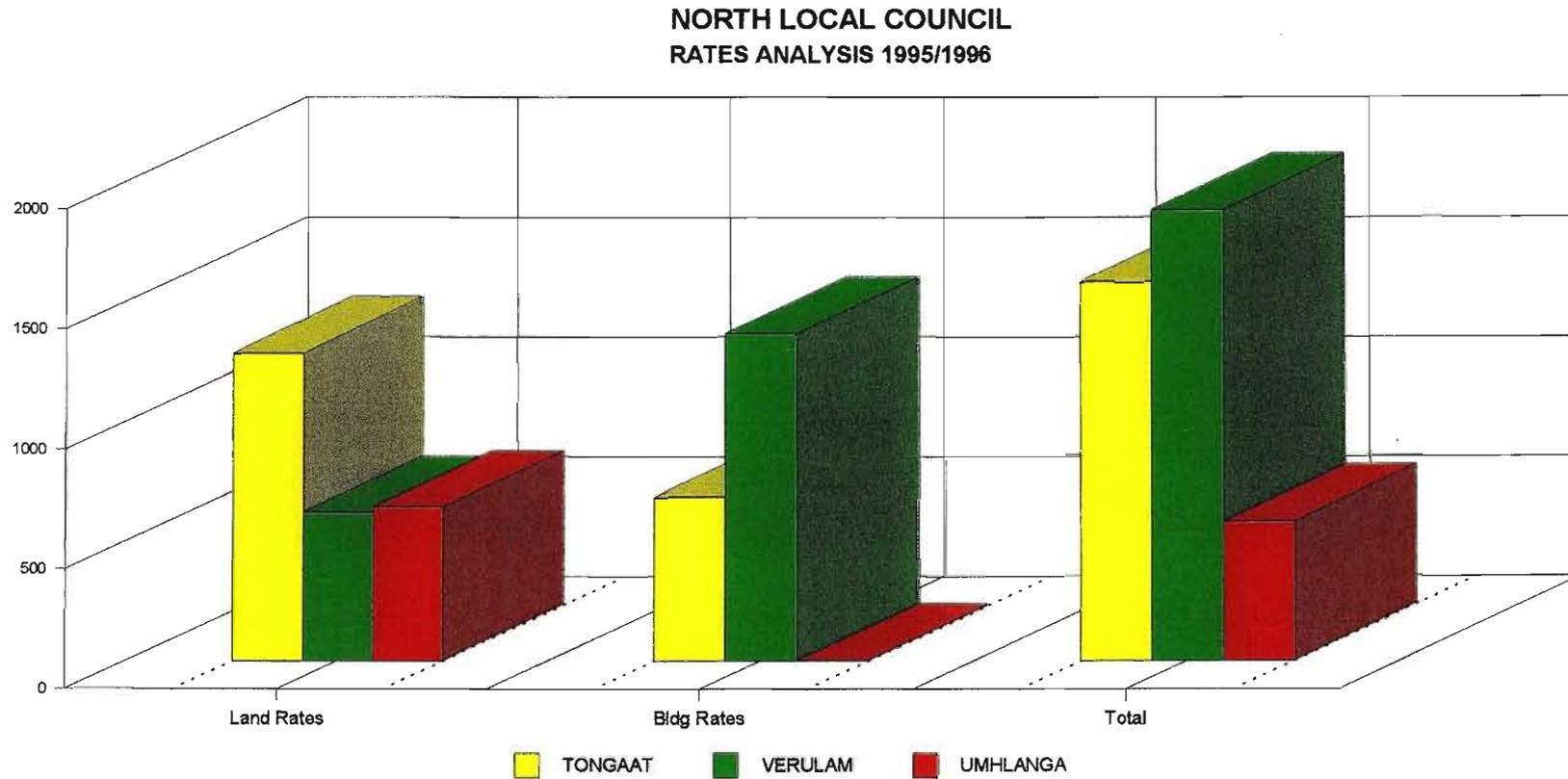
*[Signature]*  
.....  
MAYOR, South Local Council

I certify in terms of section 186 of Ordinance 25 of 1974 that the Mayor of the South Local Council was authorised to sign the above deed of agreement by resolution of the South Local Council dated 20 MAY 1999

(See Council Reso taken C 9905/04(L)(11) of 20 May 1999)

*[Signature]*  
.....  
TOWN CLERK, South Local Council

FIGURE : 3

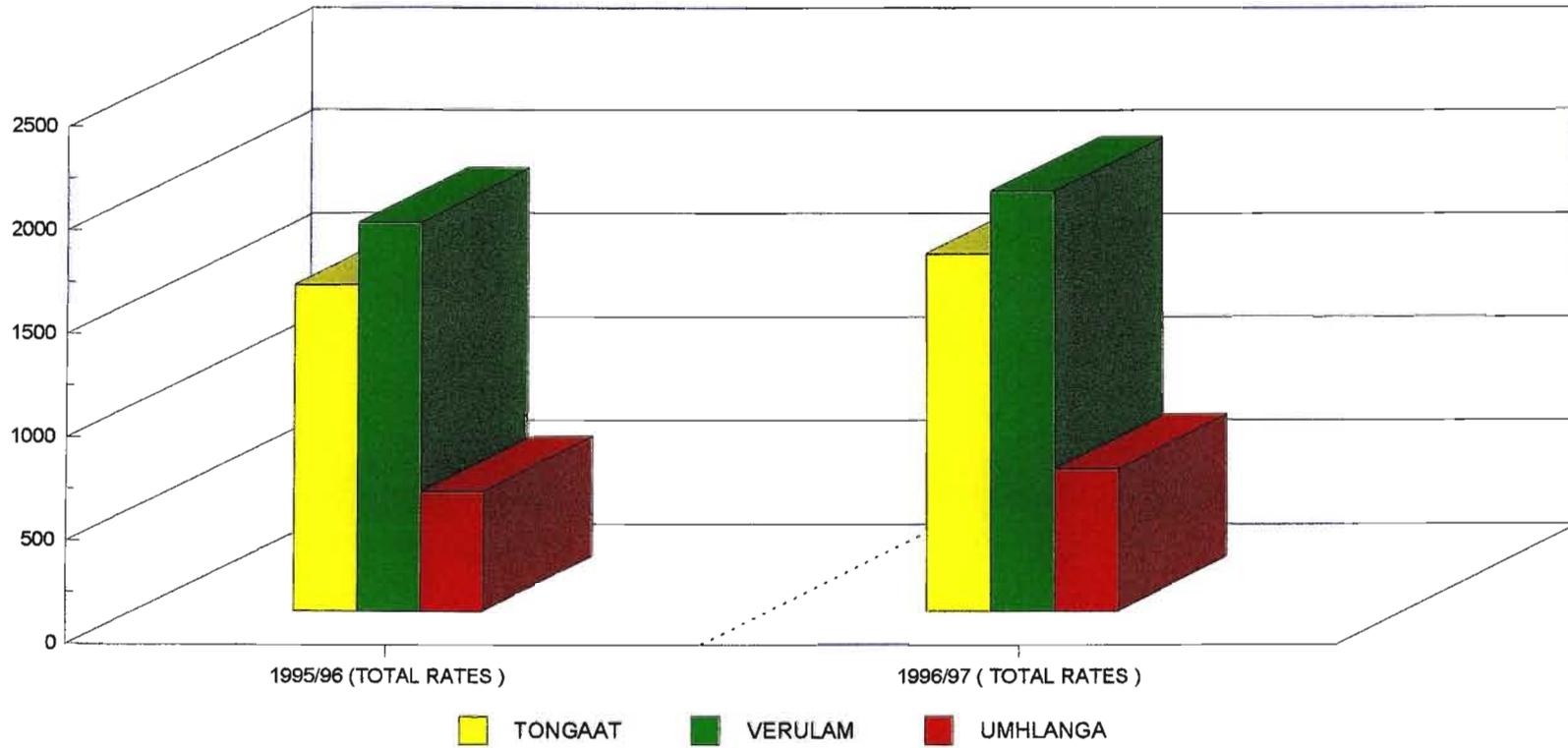


THESE BATCH OF GRAPHS WILL BE UNPACKED AND EXPLAINED IN GREATER DETAIL  
RATES HAVE BEEN BASED ON PROPERTIES OF EQUAL VALUE TO MAKE THE EXERCISE MEANINGFUL. WHILST PROPERTY VALUES ARE EQUAL THE ACTUAL INDICES AS APPLICABLE IN THOSE AREAS FOR THE RELEVANT YEARS HAVE BEEN UTILISED TO PRODUCE THE GRAPH.  
SOURCE OF INFORMATION : NORTH LOCAL COUNCIL ARCHIVES,1999 .

FIGURE : 4

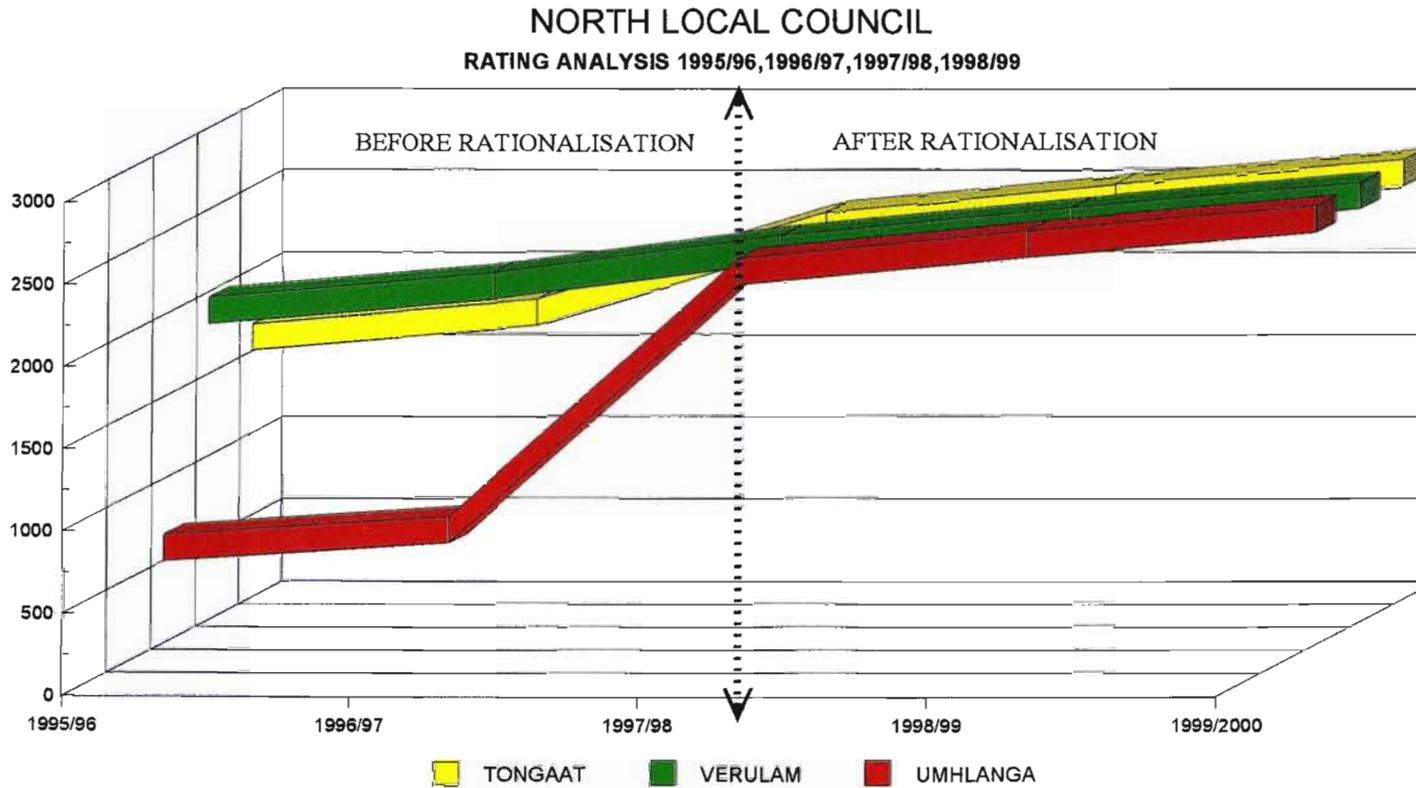
### NORTH LOCAL COUNCIL RATING ANALYSIS 1995/96,1996/97

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RATES HAVE BEEN BASED ON PROPERTIES OF EQUAL VALUE TO MAKE THE EXERCISE MEANINGFUL. WHILST PROPERTY VALUES ARE EQUAL THE ACTUAL INDICES AS APPLICABLE IN THOSE AREAS FOR THE RELEVANT YEARS HAVE BEEN UTILISED TO PRODUCE THE GRAPH. (SOURCE OF INFORMATION : NORTH LOCAL COUNCIL ARCHIVES,1999).

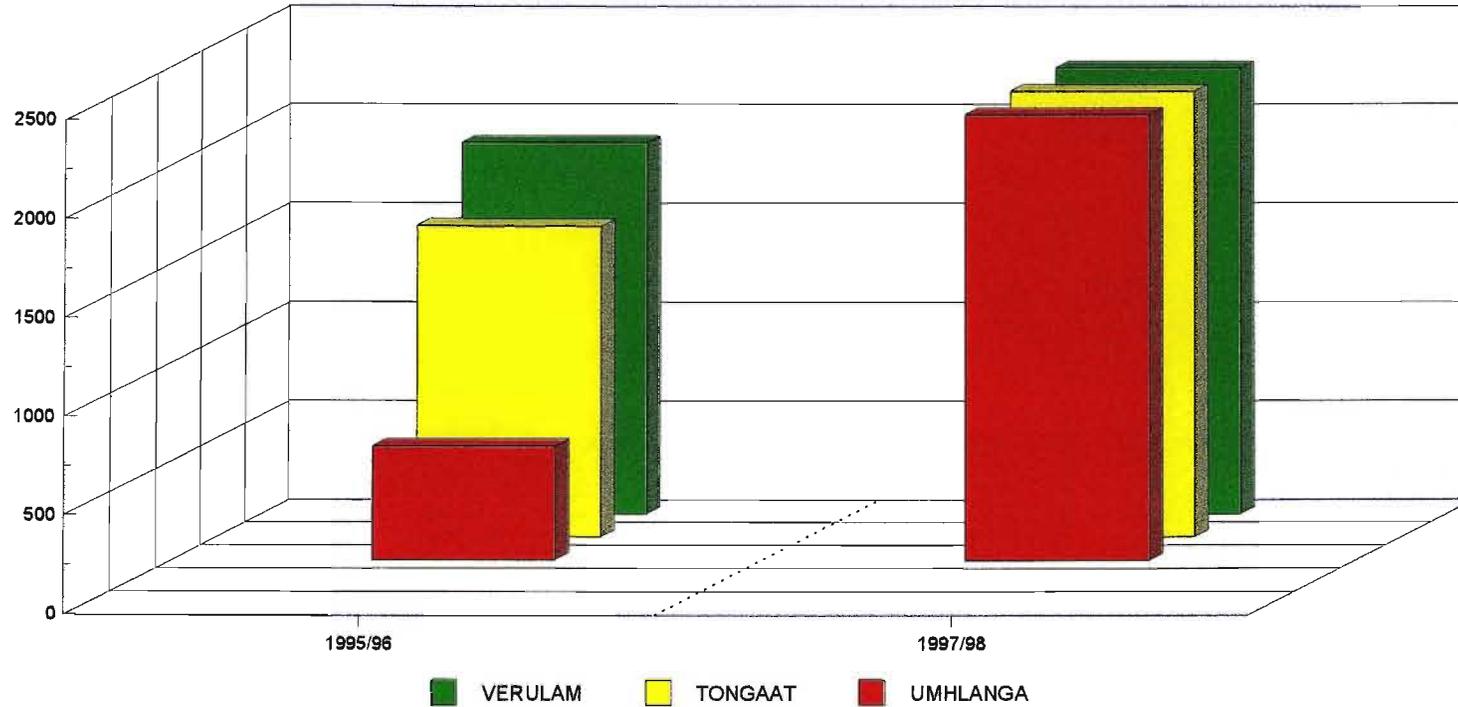
FIGURE : 5



RATES HAVE BEEN BASED ON PROPERTIES OF EQUAL VALUE TO MAKE THE EXERCISE MEANINGFUL. WHILST PROPERTY VALUES ARE EQUAL THE ACTUAL INDICES AS APPLICABLE IN THOSE AREAS FOR THE RELEVANT YEARS HAVE BEEN UTILISED TO PRODUCE THE GRAPH. ( SOURCE OF INFORMATION : NORTH LOCAL COUNCIL ARCHIVES,1999 ).

FIGURE : 6

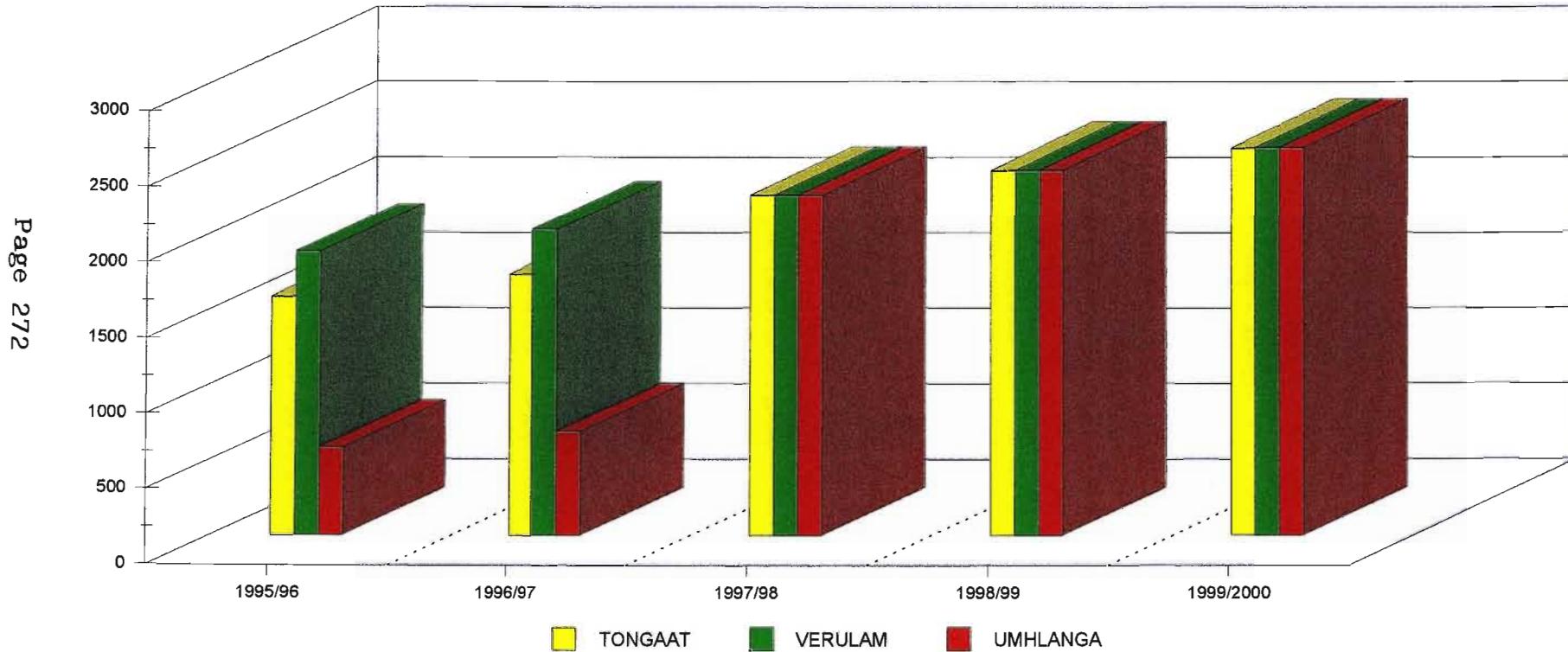
NORTH LOCAL COUNCIL  
RATING ANALYSIS 1995/96,1997/98



RATES HAVE BEEN BASED ON PROPERTIES OF EQUAL VALUE TO MAKE THE EXERCISE MEANINGFUL. WHILST PROPERTY VALUES ARE EQUAL THE ACTUAL INDICES AS APPLICABLE IN THOSE AREAS FOR THE RELEVANT YEARS HAVE BEEN UTILISED TO PRODUCE THE GRAPH. ( SOURCE OF INFORMATION : NORTH LOCAL COUNCIL ARCHIVES,1999 ).

FIGURE : 7

NORTH LOCAL COUNCIL  
RATING ANALYSIS 1995/96,1996/97,1997/98,1998/99



RATES HAVE BEEN BASED ON PROPERTIES OF EQUAL VALUE TO MAKE THE EXERCISE MEANINGFUL. WHILST PROPERTY VALUES ARE EQUAL THE ACTUAL INDICES AS APPLICABLE IN THOSE AREAS FOR THE RELEVANT YEARS HAVE BEEN UTILISED TO PRODUCE THE GRAPH.  
( SOURCE OF INFORMATION : NORTH LOCAL COUNCIL ARCHIVES,1999 ).

**NORTH LOCAL COUNCIL  
RATING ANALYSIS (RATES RANDAGES)**

RATES RANDAGES									
YEAR	TONGAAT			UMHLANGA			VERULAM		
	LAND	REBATE	BUILDING	LAND	REBATE	BUILDING	LAND	REBATE	BUILDING
1995/96	4.27	30.00 %	0.34	2.133	10.00 %	0	2.05	0	0.63
1996/97	4.70	30.00 %	0.37	2.54	10.00 %	0	2.22	0	0.68
1997/98	2.94	20.00 %	0.49	2.94	20.00 %	0.49	2.94	20.00 %	0.49
1998/99	3.12	20.00 %	0.53	3.12	20.00 %	0.53	3.12	20.00 %	0.53
1999/2000	3.33	20.00 %	0.56	3.33	20.00 %	0.56	3.33	20.00 %	0.56

This table depicts the actual indices for the financial period 1995/96 to 1999/2000. The areas of Tongaat, Umhlanga and Verulam applied different indices for the financial periods 1995/96 and 1996/97. This was rationalised and from the 1997/98 financial period the indices were common throughout the North Local Council areas.

**Rates :**

Calculated on cents in the rand on valuation of land and building.

**Rebate :**

Calculated as a percentage on land rates.

**NORTH LOCAL COUNCIL  
RATING ANALYSIS (VALUATIONS)**

<b>VALUATIONS</b>						
<b>YEAR</b>	<b>TONGAAT</b>		<b>UMHLANGA</b>		<b>VERULAM</b>	
	<b>LAND</b>	<b>BUILDING</b>	<b>LAND</b>	<b>BUILDING</b>	<b>LAND</b>	<b>BUILDING</b>
<b>1995/96</b>	<b>30000</b>	<b>200300</b>	<b>30000</b>	<b>200300</b>	<b>30000</b>	<b>200300</b>
<b>1996/97</b>	<b>30000</b>	<b>200300</b>	<b>30000</b>	<b>200300</b>	<b>30000</b>	<b>200300</b>
<b>1997/98</b>	<b>38000</b>	<b>278000</b>	<b>38000</b>	<b>278000</b>	<b>38000</b>	<b>278000</b>
<b>1998/99</b>	<b>38000</b>	<b>278000</b>	<b>38000</b>	<b>278000</b>	<b>38000</b>	<b>278000</b>
<b>1999/2000</b>	<b>38000</b>	<b>278000</b>	<b>38000</b>	<b>278000</b>	<b>38000</b>	<b>278000</b>

This table provides for equal valued properties in Tongaat, Umhlanga and Verulam. To illustrate the problem of the poorer municipalities the actual indices from Table 4.1 have been utilised to calculate property rates. These rates are depicted in Table 4.3.

TABLE:13

**NORTH LOCAL COUNCIL  
RATING ANALYSIS ( ACTUAL INDICES FOR THE FINANCIAL PERIODS 1995/96 TO 1999/2000 )**

<b>RATES</b>												
<b>YEAR</b>	<b>TONGAAT</b>				<b>UMHLANGA</b>				<b>VERULAM</b>			
	<b>LAND</b>	<b>REBATE</b>	<b>BUILDING</b>	<b>TOTAL</b>	<b>LAND</b>	<b>BUILDING</b>	<b>REBATE</b>	<b>TOTAL</b>	<b>LAND</b>	<b>REBATE</b>	<b>BUILDING</b>	<b>TOTAL</b>
<b>1995/96</b>	<b>1281</b>	<b>-384</b>	<b>681</b>	<b>1578</b>	<b>640</b>	<b>-64</b>	<b>0</b>	<b>576</b>	<b>615</b>	<b>0</b>	<b>1262</b>	<b>1877</b>
<b>1996/97</b>	<b>1410</b>	<b>-423</b>	<b>741</b>	<b>1728</b>	<b>762</b>	<b>-76</b>	<b>0</b>	<b>686</b>	<b>666</b>	<b>0</b>	<b>1362</b>	<b>2028</b>
<b>1997/98</b>	<b>1117</b>	<b>-223</b>	<b>1362</b>	<b>2256</b>	<b>1117</b>	<b>-223</b>	<b>1362</b>	<b>2256</b>	<b>1117</b>	<b>-223</b>	<b>1362</b>	<b>2256</b>
<b>1998/99</b>	<b>1186</b>	<b>-237</b>	<b>1473</b>	<b>2422</b>	<b>1186</b>	<b>-237</b>	<b>1473</b>	<b>2422</b>	<b>1186</b>	<b>-237</b>	<b>1473</b>	<b>2422</b>
<b>1999/2000</b>	<b>1265</b>	<b>-253</b>	<b>1557</b>	<b>2569</b>	<b>1265</b>	<b>-253</b>	<b>1557</b>	<b>2569</b>	<b>1265</b>	<b>-253</b>	<b>1557</b>	<b>2569</b>

This table provides the rates applicable in each of the areas of Tongaat, Umhlanga and Verulam using the actual indices for the financial periods 1995/96 to 1999/2000.