

Local government capacity 2004

Municipal Demarcation Board's national report

The Municipal Demarcation Board (MDB) has released its 2004/2005 local government capacity assessment report. It showed a steady increase in both the range and level of services provided by local and district municipalities.

MDB mandate

In terms of the Municipal Structures Act of 1998, the MDB is required to advise the MECs for local government on the capacity of district and local municipalities to perform their functions. As a result the MECs may adjust the allocation of powers and functions between district and local municipalities. To fulfil this obligation, the MDB undertakes an annual assessment of municipal capacity.

Adjustments in 2003/4

The most commonly adjusted function in 2003 was the cemetery function, as 47% of local municipalities received the district responsibility. Further, 46% of local municipalities also perform the district function of refuse collection and 29% have district fire fighting responsibilities. Many fewer functions were moved from the local level to the district level, the most common being fire fighting services (16%).

2005 recommendations for adjustments

Very few cases of adjustments were recommended by the Board for 2004/5. The *status quo* thus remains.

Assessments of budgets

The operating budgets of most district municipalities increased from 2002 to 2004. The exceptions were municipalities in the Free State and KwaZulu-Natal, where there has been a decline in budget sizes.

There were differences in spending patterns between the provinces. In the Western Cape, district municipalities spend R2 166 per household annually while the amount in the Free State was only R439.

The figure for local municipalities also shows wide divergence. Again, local municipalities in the Western Cape spent R7 974 per household while in KwaZulu-Natal it was only R2 177.

Staffing

On average the staffing levels for local municipalities are greater than for district municipalities. On the whole, local municipalities in Gauteng and the Western Cape have more human resource capacity than in the other provinces.

Management qualifications

For the first time the assessment covered the experience and qualifications of municipal managers and chief financial officers.

Sixty-two percent of district and local managers have a university degree (which includes 30% who also have a post-graduate degree). Only 5% have a matric with no additional qualifications.

The most common qualification is one in public administration. Approximately 14% of municipal managers have teaching qualifications. They are more prevalent in Limpopo (38%) and the Northern Cape (36%) than in the Free State (4%) and Mpumalanga (4%).

Fourteen per cent of managers have a law degree, with the greatest prevalence in North West Province (40%).

Management experience

The assessment also revealed the extent of new managers moving into municipalities.

Of all the managers, 37% had five or fewer years of experience in management. A further 37% have between 6 and 11 years of experience, while 9% have between 12 and 18 years of experience. In Limpopo more than half of the managers (57%) have five or fewer years of experience. In North West and the Free State the figure is 48%. In contrast, in the Western Cape only 10% of the managers have five or fewer years of experience.

The report noted that it would be incorrect at this stage of transformation to draw conclusions between the qualifications and experience of managers and the underperformance of municipalities.

Financial management

Sixty per cent of financial managers have a university qualification, mostly in finance. Nearly 12% have a matric only and a further 26% have a post-matric diploma.

Compared to municipal managers, financial managers appear to have more experience. The percentage of managers with five or fewer years of experience is 38%. A further 21% have between 6 and 11 years of experience. In the Western Cape only 10% of managers have less than 11 years of experience. Limpopo has the fewest experienced managers: 61% have five or fewer years of experience.

Functions performed with capacity

In assessing whether a municipality had some capacity to perform a function, it had to meet at least two of the following criteria:

- funding for the function;

key points

- Very few cases of adjustments of functions between district and local municipalities were recommended.
- The operating budgets of most district municipalities increased from 2002 to 2004.
- 62% of district and local municipal managers have a university degree.
- 37% of municipal managers have five or fewer years experience in management.
- 60% of financial managers have a university qualification, mostly in finance.
- 61% of municipalities performed 50% or less of their constitutionally mandated functions.

- staff available for rendering the service; or
- infrastructure/equipment.

Applying this yardstick, the assessment revealed that 61% of municipalities performed 50% or less of their constitutionally mandated functions. This was a steady increase in capacity over the past two assessment periods. The increase is most notable at the lower end of the scale.

In 2004 only 12% of municipalities provided less than 30% of functions, a significant reduction from 2004 figure of 24%.

At the other end of the scale, 19% of municipalities performed more than 70% of functions.

Overall, 62% of local and district municipalities increased the number of functions they performed, there was a decline in 28% of municipalities and no change in the remaining 10%.

It would be incorrect to draw conclusions between the qualifications and experience of managers and the underperformance of municipalities

There is great variation in the rendering of services between provinces as well as between different types of municipalities. Not surprisingly, large urban centres perform the greatest number of functions while rural municipalities perform the fewest.

However, significant improvement occurred in the latter areas with regard the number of services provided.

Priority 1 Functions by local municipalities

When it comes to the basic needs functions, the so-called Priority 1 Functions, the following

were provided by local municipalities: cemeteries (79%), electricity distribution (79%), municipal roads (82%), refuse removal (82%), sanitation (68%), storm water (69%), traffic and parking (66%) and potable water (71%).

Other key functions performed less frequently were fire fighting (56%), municipal health services (46%) and municipal planning (53%).

With regard to municipal health services only 33% of municipalities render any control over the selling of food to the public and only 15% did anything about air and noise pollution.

District municipalities

The most common functions performed by districts municipalities were municipal planning (60%) and local tourism (51%). Only 40% did water and 31% did sanitation.

Generally, district municipalities performed very few local municipal functions (cemeteries 11%, refuse removal 11%).

Report conclusion

The assessment report came to the following conclusions:

- While the Western Cape and Gauteng tended to have stronger, more stable district and local

municipalities, the Eastern Cape and Limpopo, with a much higher percentage of disadvantaged communities, showed a steady general improvement in local government performance.

- Municipalities in the Northern Cape and North West were performing fewer functions than the national average with more managers having less than five years experience and with qualifications not directly linked to local government.
- District municipalities in Mpumalanga were underperforming. This was also the case in the Free State with regard to both local and district municipalities, requiring close monitoring by the national and provincial governments.

Comment

The report indicates that, contrary to popular perceptions, there is real improvement in local government capacity.

More functions are being performed in 2004 than three years earlier. Moreover, the most significant increases occurred in the rural municipalities.

The support programmes of the national and provincial governments should, however, take note of the progress made and focus on those municipalities that are still lagging behind.

Contrary to popular perceptions, there is real improvement in local government capacity.

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