AN ASSESSMENT OF THE LEVEL OF PERFORMANCE MANAGEMENT IN MNQUMA LOCAL MUNICIPALITY

By

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Submitted in partial fulfillment of the requirements for the MBA qualification to be awarded at the Nelson Mandela Metropolitan University

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Supervisor: Mr W. Fox
DECLARATION

• I, Nosipo Albertina Hermanus hereby declare that:

• The research contained in this document has not been wholly or partially submitted before for any degree or examination at any university.

• This dissertation is being submitted in partial fulfilment of Masters Degree in Business Administration.

• This dissertation is the product of my own independent work, except where otherwise stated.

• If my dissertation is accepted, I hereby give permission for it to be available for photocopying and for interlibrary loan, and for the title and summary to be made available to outside organisations.

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Nosipo Albertina Hermanus  Date
Acknowledgements

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- To others not mentioned above and who have contributed in one way or another.
Mnquma Local Municipality is located in the South Eastern part of the Eastern Cape Province. This category B municipality falls under the jurisdiction of the Amathole District Municipality (ADM) and comprises of an amalgamation of the former Butterworth, Ngqamakhwe and Centane TRC’s, Mnquma Municipality shares borders with three other local municipalities i.e. Mbhashe, Intsika Yethu and Great Kei Municipalities. In previous years this municipality was surrounded by violence, maladministration and mismanagement of funds. In 2009, Mnquma municipality received a disclaimer audit opinion.

The bases for disclaimer are:

- Consumer debtors who were disclosed at R13, 4 million on the face of the statement of financial positions and to the annual financial statements; and this amount did not agree with debtor’s age analysis.
- Auditor-General was unable to confirm the exact amount of debtors removed from the accounting system
- Limitations placed on the scope of work and municipal records not permitting the application of alternative audit procedures
- Trade Creditors not supported by adequate documentation and supplier reconciliations did not have adequate alternative system of ensuring that all goods and services received prior to year-end, not paid but were accrued; and number of items that were recorded incorrectly.

“The municipality adopted the PMS framework by March 2008. It was implemented and Councillors played a pivotal role in the implementation, monitoring and evaluation of the IDP. Cluster meetings set and received performance reports on quarterly basis. Directorates produced monthly performance reports and submitted them to the Executive management and the Executive Mayor respectively. The PMS was cascaded down to lower levels. Managers reporting to Directors had signed Accountability Agreements, while employees below signed Performance promises. It should be stated
that there were some challenges on the implementation process. The Framework was implemented for the first time and institution was in a learning curve”. (N. Pakade: 2009) The municipal manager agreed that the institution was in a learning curve even though he commended the good work of councillors, it is not all councillors who know exactly what they are supposed to be doing in monitoring the municipal performance management systems. This has been proved by areas which still do not have electricity, roads and some no running clean water.

There were some improvements in 2010 Financial Statements because the municipality received an unqualified audit opinion, but the in-fighting amongst councilors still existing that affect municipal performance in regard to provide local communities with basic needs. The irregular expenditure continued to be incurred where two different security companies were appointed by Executive Mayor and Municipal Speaker to prevent each other in entering the municipal premises because of disagreements about the reappointment of the municipal manager. Mnquma municipality does not have an Executive Mayor due to councilors who fired the mayor.

The Mnquma councilors’ in-fighting affects local communities in a negative way that contributes to municipal bad performance.

Definition of words

The following concepts were used in the study:

- **Integrated Development Plan**: Developmentally oriented municipal planning that is in co-operative government
- **Municipal Systems Act**: Provides guidance in the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively, towards the social and economic upliftment of local communities.
- **Municipal finance and management Act**: Secure sound and sustainable management of the financial affairs of municipalities and other institutions in the
local sphere of government and establish treasury norms and standards for the local sphere of government.

- **Service Delivery and Budget Implementation Plan**: Municipal Scorecard Model for performance management according to the five municipal Key Performance Areas

- **Governance**: is the guiding principle for directors and management to operate in the interest of all stakeholders, to optimize effective leadership, optimize returns, and risk and abuse of power by leaders (Nombembe, 2005/06:6).

- **Disclaimer opinion**: no opinion expressed - the audited entity/department could not provide information or evidence to support information, transaction and balances in the financial statements. Thus highly undesirable (Nombembe, 2005/06:7).

- **Other matters**: least severe opinion - thus unqualified opinion financially, but auditors had concerns which require the focused attention of the leadership, audited entities and oversight to be eliminated (Nombembe, 2005/06:7).

- **Unqualified opinion**: good opinion - this is an audit opinion without significant concerns on any other matters, including audit reports with emphasis on the matter only (Nombembe, 2005/06:7).

- **Internal audit**: independent, objective assurance and consulting activity designed to add value and improve an organization’s operation (Nombembe, 2005/06:8).

- **Audit Committee**: board committee that should comprise only non-executive independent directors to evaluate the effectiveness of internal and external auditors and to make recommendations regarding the appointment of external auditors (Nair, 2000:83).

- **Irregular expenditure**: expenditure other than unauthorized, incurred in contravention of or not in accordance with a requirement of any applicable legislation (Nair, 2000:82).

- **Executive authority**: a cabinet member accountable to Parliament for a specified government department (Minister) (Nair, 2000:81).
**Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<td>ADM</td>
<td>Amathole District Municipality</td>
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<td>MSA</td>
<td>Municipal Systems Act</td>
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<tr>
<td>MFMA</td>
<td>Municipal Finance and Management Act</td>
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<tr>
<td>SDBIP</td>
<td>Service Delivery and Budget Implementation Plan</td>
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<tr>
<td>MEC</td>
<td>Member of the Executive Council</td>
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<tr>
<td>AGSA</td>
<td>Auditor General of South Africa</td>
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<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
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<tr>
<td>PMS</td>
<td>Performance Management System</td>
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<td>CDW</td>
<td>Community Development Worker</td>
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CHAPTER ONE
INTRODUCTION AND BACKGROUND TO RESEARCH

1.1 Introduction

Section 2.5 of White Paper on Local Government stipulates that “National and Provincial Governments have the right to legislate the powers and functions of local government and the executive authority to ensure that municipalities perform these functions adequately”. When the democratic government came to power in 1994, poverty alleviation and the creation of a better life for all became the central focus. Hoffman B. D states that “in 1994, the African National Congress (ANC) won South Africa’s first democratic election and made redressing the poverty and inequalities the apartheid created a top priority”. It was decided to change the ways that local government was working, by appointing councilors to work closely with communities. In 1995 communities voted for some of the people (councilors) who were to represent them in local government. Pieces of legislation were developed to guide the municipal employees on how to perform their duties.

Festenstein, (2010: 224) defines democracy as an absence of class government as the indication of a social condition where a political privilege belongs to no one class as opposed to the whole community. In South Africa democracy is by the name not implementation, one must affiliate in certain political party to be heard.

Mnquma Local Municipality is located in the former Transkei in the Eastern Cape Province. It is categorized as B municipality and it is under the Amathole District Municipality (ADM). It was constituted out of the rural areas amalgamation of Butterworth, Nqamakwe and Centane. The municipality is named after the mnquma (olive tree), whose branches were used as a tray to serve meat during cultural rituals.

Mnquma local municipality is mandated to provide services in regard with basic needs to the local communities. Amathole District Municipality provides water and sanitation on behalf of the municipality.
The municipality is guided by 34 by-laws, 80 policies and strategies. The municipality is faced with challenges that hinder it not to achieve the set objectives timorously, such as: Insufficient resources, economic development, and political instability with changing of priorities that affect the pace of service delivery in the area.

Municipalities are required to design appropriate levels of service to meet their communities' basic needs and demands (White Paper on Transforming Service Delivery 1997). They are required to adopt innovative and efficient approaches to redress imbalances and inequities in service delivery (Intergovernmental Fiscal Review, 2001: 11). Local government accountability is a strategic process of heating up local communities – a way of increasing their awareness of and expectations for local government authorities (Kafakoma, et al., 2005:3).

Section 38 of Municipal Systems Act 32 of 2000 stipulates that each municipality must establish a performance management system (PMS) that is in line with the priorities, objectives, indicators, and targets contained in its integrated development plan. Section 40 of the same act encourages municipalities to establish mechanisms to monitor and review their performance management system.

According to Cloete et al 2000 service delivery is conceptualized as the execution of policy objectives in the public sector (Hlophe 2011). Service Delivery within governance translates that all citizens must have the basic services they need. Section 197(1) of the Constitution stipulates the concurrent functional areas of national and provincial government, while Part B of Schedule 5 of the constitution lists the functional areas of local government. Performance Management is one of the listed functions of the municipality.

Statistics South Africa (Community Survey, 2007) revealed that Mnquma Municipality has a total population of approximately two hundred and ninety seven thousand six hundred and sixty three (297 663) persons, of which 99% is Xhosa speaking and 1% includes English, Afrikaans, Zulu, Sesotho speaking people. The municipality needs to put priority into service provision, skills and social development. The Statistics further
revealed the low level of education in the municipality where 27% of the Mnquma population has no schooling, 8% completed primary, 10% completed grade 12 and not more than 6% of the population got a higher education. This confirms that the Municipality has a high level of poverty.

1.2 Problem Statement

Mnquma municipality has a history of conflict, fraud, corruption and maladministration of funds, so the local government MEC has to closely watch and support the municipality. The focus of this study is to assess the performance management in the municipality and what are the measures in place to test the adequacy and effectiveness of municipality on services that it renders to communities.

The sub problems were as follows:

- How effective performance management system is in the municipality?
- Are the pieces of legislation that govern the municipalities complied with?
- Is the public participation done for all the municipal activities?
- Is there a synergy between the pre-determined objectives and the actual performance of the municipalities?

The Municipal Systems Act (MSA) 32 of 2000 compels the Municipalities to draw up the Integrated Development Plan (IDP) as a singular inclusive and strategic development plan that is aligned with the deliberated effort of the surrounding Municipalities and other spheres of Government. The IDP is a document that is developed by the municipality to interpret the strategies and political priorities into a detailed plan that is to become the basis for budget choices and actual outcomes for communities.

Section 21 (1) of Municipal Finance Management Act (MFMA) of 2003 provides alignment between the annual budget and the compilation of the Integrated Development Plan (IDP). The co-ordination of annual budget and Integrated Development Plan can be achieved by developing the Service Delivery and Budget
Implementation Plan (SDBIP). SDBIP is the document designed to detail the implementation of service delivery and spending of annual budget as they appear in the Integrated Development Plan (IDP). It also aligns the key performance indicators with predetermined objectives and the budget and time frames. The SDBIP must be aligned with Performance Contracts of Senior Managers that will be assessed on a quarterly basis. The results of assessment should be the basis of performance incentives paid to senior managers.

The municipality has limited employment opportunities and this has implications on the increased need for welfare and indigent support by the communities from the municipality. The role of the municipality is to render basic services to the communities. This objective has to be achieved by involving the participation of communities and other stakeholders when developing the IDP to identify and incorporated the needs of the communities and align the implementation plan with the budget.

Mnquma IDP manager stated in his explanation that “the public participation is minimal in this municipality. The municipality is servicing rural areas, that its IDP must address the needs of the communities residing in the areas. People who are responsible for facilitating the public participation in the municipal areas are the voted members (Mayor, Speaker and Councilors)”. In this municipality there is a lot of in-fighting that makes it difficult for them (voted members) to facilitate and enforce the community participation in regard with formulation of the IDP. That results in the municipality visiting limited areas and thumb suck for others, and stating in the IDP that communities were involved in its formulation, this was witnessed by community members that were interviewed who confirmed that they were not visited by councilors and municipal officials to identify their needs. The municipal manager of Mnquma Local Municipality stated in his integrated development plan message that the conflict of councilors affect administration processes that result into municipal manager being blamed for not performing his duties properly.

The leadership has no in-depth understanding of the IDP across the structures of the institution. The IDP for the municipality was reviewed by the Provincial Member of
Executive Council (MEC) and it was noticed that strategies relating to Corporate Services and Local Economic Development were not documented and Organizational Performance Management System was not properly documented. The municipality received an unqualified Auditor General’s report for 2010/2011 financial period. The Auditor General of South Africa (AGSA) concentrates on a fair representation of financial statements. The municipality procured the services of consultants to develop financial statements. Performance Management System was not audited. The senior managers received performance bonuses based on the opinion of Auditor General’s report. The municipality’s Performance Management System is inadequate and ineffective which impact negatively on the communities it services. There are areas without electricity, no roads, poor sanitation and no access to clean running water. The concentration of the municipality is to develop areas that are close to national roads. The deeper rural areas are suffering.

Increase of public participation on IDP formulation will eliminate the inadequacy and ineffectiveness of Organizational Performance Management System. That will commit the councilors to their duties and stop being power hungry that results in corruption, sale of tenders and recruitment interference. When new councilor’s term starts, they need to be trained on the interpretation of pieces of legislations and their roles and responsibilities, and to pay attention to the communities that voted them to be in power and service them.

Councilors that do not clearly understand their roles and responsibilities and the rights to communities misinterpret the legislation by eliminating those who don’t belong to the ruling party and only those that are the members of the ruling party benefit. The outcome of this research will assist the municipality to perform better and involve public and stakeholders in all municipal activities to improve the compliance with pieces of legislations that they need to comply with and gain trust from its stakeholders and communities.
1.2.1 Motivation for the Study

In December 2001 City Press published the intention of opposition party Pan African Congress (PAC) who called Public protector to investigate missing R10 million. In the submission to public protector the member stipulated that before the re-organization of the former Butterworth into Mnquma municipality, it had an investment of R26 million, but when the new council took over in January 2001 there was nothing left in council’s coffers.

Problems of the municipality did not end then, the infighting grew within the ruling party members, and service delivery was affected negatively. In August 2002 the mayor of Mnquma municipality was suspended for fraud, corruption and kangaroo courts where people were assaulted by his team. In August 2009 there was a court case relating to Eastern Cape Local Government MEC who attempted to dissolve the municipality based on the allegation of maladministration and appointed Thandolwakhe Tubane as an administrator. Mnquma mayor lodged dispute of municipality being dissolved.

In 2008 Zubeida Jaffer a journalist conducted a research in Mnquma municipality. He concluded that there has been a turnaround in the troubled municipality after the court case of 2009. It is still critical to assess the level of understanding of performance management, the adequacy and effectiveness of performance management system within the municipality. The finding of the local government MEC on the organizational performance management system was that it has not been properly documented. The level of understanding of pieces of legislation by new councilors that came into power in 2011 and the skills acquired by officials to develop integrated development plan and service delivery and budget implementation plan (SDBIP) need to be investigated.

The study aims to investigate if the community members, community leaders, Telkom, ESKOM, and government officials are continuously invited for their participation in municipal activities and for the update in performance of the municipality. The outcomes will assist the municipality to perform better and involve public and stakeholders in all
municipal activities to improve the compliance with pieces of legislations that they need to comply with and gain trust from its stakeholders and communities.

The South African government adopted the White Paper on the Transformation of the Public Service Delivery (1997) and White Paper on Local Government (1998) on improving Service Delivery, in order to make the public service accessible, accountable and effective. The White Paper on Transformation is better known as the Batho Pele Principles. White Paper notes that the development of a service oriented culture requires the active participation of the wider community. The municipality needs constant feedback from the recipients of services if they are to improve their operations.

1.3 Research Objectives
1.3.1 Primary Objectives

The primary objective of the study is to assess the level of Performance Management in Mnquma Local Municipality.

1.3.2 Secondary Objectives

The secondary objectives of the study were to:

- Investigate the problems experienced by the municipality with regard to lack of understanding of performance management
- To assess the quality of services rendered by municipality to its stakeholders
- To investigate the basis of bonus payments to senior management

1.3.3 Research Design Objectives

To achieve the above-mentioned research objectives, the following research design objectives will be pursued:
- A secondary literature review will be conducted on Mnquma annual report to evaluate the manner in which the performance management system is measured.
- The Integrated Development Plan will be reviewed to evaluate the processes that have been followed when it was developed.
- The budget process will be evaluated to check whether the integrated development plan was used as a basis.
- A questionnaire will be constructed to investigate the level of involvement of communities and stakeholders in development of integrated development plan.
- The involvement of communities and other stakeholders (ESKOM, Telkom, Government officials) in municipal activities.

The Integrated Development Plan will be evaluated to check the compliance with South African pieces of legislation (Constitution, Municipal Finance Management Act, Municipal Systems Act, etc).

1.4 Hypotheses

1.4.1 Statement of hypothesis

Mnquma local municipality’s primary purpose is to deliver basic services to poor communities of Butterworth, Nqamakwe and Centane rural areas. This municipality is known for its infighting due to a power struggle, and because of that, slow moving service delivery is identified. The hypothesis for this study is therefore the following:

The poor performance of the Municipality has led to poor service delivery and non-involvement by the communities.

1.4.2 Assumptions of the study

The assumptions that support this hypothesis are:

- The performance of Mnquma local municipality can be improved by involving communities in formulating integrated development plan and budget processes.
• The infighting of Mnquma councilors can be resolved by considering skills, and experience obtained by the mayor, speaker and chief whip when appointments are made.
• The performance management system can be improved by participative governance.

1.5 Research Design
A research design is a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems. The plan is the complete scheme or program of the research. It includes an outline of what the investigator will do from writing the hypotheses and their operational implications to the final analysis of data. (Kerlinger 1986: 279)
The above definition suggests that a research design has two main functions, The first relates to the identification and /or development of procedures and logistical arrangements required to undertake a study, and the second emphasizes the importance of quality in these procedures to ensure their validity, objectivity and accuracy; Hence, through a research design there is a need to:
• Conceptualise an operational plan to undertake the various procedures and tasks required to complete your study; and
• Ensure that these procedures are adequate to obtain valid, objective and accurate answers to the research question. This function is the control of variance (Kerlinger 1986:280).

The study sought to explore the level of public participation in addressing their basic needs as the core business of the municipality by studying the roles of performance management unit, budget, internal audit unit, ward committee members, traditional leaders and ward councilors.
The research will use the case study method because it will assist in focusing the investigation. It will be possible to utilize the theories or statements from other investigations if the cases share some similarities in geographical and socio-economic factors. Research will influence data collection and the analysis process, because the
researcher strove to facilitate the participant’s analysis of the underlying structures that facilitate the development of the integrated development plan. The researcher’s approach is more critical, because it aims to promote and facilitate a platform which will allow participants to engage research theory.

1.6 Research Methodology

The study utilized a qualitative methodology. Maxwell (2005:22) “In qualitative study, it is not only the physical events and behavior that are taking place which are interesting, but also in how the participants in the study make sense of these, and how their understanding influences their behavior”. The application of a qualitative approach provided an in-depth analysis and understanding of the problem statement. Data will be collected through structured interviews, focus groups and public documents and legislation. The types of questions that will be asked during the interview process will be open-ended, allowing the participants to relate their stories from their own perspectives.

Kumar (1999:15) states that there are eight step model for research processes, which are:

- Formulating a research problem
- Conceptualising a research design
- Constructing an instrument for data collection;
- Selecting a sample;
- Writing a research proposal;
- Collecting data; and
- Processing data

The study is based on the development of an integrated development plan of Mnquma Local Municipality in Butterworth. This is a case study, which means that direct experience of participants will be utilized to suite the investigation. This approach is suitable for the study, because the researcher has no control over the occurrence of events, but, will deal with it according to the participants’ and stakeholders’ stories. According to Hlophe (2011), the case study method is considered to be a field method
(Hamel et al. 1993). This method means that, such investigation will be based on direct field contact with the participants and thorough consideration of meanings that participants create as social actors.

1.7 Data Collection

The method of data collection that will be used is Primary and Secondary sources; like, documents, interviews and questionnaires. The questions will be both open and closed-ended. There will be six groups, namely Ward Committee members, Traditional Leaders, Mnquma Officials, Ward Councilors, Provincial Local Government and Amathole District Municipality.

1.8 Data Analysis

Qualitative research data analysis is an integral part of the research, it can also be a separate process. Neuman (2006) gave two methods of qualitative data analysis, such as conceptualisation and coding. Conceptualisation is a process that allows the researcher to formulate new concepts or refine concepts through data analysis. This data is analysed by organising categories on the basis of themes and similar features. Coding is closely related to conceptualisation and is part of the qualitative method. Coding is used to condense and reduce large amounts of raw data into small and manageable analytical units (Neuman 2006: 460). Strauss (1987) differentiated among three kinds of qualitative data coding, that is, open coding, which occurs when the researcher examines data with the aim of compartmentalising it into analytical categories; axial coding which is a second stage of coding, at which the researcher organises the codes with links that assist in discovering key analytical categories; and selective coding, which is the final stage of coding where the researcher reaches conceptualisation conclusions that may lead to further research or finalise the research at hand (Neuman 2006: 461-464). The notes from the interviews and focus groups will be categorised according to common concepts and codes which will further be translated to findings. Logical sequences of arriving at the ‘final’ concept will be clearly
explained in the research. Conceptualisation will be categorised according to the six groups, mentioned above or used for survey.

The researcher will record all the processes of interaction with the participants. The focus group will be categorised according to their ages and education; and codes which will be translated to findings and recommendations will be used.

1.9 Ethical Issues

Social research involves human beings, therefore it is important to protect the rights and anonymity of participants. Their privacy and integrity will be protected. A written consent will be obtained from the participants to use the information and the assurance will be given to them that the information gathered from will not be used against them and organisation; but will be treated confidential.

1.10 Outline of Chapter

Chapter one: Introduction and overview

This chapter introduces the research topic under investigation. The problem statement, the importance of the study and its background were discussed, as well as research objectives and methodology.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter addresses the legal framework of developing the integrated development plan, the community participation and political involvement in local municipality affairs.

Local government is the sphere of government that has been designed to work with local communities to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. In terms of the Municipal Systems Act 32 of 2000, municipality has the responsibility of rendering basic services such as water, sanitation, housing and electricity. If a local government cannot meet these basic needs, the community conflict will be created.

Section twenty five of the Local Government Municipal Systems Act made it a legislative imperative that a municipality must develop, facilitate and adopt an integrated development plan as a singular inclusive and strategic development plan that is aligned with the deliberate effort of the surrounding municipalities and other spheres of government to link, integrates and co-ordinates plans and takes into account proposals for the development of the municipality. This development plan remains in place for five years which is the duration of a Council and is reviewed on an annual basis, as stated in Section thirty four of the Local Government Municipal Systems Act. The integrated development plan is the core strategic planning document of a municipality and provides direction for the compilation of the medium term budget, which covers a period of three years.

Municipal departments are expected to compile departmental sector plans that are used to direct the strategy of a municipality during strategic planning sessions. The departments are compelled to develop scorecards (SDBIP) based on the adopted integrated development plan.
According to the South African Constitution (1996), Section one hundred and fifty three stipulates that local Government has the responsibility of ensuring that basic services are provided in a sustainable manner; promoting economic and social development; encouraging communities to participate in governance; and guaranteeing the creation of safe and healthy communities. These objectives create community expectations which, if not met, may lead to the community retaliating against government authority. Stimson (1994:70) adds by stating that it is useless to say “don’t be so aggressive to people who lose their tempers easily”.

Craythorne (2006: 158) echoed what is legislated by emphasising that a score for the Integrated Development Planning and Performance Management provisions that must be set. Mnquma Integrated Development Plan is developed based on the five key performance areas that is standard for local government, which are:

- Socio-economic development
- Basic service delivery and infrastructure development
- Good governance and public participation
- Municipal transformation and institutional development and
- Municipal financial viability and management.

The White Paper on Transforming Public Service Delivery (1997) and Municipal Systems Act (2000) designed the local government principles that public service delivery should be characterised by efficiency, accountability and equity. This is a shift from the past, where the public service was characterised by discrimination, inefficiency and racism. South Africa inherited a backlog of government services from the apartheid regime. After the democratic local government election in 1996 and the amalgamating of municipalities, municipalities were expected to provide a range of services and infrastructure of all communities. The challenge that was faced by elected government was more funding that was needed to implement the set programmes that were not readily available at that time. There is no funding that could be raised by the municipality because the area is rural and the high rate of unemployment. The challenges of the service delivery backlog and transformation issues within municipal
structures are critical when striving to improve service delivery for local communities. Co-operative governance also impacts on service delivery because not all services are the mandate of local municipalities, some need to be provided by the provincial and national governments and private companies (ESKOM).

Cloete et al.,(2004:181) argue that policy implementation seems to have a very special characteristic, it is crucial, yet, people act as if it does not exist”. The Development Bank of Southern Africa (DBSA) agreed with the authors by citing the approach to development planning that provided for a development perspective, development strategy and development support programme through which project loan financing was appraised and managed. DBSA mentioned the three phases of which the development planning approach consists of, which are:

- “Development perspective, which seeks to engage all stakeholders in the process of analysing the current situation, identifying key development issues, sectoral cost comparative advantages and the formulation of a realistic vision”.
- “development support strategy” and
- “development of support programme, which consists of various projects.

This means that the municipality must focus on its core business and develop policies that will address its deliverables and the policies that will support the projects that have been planned to address communities’ basic needs.

2.2 Legislation related to Performance Management

In 1998 after local government elections, the national and provincial governments developed tools and approaches for developmental local government. Among those tools integrated development plan, performance management and working together with local citizens and partners were addressed.
2.2.1 The White Paper on local government

Section 3.1 explains why an integrated development plan is important in developmental local government. It states that municipalities were faced by immense challenges in developing sustainable settlements which meet the needs and improve the quality of life of local communities, and an integrated development plan would assist as a process in which municipality could establish a development plan for the short, medium and long-term. An integrated development plan would assist municipalities to develop a holistic strategy for poverty alleviation. It also serves as a basis for engagement between local government and the communities at the local level. Municipalities are required to develop a strategy and clear objectives, action plans and budget, Institutional and Financial plans. A financial plan forms a basis on which annual budgets can be drawn. The following diagram shows the relationship between planning and budget.

### Table 2.1 Relationship between planning and budget

<table>
<thead>
<tr>
<th>Period</th>
<th>Planning</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term (5 to 25 years)</td>
<td>Vision</td>
<td></td>
</tr>
<tr>
<td>Medium term (2 to 5 years)</td>
<td>Integrated Development Plan</td>
<td>Financial plan</td>
</tr>
<tr>
<td>Short term (1 year)</td>
<td>Key projects</td>
<td>Annual Budget</td>
</tr>
</tbody>
</table>

Municipalities are expected to implement the plans and use resources in an efficient way. They have to set their own measures of performance which cover efficiency and human development indices. IDP, budget and performance management enable municipalities to focus on priorities within an increasingly complex and diverse set of demands and direct resource allocation and institutional systems to a set of development objectives. The strength of integrated development planning is to work together with communities and partners to identify and satisfy their basic needs. In
terms of the Municipal Systems Act (2000), the municipality produces an integrated development plan annually that is made up of the following components:

- A vision of the municipality
- A mission addressing the vision
- An assessment of the existing level of development of municipality which must include an identification of the need for basic municipal services
- Municipality’s development priorities and objectives for its elected term
- Municipality’s development strategies which must be aligned with any national, provincial sectoral plans and planning requirements
- Spatial development framework which must include the provision of basic guidelines for a land use management system
- Municipality’s operational strategies
- A Disaster Management Plan
- Financial Plan and
- The key performance indicators and performance targets.

2.2.2 Local government Municipal Systems Act 32 of 2000

After an integrated development plan has been adopted by council, a copy has to be submitted to the MEC of the provincial government for his/her review and approval. An IDP is a strategic document of municipality from where the performance management system is designed. Section 41 stipulates on how performance management system must be developed. The key performance indicators and measurable performance targets must be set against the developed priorities and objectives. The performance management system must be monitored and audited on a quarterly basis and must be reviewed on an annual basis. This piece of legislation emphasises community involvement in development, implementation and review of the performance management system. It also stipulates that communities must be involved in setting appropriate key performance indicators and performance targets for the municipality. A performance management system has to be audited and an annual performance report
reflecting the performance of the municipality against the integrated development plan has to be published for transparency.

2.2.3 Municipal Finance Management Act (MFMA) (2003)

This Act provides for closer alignment between the annual budget and the compilation of the IDP. Previously, the IDP was developed in isolation from financial planning and was implemented as such that caused gaps in implementation processes. Section 21 of the Act requires that the municipality co-ordinates the process of preparing the annual budget and the annual IDP to ensure that both are mutually consistent. To ensure that both annual budget and IDP are co-ordinated is the development of SDBIP. The SDBIP is a detailed plan approved by the Mayor of the municipality for implementation of service delivery and annual budget. It also includes monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators. The SDBIP also specifies that the performance contracts of senior managers must inform part of the approval document.

2.2.4 Municipal Planning and Performance Management Regulations (2001)

These regulations set out following requirements regarding an IDP:

- An Institutional Framework for implementation of the IDP and to address the municipality’s internal transformation
- Investment initiatives that should be clarified
- Development initiatives including infrastructure, physical, social and institutional development and
- All known projects, plans and programmes to be implemented within the municipality by any organ of state.
2.2.5 Integrated Development Plan (IDP)

A five year IDP supports a single, integrated planning process, with clear demarcation between short, medium and long-term planning. It should be understood as an interpretation of strategy and political priorities into a detailed mayoral plan that is to become the basis for budget choices and actual outcomes for residents. Short-term business plans, in this context, are seen as implementation tools. The review of an IDP is done on an annual basis. It must also state the objectives of the municipality, the role players the roles and responsibilities of every municipality's stakeholder.

Gerrit Van der Waldt the editor of the work of Venter, et al, (2007: 94-105) argued and elaborated on IDP, “it is legally required from South African developmental local government to adopt a strategic, creative and integrated approach to local governance to address development challenges and to promote sustainable development. This involves actively seeking partnerships with all role-players that contribute to the development of an area – including other organs of state, the private sector and communities – in order that municipalities can fulfil their core responsibilities in a way that has a lasting and profoundly positive impact on the quality of life of the people they serve”.

Venter, et al, (2007) quoted Pieterse, (2001:4), “It is clear that integrated development planning is all about people, balance and equity, and recognises that the most important task of any development effort is to create meaningful opportunities for people to empower themselves. Secondly, integrated development planning recognises the fundamental need for balance among the economic, ecological and social systems of communities as defined at various level: local, sub-national, national, regional and global. Meaningful development processes recognise the contradictions among these systems, which result in imbalance and socio-economic and environmental crises. Integrated development planning seeks to resolve this by finding appropriate trade-offs through democratic engagement”.
Venter, et al, (2007) also mentioned that there are characteristics that integrated development planning that should demonstrate the following:

- **Integrated**: Horizontal or sectoral integration, environmental integration, vertical integration, time integration, resource integration and institutional integration that are the dimensions in the integrated development planning process that can be distinguished.

- **Participatory**: This includes the representative consultation and the participation of all residents, communities and stakeholders within the municipality, as well as representatives from other spheres of government, sector specialists and other resource persons to form part of the development of integrated development planning.

- **Strategic**: Municipality should utilise the available resources in the priority areas, the focus must be on the most important and needed area.

- **Implementation-oriented**: Integrated development plans are to assist municipal management in improving and fast-tracking delivery and development.

Venter, et al, (2007) stipulated the benefit of integrated development planning by citing the work of South Africa (2001:7) that through the integrated development planning, a municipality is informed about the development problems affecting its municipal area, and, guided by information on available resources, is able to develop and implement appropriate strategies and projects to address the problems. Venter, et al (2007) also quoted South Africa (2001) on IDP Guide Packs and the proposal of Department of Provincial and Local government about the formation of integrated development planning forum that will provide an opportunity for stakeholders to represent the interest to the constituencies, and that will provide a structure for discussion, negotiation and joint decision making, also ensure proper communication between all stakeholders and the municipality and monitor the planning and implementation process.
2.2.6 Municipal Performance Management

Boyne et al. (2006:255) define government performance as “the character and consequences of service provision by public institutions”. Van der Waldt (2004:39) stated that a lack of skills and experience among staff, low quality of municipal leadership and municipal institutional factors could affect performance in the municipality.

Venter et al, (2007: 111-127): “A performance orientation is required to ensure that quality improvement should become a way of looking at the entire municipal context”. One could divide performance management into two dimensions by looking at variables such as municipal institutional structures and systems, environmental constraints, resource management, working conditions, and numerous other aspects that could have either a positive or negative impact on municipality. Those dimensions are: the functions and processes that manage municipal and individual performance, that means how good the municipality performs its core business on delivering services and how well people are performing their duties assigned to them by management.

Venter et al, (2007) quoted Carter, Klein & Day (1995:87) when saying “municipalities are required to address a range of objectives, some of which may be in conflict. Matters are further complicated by the fact that there is no single dimension of performance that is paramount in the public sector, and different stakeholders may have widely different interpretations of success and failure”. This means that the quantity and quality of services delivered by a municipality must be viewed and the achievement of outputs should be monitored to ensure that it links to the realisation of objectives defined in the integrated development planning and it is also linked with the cost per unit of output.

They argued that “municipal service delivery involves the actual production and provision of goods and services to the community and this needs to be conducted in accordance with integrated development and strategic plans, and within the allocated budgetary funds approved by the council of a municipality”. The municipal departments must measure their performance by comparing the resources that went into providing
services with the outcomes achieved. In this case Venter et al. stated that “municipal service excellence through performance management is an attempt to balance institution-centredness with a customer orientation, and it incorporates issues such as productivity, quality, accountability and outcomes”.

2.2.7 White Paper on Transforming Public Service Delivery (1997)

This piece of legislation stipulates that the Performance Management System in municipalities should be based on the eight principles of improved service delivery, which are:

- Consultation
- Service standards;
- Access;
- Courtesy;
- Information;
- Openness/transparency;
- Redress; and
- Value for money.

These principles are the bases of service delivery to all spheres of government. Officials need to account in case of not complying with Batho Pele principles.

2.2.8 Constitution of the Republic of South Africa (1996)

The Constitution of the Republic of South Africa addresses stakeholder involvement in a number of areas of public administration and management, and emphasizes the need for transparency and accountability. Section 41(1) dealing with the intergovernmental relations; stipulates that all spheres of government and all organs of state must:

- Secure the well-being of the people of the Republic;
- Provide effective, transparent, accountable and coherent government for the Republic as a whole;
- Co-operate with one another in mutual trust and good faith.
2.3 Public Participation on the context of South Africa

“The concept of participation is a sort of buzzword that is very difficult to explain, because different people provide different accounts of this concept. The importance of this concept has been acknowledged from the past three decades, but the question that has to be asked, is whether there has been, or is, practical actions that accompany this acknowledgement” (Ngcola, 2000:12)

The main purpose of community consultation is to identify, review and expand upon municipal issues of priority concern which affect the sustainable growth and development of the municipality and to design projects and to decide on the best possible way to solve specific problems. In Gauteng workers unions have demonstrated, as well as legally fighting that an E-toll system not to be implemented, government is trying to explain why it is important for this to be implemented and communities are not interested. The reason is that apparently there was no proper planning by the Government, in that the communities were not properly consulted it was assumed that they will do as they were told. The reason why there are basic service demonstrations by communities is that municipalities failed to adequately involve communities in budget processes and that they fail to give feedback to communities.

To answer questions about engaging stakeholders around issues of municipal finance; the National Treasury (2008) stipulates that:

- Local government must pursue collective goals, and in order to do that it must know what those goals should be and this take a well-planned and effective approach to consultation with the community and other stakeholder group;
- In South Africa the great diversity amongst the residents within almost every municipal area of the country must be taken into account;
- The wide wealth and services gap between sectors of each community – which have to be taken into account when organising and supplying services to the community exist;
- Understandable sensitivities exist and can become problematic, even disruptive, if not understood by the municipality and not given attention;
• If a municipality intends to deliver services according to a specific timeframe, and requires specific resources for this, it may be essential to consult external agencies to confirm that the resources will be forthcoming and the timeframes envisaged are feasible.

According to Hosking(2011:20) “in order for local governments to encourage community participation, they are expected to initiate community involvement procedures such as receiving, processing and considering petitions and complaints lodged by members of the local community. Municipalities are expected to conduct consultative sessions with locally recognised community organisations and, where appropriate, traditional authorities and report-back to the local municipality. In addition they are required to ensure that the communities are informed about any opportunity to comment, and invited to attend public meetings by the municipal council. Municipalities are further expected to notify the local community about any applicable legislation or important issues through the media. In terms of this Act, notification must be done in the local newspaper or newspapers of its area, determined by the council as a newspaper of record, or over relevant radio broadcasts. Any such notification must be in the official languages determined by the council, having regard to language preferences and usage within its area. Additionally, a copy of every notice or any other applicable legislation must be displayed at the municipal offices and published in the Provincial Gazette or the media”

“The relationship between government and citizens is very important. Government is accountable to citizens for decisions taken at a community level and individual level. Government must consult and involve communities in discussion about projects and programmes that affect them” (Institute for Money, Technology and Financial Inc). Municipal Systems Act section 16 forces municipalities to develop a culture of community participation that encourages and creates conditions for participation in the affairs of the municipality including the preparation, implementation and review of its IDP.
According to Theron (2008:62) “project beneficiaries can have an impact on the direction and out-come of the project”. He also mentioned that big picture approach will lead to a societal approach that stands to deliver the following out-come:

- Community participation in the project management processes
- The establishment of a community-project management partnership
- The contextualisation of the project with reference to a beneficiary community
- Increased project efficiency
- Increased project effectiveness and
- Increasing beneficiary capacity and empowerment.

It is imperative that communities are involved in planning of projects to be implemented in their area and they must also be involved in implementation processes for them to own the project and be able to protect it. That is why Prahalad( 2006:4) proposes that businesses, government and donor agencies stop thinking of the poor as victims and instead start seeing them as resilient and creative entrepreneurs as well as value demanding consumers. If municipality would involve communities as suggested by the Municipal Systems Act in identifying their basic needs and include them in planning and budget process for them to understand the logistics and take control of implementation and security of the project, everybody would win. Sue (2001:42) supported Prahalad by stipulating that citizens are able to provide services for themselves and other local communities through voluntary work.

Ha-Joon Chang (2007:42) shared the same sentiment by emphasising that people must be left to do what they desire and know to be good for themselves is the best way to run the economy. In the current situation Government thinks that people need to be spoon fed and someone must think of them as if they cannot think and know what they want. There is a perception among politicians that South African economy would be in a better position by inviting other countries to come and invest, take control and decide for the South African communities what is good for them.
The synthesis Report by the Presidency of South Africa (2008) reported that the public administration leadership and management academy was inaugurated to bring about a large boost in public-service training in co-operation with other training institutions. The report mentions that poverty remains a major challenge. Unemployment, population growth and a rapid increase in the number of households sustain high demand for basic services and social assistance, that intervention will not provide a lasting solution without programmes to strengthen human capabilities and promote self-sufficiency. The training focuses on public-service employees but no one thinks of the communities to be trained and skilled on what they can do to improve their lives and not rely on social grants and what to be provided by government.

Goss (2001:85) emphasised that the most important relationship in governance is not between levels of governance, but between government and people, and the relationship is being redefined in practice and renegotiated on both sides. She also spoke about Local authorities that use public meetings and consultation exercise to explain about new service structures, or new neighbourhood forums, that consultation offers decision support, giving information about public priorities and public opinion. Goss (2001: 40) expressed her concern about why communities are consulted for, “because they are expected to express their opinions between strategic priorities that are vague and to make decisions about things that they don’t know about. She was also concerned about the consultation that is designed around the priorities of powerful agencies instead of local people. Theron(2007:106-108) expressed a similar sentiment about close relationship between participation and community organisations as the organised efforts to increase control over resources and regulative institutions in given social situations.

Goss(2001:141) sites that “It is only with the new public management revolution that we see problems of organisational strategy and direction, of performance and capability as management problems requiring management solutions".
2.4 Politics in Municipal Environment

Pio (2000:10) stated that “a system of politics arises in the organisation to displace legitimate power that this system would seem to arise between problems or gaps in the other systems of influence and influencer needs that are not satisfied within these systems”.

Smit and Cronje (1982: 368) added that political behaviour plays an important role in the behaviour of both leaders and subordinates when decisions are to be made and the specific people in the organisation show preference on how things should be done. Where political leaders are fighting amongst themselves there will not be any direction given to subordinates. Because political leaders are governing on their own the local government affairs of the local communities and municipalities are spheres of government that are not working close to and for the people. One of the responsibilities of municipal administration according to the Municipal Systems Act (2000) is to provide impartial, fair, equitable and unbiased services to the public.

Mnquma municipality has been surrounded by infighting amongst politicians since 1996. Initially communities were not satisfied about the Mayor that was elected by the council; they were demonstrating on the streets, they were in and out of courts because they did not want him as a mayor. Since then the fights were continuous in the municipality that resulted in services being delayed in delivery to the communities. In 2002 the mayor was suspended, in 2006 the Mnquma council suspended the mayor twice in four months. In August 2009 there was a court case relating to Eastern Cape Provincial Government MEC who attempted to dissolve the municipality based on the allegations of maladministration and appointed an administrator. The council did not allow that to happen, and then the mayor opened a case to prohibit that from happening. Mawande Jack of City Press (2002) reported that since January 2001, members of the tripartite alliance have been at each other’s throats like vicious bulldogs. The parties are SAPC and ANC nationalists. He further reported that because of this vicious division in the
ruling party, Mnquma municipal council had, after ten months of its existence, failed to appoint a municipal manager in a regular manner.

2.4.1 Political theories

Goss (2001: 120) states that “within local politics, the political party has become dominant and the political group, with its own internal party rules and discipline, controls the behaviour of its members. Young and Rao(1997: 138) have drawn together research showing that the public generally feels that councillors should represent local people rather than political parties.

Stewart (2000: 145) highlighted the importance of the political group structures and the wide range of different political arrangements depending on the balance of powers. Goss (2001: 122) added that “Politics also overflows the boundaries of a local council: within a party political system, decision-making spaces include the local political party, the guidance from central office, the ministerial phone call, the formulation of regional and national policy”.

Mintzburg (1983) highlighted the reasons for political behaviour and common techniques for engaging in political behaviour. The two reasons among six describe common problems in the system of authority and four describe the sources of personal needs. In Mnquma political tensions emerged in 2006 and 2011. The power struggle paralysed the municipality.

Dunn (2004) quoted the arguments by Burton, “International politics, has nothing to do with the real world, it is a game, to the extent that focus on states was at best only partial, and was misleading”. Burton expressed his concern with the behaviour of men and women, in general and specific terms, the findings in one domain of behaviour could be useful in understanding others. In politics the behaviour of both males and females is the same. They all want to be in decision making positions with the common goal of concentrating on their needs and they do not care about communities.
Dunn (2004: 102) argued that certain implications associated with conformity, authority, socialisation, power and resistance and attitudes deviance cause individuals to socialise into conversations that are held to be the norms of the group, which may amount to vaguely expressed ideas such as respectability, to the extent that these norms create ideas about conformity. He also argued that the agenda associated with the construction of compliant identities are politically considered and those who do not comply are defined as being deviant and be marginalised, sometimes incarcerated, with their activities that are defined as illegal.

Pio (2000:78) looked at the commonalities in guidelines written by different authors and came up with guidelines to manage political behaviour in organisation which are:

- Guidelines to implement open communication: there must be honest communication and feedback given on matters affecting production, people and profit.
- Guidelines to implement the reduction of uncertainty: goals that need to be achieved must be specific, measurable, attainable, realistic, time bound (SMART) and be communicated to the councillors.
- Guidelines to create a greater sense of awareness: political leadership must look out for possible situations that can be conducive to political behaviour.
- Guidelines in setting an example: there must be fairness and reasonable in treating others
- Guidelines to manage informal coalitions and cliques: It is known that in politics there are camps that result in division in the political party, and the leadership should try to understand the reasons or motivations for forming the cliques to be able to manage.
- Guidelines to confront political game players: political leaders must be able to address all forms of political behaviour, even those regarded as inconsequential.
- Guidelines to sharpen the strategy of the enterprise: In the case of the study, the mayor must ensure that the strategy of the organisation as well as goals and action plans to implement goals must be fully understood by all councillors as well as their roles.
Feinstein, (2010: 209) specifies that political economy starts from labour as the veritable soul of production, and yet it attributes nothing to labour and everything to private property

Hlophe (2011) quoted Albert Bandura, a respected theorist in this school of thought, in social learning theory, who proposed that “the individual is an active being who interacts with his/her environment and that interaction through reinforcement produces learned behaviour. He believed that human behaviour could be understood as an interaction between personal factors, behavioural patterns and environmental factors (Coleman 2006: 125). Bandura did not believe that human behaviour can have a unilateral causation of either being controlled by external factors or internal dispositions (Sandy et al., 2000: 299-300; Keashy et al., 2000: 38). This theory stresses that inter-group conflict is more than a result of misperception and misunderstanding, but is based on real differences between groups, concerning social power, access to resources and important life values (Fischer 2006: 177). The subjective process about the way an individual perceives and interprets the world can influence and exacerbate the conflict”.

Van der Waldt et al, (1999:103) discussed the components of the macro-environment which is PESTLE:

- Political environment: this component is unpredictable and the management is responsible for determining what the views of the political authority are and respecting those views.
- Social environment
- Economic environment,
- Technological environment, and
- Legal and / Cultural environment

All these components show the change in the favoured political values of the government of the day. Therefore, the environment components could not change in isolation especially the social and economic components.
Amghi (1973:339) states that Africans’ interest is “being drawn into the money economy not because of decreasing productivity in the traditional system, but rather because of increasing productivity which would have strengthened their bargaining power”. The political problem in Mnquma municipality is about a power struggle, it is not about service delivery to communities but who is in power and how much support that particular person has within the council.

2.4.2 Conflict Management Strategy

Hlophe (2011) quoted Bradshaw (2007:69) and Spangler (2003:23) when defining conflict management, Bradshaw defines conflict management as an ongoing, non-specific process that addresses the observable behaviours of conflict. This explanation is challenged by Spangler, who defines conflict management as processes that involve control, but not resolution, of deeprooted conflict. He stated that this approach is usually utilized when a ‘complete’ resolution seems impossible but an intervention to curb violence is still required. Bremner and Visser (2004) support Spangler by stating that conflict management is a process that is utilized in conflict situations in which basic social structures or systems are perceived to be legitimate, but not in situations where conflict might be the result of the breakdown or weaknesses of social structures. For the purposes of this study, conflict management will be regarded as a facilitated intervention that will assist councillors in improving service delivery to communities when understand what conflict does to their core business of servicing communities and improving municipal performance.

Dunn (2004: 103) cited Burton who indicated that the existence of conflict which is central to the analysis as a core problem is testimony that will not be fulfilled. He mentioned that change of processes is required, the separation of symptoms and causes and address problems appropriately with understanding as opposed to manifestations of fundamentals. Dunn also indicated that problem-solving is the process; this means that Mnquma council’s problem could not be solved over night.
because it has been there for a long time. Steps in joint problem-solving by Anstey (1991: 171) can be followed in order to resolve the conflict, which are these:

- Members must jointly acknowledge the problem
- The facilitator must develop appropriate condition
- He must define the problem
- Generate alternative
- Generate viable solution
- Evaluate and select a solution and
- Implement, monitor and evaluate the results.

A convenor could be identified as part of the problem-solving process to be capacitated with skills and knowledge to address councillors’ conflict before it escalates into violence. Councillors must be made aware of the fact that the poor performance of the municipality is caused by their political power conflict that has been ongoing since 1996.

Hlophe (2011) quoted Peleg (1999:109-114) who stressed that the human needs are at the core of conflict. He outlined the relationship between human needs and social structure. Social structure is important in fulfilling human needs, since they cannot be fulfilled in isolation. Human needs satisfaction is the mainspring of social change. Order and change in the world hinge upon the extent to which human needs are met or not. Peleg proposes that social institutions should be modified to fulfil the needs and not vice versa. His work further states that if individuals’ needs are not met by proper channels, such as government, which is responsible for service delivery, they will strive towards meeting their needs even if they utilise destructive actions”.

Burton, (1982: 134) “Political reality in a nuclear age is not the relative power of states and people, but the obligation to satisfy human needs by solving human problems without resort to a coercive political system. Participation, recognition, identity, development for all, are not the constituent parts of an ideology. They are the politically realistic constituents of any ongoing society”. 
2.5 Risk Management

As stated in the MFMA (2003:81 &111), section 62(1)© and section 95© every municipality and municipal entity must have accounting officers who are the heads that must take all reasonable steps to ensure that municipality or entity has and maintains systems of risk management and internal controls. Best practices also indicate that effective risk management is based on regular information on which, in turn, competent judgments can be based, which is mandatory when aiming for improving governance.

Treasury Regulations TR 3.2.1: stipulate that the Accounting Officer must ensure that a risk assessment is conducted regularly so as to identify emerging risks of the entity. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage identified risks. The strategy must be clearly communicated to all employees to ensure that the risk management strategy is incorporated into the language and culture of the municipality.

King III report stipulates that “the risk management process will be effective only if it is integrated with the day-to-day activities of the company, and if the risk strategy is incorporated into the language and culture of the company”.

Several municipal policies have been implemented. A concern regarding these policies can be indicated as follows:

- Poor implementation due to lack of capacity, this could be attributed to a lack of leadership and basic management skills;
- The control activities identified as necessary are not in place and/or are not being applied;
- Internal control and all transactions and other significant events are not clearly documented.
- Management does not have a strategy to measure the performance of the municipality.
• Insufficient budget for public participation

In response to the above, matters of governance and risk management became an issue of importance. In Public service, an integrated approach to risk management has to be viewed as a strategy to improve management skills because it’s a management tool that ensures that objectives are attained as efficiently as planned. Risk management could assist in improving senior management’s work load through proper planning or reinforcing municipality’s political mandate of improving service delivery. With regard to an integrated approach to risk management, the Audit Commission provides an international model. The commission explains different forms of risks and draws a line between strategic and operational risks in order to illustrate the possible hazards that could face the municipality.

2.5.1 Responsibility for Risk Management

Although management may appoint a chief risk officer or risk facilitator to assist in the execution of the risk management process, the accountability remains with management and should be the responsibility of every employee. The risk management process does not reside in any one individual.

To assist it in the discharge of its responsibilities, the municipal management may appoint a risk management committee to review the risk management process and the significant risks facing the municipality including those that will affect the performance of the municipality and service delivery. It is imperative that the performance of the municipality must be included in the annual report that is audited on an annual basis by Auditor General and viewed by the public. It is the view of the King Committee that the audit committee fulfils a separate function in which its assessment of risk management is only a part. This means that Audit Committee for the municipality must amongst its responsibilities review the risk management processes to be able to give a reasonable assurance to the municipality that its objectives are going to be achieved.
One of the main reasons for this position is that as risk management constitutes an inherent operational function and responsibility, a risk management committee comprising of executive directors and senior management who are accountable to the council or mayor is better placed to evaluate risk in the municipality.

Effective, continuous monitoring is an essential part of the risk management process. As the council cannot rely solely on the embedded monitoring processes within the company to discharge its responsibilities, it should at appropriately considered intervals receive and review reports on the process that constitutes risk management. In this regard, the board is responsible to ensure that a formal risk assessment is undertaken at least annually for the purposes of making its public statement on risk management including internal control. The board should acknowledge, in this statement, its responsibility for the risk management process and for reviewing its effectiveness (Keto, 2010:34).

Internal audit is responsible for facilitating the risk management process where the municipality does not have a risk management unit to co-ordinate the risk management. It remains the responsibility of an Accounting Officer to maintain the risk management process in the company; Internal Audit is responsible for evaluating the adequacy and effectiveness of risk management and internal controls. In the case of the study Internal Audit Unit has to evaluate the correctness of information submitted by departments in measuring the achievements as per IDP and SDBIP.

Management is accountable to the council for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the municipality.

The board should set the risk strategy in liaison with the executive directors and senior management. These policies should be clearly communicated to all employees to ensure that the risk strategy is incorporated into the language and culture of the company.
2.5.2 Control Activities

Control activities are the policies and procedures established to address risks and to achieve the entity’s objectives. To be effective, control activities must be appropriate, function consistently according to plan throughout the period, and be cost effective, comprehensive, and reasonable and directly relate to the control objectives. Control activities occur throughout the department, at all levels and in all functions. They include a range of detective and preventive control activities as diverse, for example, as:

- authorization and approval procedures;
- segregation of duties (authorizing, processing, recording, reviewing);
- controls over access to resources and records;
- verifications and reconciliations;
- reviews of operating performance, processes and activities; and
- supervision (assigning, reviewing and approving, guidance and training).

Entities should reach an adequate balance between detective and preventive control activities. Corrective actions are a necessary complement to control activities in order to achieve the objectives (Keto, 2010:46).

Information systems imply specific types of control activities. Therefore information technology controls consist of two broad groupings that can assist municipality in measuring its performance:

General Controls: - General controls are the structure, policies and procedures that apply to all or a large segment of an entity’s information systems and help ensure their proper operation. They create the environment in which application systems and controls operate. The major categories of general controls are:

- entity-wide security program planning and management,
- access controls,
- controls on the development, maintenance and change of the application software,
- system software controls, and segregation of duties, and service continuity.
Application Controls: Application controls are the structure, policies, and procedures that apply to separate, individual application systems, and are directly related to individual computerized applications. These controls are generally designed to prevent, detect, and correct errors and irregularities as information flows through information systems. General and application controls are interrelated and both are needed to help ensure complete and accurate information processing. Because information technology changes rapidly, the associated controls must evolve constantly to remain effective (Keto, 2010:46).

2.6 Community Development

Swanepoel, (1989:1) explains the Community Development Workers as people who are employed or they represent government departments, aid agencies, development agencies, churches or other interest groups or in situations. These employees work with underdeveloped. Community development fulfills both concrete and abstract human needs. Community development is not primary a process through which the physical needs of a community are met. Swanepoel (2010:5) also mentioned that community development is not a method to be applied by the experts, although they may have a role to play. It is also not meant for a government or non-government agency, although again, it usually has a role to play. He also stated that there are obstacles in the community development, those are:

- People are afraid to take part, thinking that they cannot make any worthwhile contribution;
- People are obliged to follow customs and traditions even if they work against development;
- People may have become so used to being dependent on the government and other agencies that receiving handout becomes the norms; and.
- People may have become so used to being poor and to suffering all the consequences of poverty that they have no real wish to do anything but to survive.
2.7 Measuring and monitoring performance management

Section 40 of the Municipal Systems Act stipulates in monitoring and review of performance management, that “a municipality must establish mechanisms to monitor and review its performance management system”. Section 45 of Municipal Systems Act stipulates on how performance management should be monitored and reviewed that:

- “as part of the municipality's internal auditing processes; and
- Annually by the Auditor-General”.

Municipal Internal Audit is responsible for evaluating the measurements of municipal Performance Management System on a quarterly basis to ensure that the information provided by the departments and co-ordinated by the Performance Management Unit is correct.

Venter et al, (2007:115) quoted Palmer,(1993:33) when arguing about the service quality management that it is only possible for the municipal service to be regarded as excellent through the improvement of quality of service, He explained on how service can be improved, that “municipal managers have to adopt customer-oriented approaches, because service providers directly address user needs”.

“In order to maintain, sustain and continuously improve municipal services, performance should be monitored to ensure that implementation is done according to what is planned” (Venter et al, 2007:115). They further argued that “a successful PMS should cause a municipality to reassess how it operates, in light of its priorities and on the basis of objective information. For local government, performance measures provide a tool to drive forward a transformation agenda by asking municipalities to consider their own objectives in light of the national government’s stated transformation priorities”.

There are principles agreed upon by (Rogers 1994; Walters 1995; Kloot & Martin 1998; Boyne et al.2006) that performance measurements have seven key principles that should be applied in designing an effective PMS, these principles are:
“Clarity of purpose: that management should focus on areas where change is needed,
Focus: measurements should focus on the strategic objectives of the institution, reflecting both the core issues of the institution and the priority areas for improvement
Balance: Measures should provide a holistic view of performance across the institution, reflecting the latter’s main systems, processes and activities.
Ownership: Managers must take ownership and be committed in ensuring that performance measurement is more than a paper exercise,
Scrutiny: it is important to analyse the focus of the measuring system and to ensure the accuracy, reliability and validity of the data collected,
Ongoing development: Performance measurement must continuously develop to adapt to changing circumstances.
Continuous improvement; Performance measures will be most useful if they are incorporated in a system of continuous performance review that includes regular monitoring and remedies for low levels of performance”.(Venter et al; 2007:15).

The municipality has to identify the baseline measurements, quarterly targets; and budgeted amount must address the baseline. Baseline and annual targets must be the same to ensure that the planning addresses the objectives of the municipality.

2.8 Conclusion

This chapter concentrated on legal framework on development of integrated development planning as strategic document for municipality, challenges faced with municipalities in regard with political environment and measuring of performance management system within municipal sphere of government. Reference has been made to books, media articles and study researched by different authors with the intention to get solution for Mnquma political conflict that affects negatively on general municipal performance.
CHAPTER 3

MUNICIPALITY’S PROFILE

Mnquma consists of 31 wards and has 61 councilors. The vision of the Municipality is to “constitute part of a democratic society, able to create an enabling environment for our people to contribute to the growth and development of our society through ensuring sustainable development and optimal use of natural resources, thus improving quality of life for all”. There are four clusters of key development priorities which are:

1. LED and the Environment;
2. Social Needs;
3. Infrastructure; and

Mining, forestry, services, agriculture, tourism and marine based economic activities have been identified as potential areas for Mnquma’s economic growth. Mnquma municipality faces high unemployment and the principal employer in the area is the Government sector. Prior 1994 Butterworth was an important town with different manufacturing industries. There was a shoe factory, Clothing factories and leather factories, as a result a high rate of unemployment did not exist. In the current situation the Municipality’s massive skills shortages limits its ability to deal with LED challenges and obligations in terms of national legislation. This skills capacity issue is prioritised in the Municipality in the interests of realising the promised economic potential of the area.

3.1 Key Elements of Municipal Competitive Advantage
3.1.1 Infrastructure and Services

According to the municipality’s Communications (transport and telecommunications) “infrastructure is moderately developed, with operational rail and air transport facilities, coupled with favorable access to the Provincial secondary economic centre and
favourable cellular coverage. The extent of direct access by residents to telephones (21.05%) is limited and road surfacing (4.84%) is marginal”.

According to municipality “Mnquma scores were below the Provincial average in terms of access to water, electricity, sanitation and refuse services, as well as to health services”. The reality is that there are rural areas without electricity, poor roads and without clean water (still fetching water from the rivers).

On Economic infrastructure Mnquma communicated that it is among the top performers in the Province, with a multi-purpose community centre, two commercial banks, and 11 post offices with banking capabilities, a Farmers’ Support Centre, a SEDA-affiliated Technology Enterprise Centre and 839 ECDC properties.

Mnquma is rural where the majority of people (80.96%) reside in tribal settlements, although 61.00% own their properties, of which 90.02% is paid up bond. Mnquma has 49 unsettled land claims, of which 22 are for financial compensation and the remaining 27 claims are for land for housing, livestock, subsistence, maize and farming.

The ratio of police stations is below the local population. The crime rate is approximately 26.33 crimes per 1000 people. The local economy is dominated by the Community Services sector. The cost of doing business in the area is favourable.

Mnquma municipality has a Local Economic Development (LED) Unit and access to service providers, particularly institutional and financial support institutions is limited and municipal regulatory capacity is moderate.

3.1.2 Economic Indicators

Mnquma has a youthful population, with 50.57% of all residents aged under 20 years of age, and faces high level of poverty which is 80.23%; and 68% of unemployment and a high dependency rate. An indication of the depth of poverty in the area is revealed by the Municipality’s share of the Provincial poverty gap which is 5.22%, and is substantially higher than its share of the Provincial population (4.36%).
The Municipality’s low productivity score points to the below average GDP per worker (formal and informal), relative shortage of skills available to the economy, and low growth in value creation relative to labour remuneration and particularly employment. The municipality reflects a moderate Formal Economy Performance, with high financial grant dependence and a concentrated local economy together with a positive trade balance and employment growth performance.

GDP comparative advantage is reflected for Trade – centred on the Retail (10.99%) then Wholesale (7.97%) sub-sectors. Households (11.23%) emerge as a further employment advantage of the local economy.

The Municipality claims a range of leading products, including game, beef, sheep, goats and maize. Good market potential is identified for extensive sheep (wool, mutton) farming, beef production, poultry (broilers, eggs) and field cropping (maize and dry beans) as well as for hydroponic production, notably of tomatoes. Moderate market potential is also identified for pineapple production in Mnquma. A high tourism potential is evidenced for the area given its favourable location on the Wild Coast, with a range of coastal resorts and hotels, outdoor and sporting activities and attractions including shipwrecks and hiking trails, birding, fishing and diving.

3.1.3 Capacity

Mnquma has moderate Resident Participation Capacity, with a low HDI (0.49), high proportion of child-headed households and below average access to health professionals, although reflecting the highest level of access to education professionals in the District.

Functional literacy (63.19%) is above Provincial average, while the qualification rate is 8.12% and the proportion of residents with at least matric (16.55%) is below average.

Women’s Economic Participation is limited, where women account for 53.91% of the population and for 50.83% of the EAP, but face substantially higher unemployment.
(70.63%) and rate of growth in unemployment (6.01%pa) than men. Mnquma reflects limited Municipal Capacity considering the low ratio of municipal employees to population and limited managerial experience, while local tourism, building regulations and planning functions are staffed and a fair number of functions are performed with capacity, including all priority 1 functions.

3.2 Conclusion

This chapter concentrated on the profile of the municipality and what it can offer in terms of increasing employment rate and tourism products. Reference has been made to the history of the town and what can be revived to put Butterworth on the map again.
CHAPTER FOUR:

RESEARCH METHODOLOGY

4.1 Introduction

This chapter gives a brief overview of the concepts that influence the data collection and analysis process. It is critical that this chapter be included, because it assists in guiding the reader’s understanding of the researcher and the chosen research processes. There are two major approaches to gathering information about a situation, person, problem or phenomenon, Secondary and primary data (Ranjit Kumar, 1999:104). The methodology was chosen through a process, which would ensure that the data collection and analysis added value to the research findings. The data collection process was conducted from 20 August to 24 September 2012. The researcher initially contacted the Municipal Manager and the Speaker of Mnquma local Municipality in writing and secured an appointment to explain the process thoroughly. The Municipal Manager gave the researcher permission to interview municipal staff on the 3rd of August 2012 and secured an appointment with the staff for the 20th of August 2012. In this research both approaches have been used. The meeting was conducted with two officials (PMS and IDP officials), the purpose of research was explained and what is expected from officials was cleared. The Officials accepted the forms and promised to cooperate and assist where they can.

The Speaker of Mnquma Local Municipality gave permission to interview Ward Councillors, and Ward Secretaries. The researcher was provided with the list and telephone numbers of all Ward Councillors, Ward Secretaries and Community Development Workers. Appointments were made with individual interviewees. Some agreed to meet and others were unavailable. The participants were from Butterworth, Centane and Nqamakwe.
The questionnaires were issued to eight ward councillors; five ward secretaries and two municipal officials (PMS and IDP). Three traditional leaders were visited in their homes (Nyulula, Hlobo and Lower Nomahaya). Community members were interviewed where ward councillors made appointments with the researcher but did not honour them. The reason for interviewing community members who were not initially part of the data was to get the satisfaction of community members with the service delivery and to also identify their needs and what could make them happy. The community members who were interviewed are from Nyulula and KwaMagodla in Nqamakwe.

4.1 Methodology framework overview

This section will introduce the theoretical framework that influences the methodology of the study. The primary aim of this study is to explore the processes pertaining the Municipal Performance Management System. Since the study will be explorative in nature, the research methodology utilized will be qualitative. The choice of a qualitative research approach is influenced by the fact that this study will be the first in the municipality. Qualitative research methodology analyses social actions with the aim of trying to understand social interactions and the processes of creating and maintaining meaning in the world. In order for qualitative researchers to achieve their aim, they should spend a considerable amount of time with the research participants in their natural setting, observing their interactions and non-verbal communication (Descombe, 2003: 267). The time that was spent with respondents when interviewing was about thirty minutes with each participant. The argument of this research is that social science differs drastically from natural science and therefore should be studied in ways that manage to capture the complexity of human nature (Neuman 2006: 151). The research approach analyses what is termed ‘soft data’, namely words, impressions, photographs, symbols and interactions. Qualitative research is underpinned by interpretive epistemology which is the knowledge that strives to understand social life and discover how people create meaning. It is contrary to positivism, which strives for the objective truth. This means that the researcher is part of the research process, developing meaning along with the research participants, while noting that only an individual can
make sense of his/her own context and that one can better understand individual meaning from a perspective of a participant because it is subjectively constructed. This approach is important when the unit of analysis is a group of people who are involved in the process. The participants will be vulnerable and do not need a researcher who will interfere with their duties. Data from the focus groups and individual interviews will be summarised and presented in Chapter Five. The analysing process is just as challenging as the data collection process, because analyzing soft data is more complicated than analyzing hard data (Hlophe, 2010: 72). Soft data is analysed through conceptualisation, coding and finding common themes in the information received from participants. The research used non-probability sampling, which is particularly purposeful, and quota sampling because, for qualitative research, it is the relevance to the research topic of the participants who are important, rather than their representatives.

The data collection process will therefore target the process of which the municipality follows when developing the IDP and SDBIP, the role played by government officials who work with municipality, community leadership and ordinary community members. Since qualitative research strives to understand human behaviour from an individual’s perspective, which will result in generating a new hypothesis, the data collection process was designed as follows:

There were individual interviews with Municipal Officials, Ward Councillors, Ward Secretaries, Traditional Leaders and community members. Each group dealt with nine questions, namely the relationship with ward committee members, the involvement in the development of IDP, the involvement in the budget process, the involvement in the implementation of SDBIP, The training provided to them in regard with IDP processes, Involvement in Municipal Performance Assessment. It must be noted that earlier planning for this study had projected the use of six focus groups, but after evaluating the circumstance on the group, it was resolved that it would be more fruitful to have Community Development Workers. The interviews gave an in-depth understanding of the issue of Mnquma Local Municipality and allowed the researcher to comprehend the subject matter. The interview questions were guided by the focus group questions, and
the researcher had an opportunity to probe for clarification and elaboration in order to get more information out of the individual interviewee, and the IDP of Mnquma Local Municipality will be studied in order to assist with the demographic and socio-economic background to the case study and to confirm the correctness of information given by ward councillors and ward secretaries.

4.2 Focus groups as data collection tools

Focus groups are structured as small group interviews. According to Richardson & Robiee (2001:53), focus groups are “focused” in two ways. First, the persons being interviewed are similar in some way (e.g. limited resource family members as a group, family service providers as a group and local officials as a group). Second, the purpose of the interview is to gather information about a particular topic guided by a set of focused questions. Participants hear and interact with each other and the leader. This yields different information than if people were interviewed individually. A focus group interview is a technique involving the use of in-depth group interviews in which participants are selected because they are a purposive, although not necessarily representative, sampling of a specific population, the group being ‘focused’ on a given topic. Participants in this type of research are selected using the criteria that they would have something to say on the topic, are within the age-range, have similar socio-characteristics and would be comfortable talking to the interviewer and each other (Richardson & Rabiee 2001). The purpose of focus groups is to develop a broad and deep understanding rather than a quantitative summary. Focus groups are a highly effective method for “listening” to clientele and non-users of extension programmes. The emphasis is on insights, responses and opinions. The individual interviews were recommended because of the political conflict within the municipality and that each discussion is highly influenced by who is involved and comments that surface. An interview runs for thirty to forty five minutes. The only group interviews conducted were among community members where the Ward councillor was not available to be interviewed. This happened because the researcher suspected that the councillors that made appointments and did not turn up for the meeting and also not answering their
telephones were absent because they were probably did not perform their duties in a proper manner

4.3 Individual interviews as data collection tools

Kvale 1996:129) stated that each interview question can be evaluated with respect to both a thematic and a dynamic dimension: thematically with regard to its relevance for the research theme, and dynamically with regard to the interpersonal relationship in the interview. The basic individual interview is one of the most frequently used methods of data collection within qualitative research, where the researcher is provided with greater flexibility, iteration and continuity to elicit more information from the interviewee (Babbie and Mouton: 289-293). This study has chosen this method to expand on the information that will be ascertained from focus groups and also to assist in the verification process. The platform of individual interviews allows the researcher not only to focus on the content of the conversation but on all the other factors that guide the conversation. The flexibility of this process enables the researcher to probe in depth into the subject matter. Such a process can even guide and improve the direction of data collection and analysis of the study. All the interviews of this study were conducted in an area where the interviewee felt comfortable. For example, the interviews with community members were informal and conducted at their homes. The interviews with the councillors and all the public officials were conducted at their respective offices. The interviews were all conducted in Xhosa.

4.4 Data analysis

Qualitative research and, in particular, focus-group interviews generate large quantities of data, which tend to overwhelm a novice as well as experienced researchers. A one-hour interview could easily take five to six hours to transcribe in full, leading to 30 to 40 pages of transcripts. Thus a central aim of data analysis is to reduce data. Data analysis consists of a number of stages, namely examining, categorizing and tabulating or otherwise recombining the evidence, in order to address the initial goal of the study.
Krueger & Casey (2000) build on this concept and suggest that the purpose should drive the analysis; they believe that ‘analysis begins by going back to the intention of the study and survival requires a clear fix on the purpose of the study’. Following these concepts, the current researcher considered the first step in establishing a trail of evidence as a clear procedure of data analysis, so that the process is clearly documented and understood. This step would allow another researcher to verify the findings; it safeguards against selective perception and increases the rigour of the study. In order to achieve this objective, sufficient data was collected to constitute a trail of evidence. Although the main source of data analysis was the recorded, spoken language derived from the interview, reflection about the interview, the settings and capturing the non-verbal communication expressed by the members of the groups added a valuable dimension to the construction and analysis of data. This record was in the form of an audiotape. The transcripts and observational notes were written immediately after each focus group interview, even though taking notes is difficult at times, but the recording was a back-up mechanism. Recordings are extremely helpful for managing the data, making sense of what is going on, getting rid of extra and irrelevant information and travelling safely through the maze of large and complicated paths of information. The process of qualitative analysis aims to explore meaning of a situation rather than the search for objective truth, which is the focus on by quantitative research. Strauss & Corbin (1998) describe analysis as the interplay between researchers and data. They acknowledge that there is an extent of subjective selection and interpretation of the generated data. It is important to acknowledge that regardless of the type of research (qualitative or quantitative) an extent of subjectivity exists. In order to minimize the potential bias introduced into analyzing and interpreting focus group data, Krueger & Casey (2000) pointed out that the analysis should be systematic, sequential, verifiable and continuous. Following this path provides a trail of evidence, as well as increasing the extent of dependability, consistency and conformability of the data, important issues for assessing the quality of qualitative data (Secker et al., 1995).
4.5 Challenges of the data collection process

The study had three critical limitations which hindered the research process. Firstly was the availability of written information and the verification of such verbal information. Information from respondents could not be verified further other than observation, which is a challenge because the researcher could not visit all the areas, this could increase the subjectivity of the information provided. The second limitation, which was only realised once in the field, was the translation of concepts like service delivery and projects. The translation at times meant providing examples, in order to improve the participants’ understanding. This resulted in participants paraphrasing what they had heard and forced the researcher to probe further. The final limitation was the lack of differentiation between the research’s purpose and audit of work performed by Ward Councillor to improve service delivery. This was experienced during responding to an appointment where participant would agree that the researcher must come directly to the venue, and when arriving there the participant was not available and not answering her/his phone.

4.6 Conclusion

This chapter has discussed the methodology used and the appropriate research design utilised that sought to give credibility to the entire research process, based on the aims and objectives of the study. The researcher attempted to justify her choice of research methodology tools. By the application of inductive logic and the multi-method approach, the researcher has substantiated the objectivity, reliability and the credibility of the entire research process.
CHAPTER FIVE:

PRESENTATION AND INTERPRETATION OF DATA

5.1 Introduction

Chapter Five will present the research findings. The data presentation will incorporate the analysis of data, even though there will be a summative analysis as the last section of the chapter. The chapter will be categorised into two sections, namely, the response from the focus group and the individual interviews. The first section of this chapter gives the biographical data of the participants. The second section presents the background to the knowledge of parties about projects to be performed in their areas, as narrated from the focus groups. This section is critical to the reader’s understanding of the area and the case study and therefore the narration was summarised minimally, because the researcher wanted the readers to have their own experience of this information.

Chapter Five gives the reader an opportunity to conceptualise the case study. Some of the themes that emerged from the study were: miscommunication, lack of knowledge and understanding by community members and some of ward councillors; poor administration of budget allocated; power struggle and poor coordination of service delivery.

5.2 Presentation of data

5.2.1 Biographical data

The participants were contacted individually and appointments were made for separate dates and times. Where the Ward Councillors were met as a group, they were not comfortable in answering questions as a group, they wanted to be briefed and needed explanations regarding the questions and requested to take questionnaires home and committed themselves to return them to the researcher at a later stage. It was
interesting that the individuals decided to complete questionnaires on an individual basis, because it implied that there are issues between themselves, the one did not trust the other. Each councillor, ranging in age from about 30 to about 50, Ward Secretaries age ranging from 30 to 49. The participants were both males and females. The participants that were representing both councillors and secretaries had been staying in the wards since they were born that shows that they know areas and communities that they serve well.

5.2.2 Focus group data

There were four focus groups namely the ward councillors, ward secretaries, municipal officials and traditional leaders. The focus groups were interviewed on individual basis because of the underlying tension that still exists between the political leaders that also affect communities. The researcher decided to separate the participants to make them comfortable in sharing information. The researcher was conscious of the possibility that the information shared by the participants could be misinterpreted by others, and that could lead to further misunderstanding and conflict. The narration from participants will be summarised. This is important in the context of this study, because one of the research objectives is to ascertain the perception of community members and officials about the role of service delivery in triggering community dissatisfaction.

5.2.3 Background information to the development of IDP

According to IDP development process, Ward Councillors would organise community meetings through the ward secretaries to identify the community needs. The wish list from community members would be taken to municipal officials to include in the five year strategic plan (IDP). Councillors would consult with community members to prioritise their needs to suite the annual budget. The community priorities would be taken to municipal officials to include in the formulation of SDBIP. Ward Councillors together with ward secretaries would meet with the community members to give feedback on which projects will be done in the financial year and how much budget was
allocated for the project. The reasons why a municipality should consult and negotiate with stakeholders (community members and everybody involved in municipal service delivery) around matters of municipal finance are:

- In the absence of consultation, the municipality will prioritise incorrectly, make errors of judgment, and ignore what people really need and want.
- Consultation assists the different stakeholders to better understand and support the decisions around tradeoffs and prioritisation that the municipality must make.

Municipal Officials are responsible for situational analysis. A municipality does not have sufficient resources to do everything that should be done. The best decisions will be properly informed decisions, and the recipients of municipal services are best positioned to offer the information which will bring the best decisions. All parts of the community must be consulted in order for the municipality to properly understand their needs and priorities, and to provide a sense that everyone’s priorities are at least being considered in the decision-making processes.

Due to an insufficient budget within the municipality the communities wish list projects would be spread into five year plan. SDBIP would be developed after communities prioritised their needs and to ensure that the budget is available for the annual plan (SDBIP).

In Mnquma municipality officials rely on councillors to conduct the community consultation. It was noticed that not all ward councillors know exactly what they need to do, as a result some community members know their councillor by name and never met with her/him; they don’t know which project will be done when, they only see things happening without being involved. Secretaries identify people to work in the project without involving communities on who should be appointed and why. This process increases a risk of, e.g. a secretary appointing his/her relatives instead of needy people and also a risk of selling jobs. The other risk of not involving communities is that materials to implement the project get stolen by community members because they don’t know the purpose.
When interviewing community members from two different locations, it was noted that they have their wish list of services to be delivered but they don’t know if they are going to be delivered or not and if they are to be delivered when, because their councillors do not involve them in identifying their needs and their priorities. The cause of the lack of proper consultation by ward councillors is that they have stayed in the community for a long time and the lack of community members’ proper education, councillors take advantage of that and decide for them.

One ward secretary mentioned that ward committee members met with their councillor once in December 2011 when she was introducing them to each other. That there was no community meeting conducted, they never identify their needs and they don’t know what is for them in the IDP. The interesting part is that every month the councillor is getting paid for attending council meeting not to deliver the mandate.

Traditional leaders that were interviewed gave the same answers although they were interviewed separately in different times and different places. They mentioned that they are told about services to be delivered when introducing contractors that are going to perform the duties, but not involved in identifying the services to be delivered. One traditional leader is a wife to the Chief who passed on, when asked about the activities of her area, she mentioned that many things were decided by the traditional committee together with her husband and she does not know everything. She mentioned that it is worse now that the area that she is in falls under other ward while the rest of the area falls under another ward because of the demarcation. She mentioned that she is not even signing for monies withdrawn from the community bank account because it was her husband who was signing but now they are relying on the former council who still has signing powers, but no longer a councillor, she does not know how much balance in the bank.

Community members are not educated about the municipal processes and what is expected from them and what role is played by their ward councillors. The educated
people from the area are young people who are working outside the municipal area and the province. The councillors have the opportunity to mislead the communities and take advantage of the situation. Instead of improving the lives of communities, they involve them in political conflicts and their power struggles.

5.2.4 Interpretation of background data

The following interpretation will consider the understanding of conflict in relation to service delivery. The councillors expressed their feelings about their projects that are more or less included in the SDBIP, and the projects of the area where the mayor was born are all in the SDBIP for the current year. They mentioned that this is other reason for infighting because it would appear that other councillors are working more than others. Based on the observation by the researcher it was noticed what councillors were talking about because in the area where the mayor was born, the ward secretary is clear about all the processes of IDP development to implementation of SDBIP and the projects to be conducted during the 2012/2013 financial period, while others are not clear about projects to be implemented for their wards. They said that they felt like outcasts who are not assisted by anyone. Their understanding of service delivery was expressed as government striving to assist communities and people in every way.

The community members explained that so much time had been wasted by councillors who are not positively serving their areas and started to compare the councillors who have served them. Due to the lack of proper understanding of municipal processes, the community members are interested in what is going to bring money to them and improve their lives. The councillors are fighting and not much development had taken place in the area. The roads are still not in a good condition, water is still a challenge and many other services had not been attended to. Many areas of Mnquma do not have electricity; they have not enjoyed the benefits that others are enjoying. In the areas that do not have electricity crime is increasing. Females are being raped and killed. Toleni crime area where female victims were raped and killed is example of what is happening in the areas without electricity.
Pruitt and Kim (2006: 8) stated that the situation was prone to conflict when parties perceived a divergence of interest. In this case, the Mnquma councillors want the power and undermine the mayor that has been elected by the ruling party. Each group thinks that if it was one from their group things would be different. Such reasons were mutually exclusive. If we consider the human needs theory, the needs of both parties might have been mutually exclusive, but they were still needs that had value for both parties. Therefore, when the needs were not attainable it was logical that frustration would result. Each party concentrated their attention on eliminating the other (Anstey 1991: 4).

5.3 Individual interviews

Questions for individual interviews were very detailed in comparison to those for focus groups. These questions were trying to ascertain individual responses concerning the research question, that is, the relationship between municipality and communities. The response of the individual interviews will be separated according to the category of respondents, namely ward councillors; ward secretaries; community development workers; community members; community leadership and municipal officials. The researcher interviewed five ward councillors, five ward secretaries, two traditional leaders, and two municipal officials.

The following responses from individual interviews implied the following: poor understanding of the municipal processes and its objectives; a power struggle among councillors; inadequate resources. These are perceived as playing a role in the poor performance by the municipality. The following questions strove to get the respondents to explain good or bad municipality performance according to their own understandings.

5.3.1 Community respondents

Community respondents were randomly selected and informal meeting was conducted. Community respondents were not included in the original sampling but the researcher
felt necessary to understand thoughts of those who are beneficiaries and their satisfaction. The community members were given an opportunity to consent to their participation in the study. The aim was to identify what they think can satisfy them and also to identify whether the councillors are doing what they are supposed to be doing for the communities.

*Question one: How long have the respondents lived at the area?*

The first question tried to ascertain how long the respondents had lived in the area and if they experienced the growth and positive improvement in the area. It was important to ascertain by observation of expression if the participants were responding from personal experience or social fables. Community members and Traditional leaders claim that they do not know their ward committee members, they only know the councillor because they get council papers from her/him. They were born in the areas and they are used in the lack of facilities (roads, sanitation and electricity). These respondents had been residing in the area for more than twenty years and therefore their responses are valuable.

*Question two: What are their needs?*

The second question wanted to establish the wish of community members. It was important that the community needs could be understood and compared with the five year IDP. This will assist in identifying that councillors capture community needs correctly and convey to municipal officials in order to include in IDP and their priorities are included in the SDBIP. Respondents stated that they have clean water but sometimes the taps run dry and they forced are to share water with animals. They said if they could have electricity and believe that perhaps then crime would decrease. They also need roads because if one is sick they are forced to hire cars from those who are blessed with cars to take sick person to the doctor, because ambulances take time to come and if it is raining, ambulance could not come closer to the area.
Question three: What do they want to see happening in their areas?

Respondents were asked what service delivery was, and according to their understanding, could make them satisfied. This question was difficult for the respondents to answer because it was subjective, according to their understanding of the matter being scrutinised. It became apparent that the definition of service delivery was not clear for a lay person in the South African context. The Constitution of South Africa (1996) refers to public service delivery, which should be responsive to people’s needs. This can be translated to mean that all spheres of government are responsible for service delivery, even though the responsibility for basic services has been placed with local government. The respondents were of the opinion that service delivery is the government bringing resources to the people and the communities. It concerns government making sure that community members are employed in order to sustain their livelihoods. Since this area is mostly used for agricultural purposes, service delivery will be about government ensuring that resources are available for people to use. Government can assist by making sure that community committees such as ward forums are established to deal with community needs. Service delivery was further described as the provision of electricity, roads, and jobs. This should be done by government, because they were voted for. These services do not adequately exist in the area. If all these services were in place, their lives could be improved and children would go to school and crime could decrease. They complained that people are not working, from morning they sit and drink liquor in local taverns because they do not want to face their hungry children at home. They see community halls as a waste of resources right now because they are starving; they need jobs to be able to support their families. The researcher asked if they told their councillors about their wishes, they responded with question to say “do we see her? Because we last see them when they want us to vote after that, they earn money and improve their lives and do not care about us”. The provision of resources to the community at large is part of political commitment. After being voted into power such political commitment must therefore turn to action. Improving lives of poor people was part of that commitment.
5.3.2 Responses from various respondents

**Ward Councillors**

The Ward Councillors were positive when asked questions about processes followed when developing the IDP and SDBIP, but in their answers the researcher could suspect that there were some areas that were not true and decided to ask about the training that they were given. They all agreed that they were trained through workshops organised by municipal officials on municipal processes, when they started to be councillors. In their answers on the involvement on SDBIP and budget, they mentioned that municipal officials are responsible to budget and develop SDBIP. One councillor proved that he does not know the processes where he mentioned that the IDP, budget, SDBIP processes and municipal performance are official’s responsibility and that councillors are not hands on. This is against the development of IDP processes stated in the Municipal Systems Act where a councillor must consult with the community he/she serves on basic service needs, and must also consult with the community members on what are priority projects. The Mnquma councillors seem to forget their role in the municipality but continue fighting about who must be in power for them to benefit. This struggle started in 1995 after the municipal election and that was never resolved.

**Ward Committee Secretaries**

Ward secretaries stated the municipal processes as they were told in the workshop, but when questioned about what they have done so far the response was that not much. Some know what they are supposed to be doing and others were not sure what they should be doing because the councillors do not give them direction. They were trained on secretariat work. Each ward has ten ward committee members, but they are not sure on segregation of duties. This shows that the municipal councillors are not focusing on the purpose of them being in power. Ward Secretaries are not aware of how much they are supposed to earn in salary because they are never paid sufficiently and become
demoralised. They were promised to earn R1000.00 monthly and they started in July 2011.

**Traditional Leaders**

The researcher managed to meet with three traditional leaders from Hlobo Administration Area, Nyulula Administration Area and Nomaheya Administration Area on an individual basis. Inkosi Nobuzwe for Mazamisa of Hlobo was visited on the 22 of September 2012 to understand the involvement of the communities in the performance of Mquma municipality. Inkosi Nobuzwe noted that there was no community meeting for the last past year organised by ward councillor in order to identify the community needs. She is not aware of the projects to be implemented during 2012/2013 financial year. When I introduced myself to her and explained the purpose of my visit she thought that I came to talk about projects to improve the lives of her people. Although she is still acting for her son and waiting for him to grow up, she is not in understanding of many things that were planned and implemented when her husband was still alive. She does not have signing powers on the community finances. She also mentioned that she does not know what is going to happen to her people because the Demarcation Board divided her area, she and others fall in other ward(19) and others fall in ward 21. She also mentioned that she is not aware of any developments for ward 21 as they have no relations with the ward councillor of ward 21, the councillor does not involve her. Inkosi Nobuzwe stated that she would like to see her area being electrified and the road that was built in 2010 is not in good state, if there could be funds available to maintain it. She said although there is water, there are no maintenance plans that she is aware of.

Inkosi Maxhewana of Nomaheya was visited on the 24th of September 2012 to understand the community involvement in the performance of Mquma municipality. The Inkosi Maxhegwana stated that the community is satisfied with the projects that have been implemented by the municipality. He said they have electricity, water and road, though the road is not in good state. When asked about the plan to maintain it he said the people who built the road must come back to maintain it. When asked what
people, he said the government. He said whether government appointed contractors, those contractors must come back and fix the roads. When asked the period of the road, he said five years has not lapsed, that means the road was not properly built. When asked if he knows what is in the municipal IDP for his area, he said he does not know and does not know what IDP is. The researcher explained what is in the IDP, he said he is not aware and there was no community meeting organised by the councillor, all that had been implemented was decided by the municipality because they voted for the people to do things for them.

Chief Dingiswayo of Nyulula was visited on the 24th of September 2012 to understand the community involvement in the performance of Mnquma municipality. Chief Dingiswayo mentioned that there are some areas which fall under him that have roads and all areas have water, but some areas do not have proper roads. He said, what the community needs most is electricity because the number of criminal cases reported to him and the police increases every day. Children and elders are being raped and people are being stabbed in the taverns. He mentioned unemployment as a challenge in the area. When asked about the projects that to be implemented during 2012/2013 financial year, he said he is not aware because he never met with the present ward councillor. He knows her name and her parents but to meet with her to discuss the ward plans, “no”. He said since government brought these councillors, the chiefs’ roles are undermined, these councillors think that they are ruling the areas.

**Community Development Workers**

Community Development Workers(CDW) are employed by the Provincial Government as a link between Government Departments, municipality and community members. They are allocated according to wards, and as wards fall under municipality, they are inclined towards the municipality side. They provide awareness to community members about all ward developments and provide them with all information that will affect the community or the area. In the Mnquma area these CDWs are not performing their duties
Municipal officials

Integrated Development Plan

The municipal official responsible for IDP cited processes that she follows when developing the IDP. She mentioned that councillors in consultation with local communities identify the needs for communities. On the municipal side she has to develop a draft process plan with scheduled time frames that specify activities and the responsible person for the activity.

The situational analysis is done by officials who identify needs, the challenges and the status quo of each project. This is done to be sure of the situation in the area and to allocate funds and prioritise the needs based on budget availability. Officials responsible for the projects develop the objectives and strategies in order to address the situation analysed. Furthermore it is the responsibility of municipal officials to consult other spheres of government and request their projects to be conducted in the area for the purpose of integrating them in the municipal IDP. The projects are aligned with the budget available. After the process has been completed the final IDP is submitted to the municipal council for approval.

In answering the question of the conflict within the council, it does not affect the implementation of SDBIP, she mentioned that they only implement the resolution of the council; they are not affected by the disagreements and arguments that the council have.
Performance Management Systems

An official responsible for the municipal performance management system cited the processes that the municipality is following when ensuring that the municipality’s good performance. He mentioned that the strategic managers develop strategic scorecard that covers the five-year term of council, which is reviewed annually when reviewing the municipal IDP. The municipal directorates develop a Service Delivery and Budget Implementation Plan (SDBIP) as a tool to implement the strategic scorecard. At the end of the quarter and midterm, the directorates develop performance reports and submit them to the Municipal Manager who monitors the overall performance of the municipality.

Table 5.1 Schedule of municipal performance reports reviewed and submitted to relevant structures

<table>
<thead>
<tr>
<th>Reporting Structure</th>
<th>Reviewing Structure</th>
<th>Report</th>
<th>Submission Date</th>
<th>Where</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divisions</td>
<td>Directorates</td>
<td>Monthly performance reports</td>
<td>25th of each month</td>
<td>Directorate</td>
<td>Monthly</td>
</tr>
<tr>
<td>Directorates</td>
<td>Executive Management Committee</td>
<td>Monthly performance reports</td>
<td>27th of each month</td>
<td>Municipal Manager’s Office</td>
<td>Monthly</td>
</tr>
<tr>
<td>Directorates</td>
<td>▪ IDP/PMS and Budget Technical Steering Committee</td>
<td>Quarterly performance reports</td>
<td>7th of next month after the end of each Quarter</td>
<td>IDP/PMS Unit</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Directorates</td>
<td>▪ IDP/PMS and Budget Technical Steering Committee</td>
<td>Mid-term performance reports</td>
<td>7th of January</td>
<td>IDP/PMS Unit</td>
<td>Mid-year</td>
</tr>
<tr>
<td>Clusters</td>
<td>▪ Cluster meetings</td>
<td>Cluster reports</td>
<td>10th to 13th of the next month after the end of each Quarter</td>
<td>IDP/PMS Unit</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Directorates</td>
<td>▪ Executive Mayoral Committee</td>
<td>Mid-term performance reports</td>
<td>25th January</td>
<td>Strategic Planning Session</td>
<td>Mid-year</td>
</tr>
</tbody>
</table>

63
The annual implementation of scorecard is developed by the Executive mayor and Municipal Manager at the end of financial year. The mayor submits the annual report to council for adoption.

After the council has adopted the annual report, the meeting with communities is arranged and organised through ward councillors to give the status of municipal performance to communities. This meeting is conducted in the central point that is Msobomvu Community Hall. The municipality could not visit individual areas to conduct the meetings due to insufficient funds. Not all community members attend the meeting because Mnquma municipality has three areas (Centane, Nqamakwe and Butterworth) and these areas are rural areas where the unemployment rate is high and community members do not have money to attend the meeting. That means not all community members have the opportunity to assess and know the status of their municipality’s performance.
5.4 Interpretation of data

It was difficult to interpret this data because of its narrative nature. The disadvantage of the qualitative methodology is the volume of information received, which the researcher must sift through in order to create themes or codes that will address the hypothesis. The overarching themes of this study were conflict and service delivery. Throughout the data collection process, the researcher had to be conscious of the aim of the research, which tried to ascertain the role of poor service delivery in communities. It was therefore important to assess whether or not the respondents actually thought that the municipal performance is actually good. The assumptions that underpinned the study were that the municipal performance could improve if the community can be afforded the platform for participative governance and the departments working in the area adopted an integrated approach. It was evident from the data that the departments were rendering services in a disintegrated manner. This resulted in miscommunication that compounded the political conflict. The themes that were common throughout the data collection process were the following (Neuman 2006):

· *Miscommunication*: Some councillors are left out when budgeting for projects that are in the IDP, which result in others having all their projects being budgeted for while others do not have even one project in the SDBIP. Some councillors do not understand the municipal processes hence they think that IDP development, budget and implementation of SDBIP projects that are the responsibility of officials and not of councillors. Councillors fail to consult with community members on identification of basic needs and their priorities and report back to them about their wish list and what is going to be implemented and when.

· *Poor co-ordination of rendering government services*: Amathole District Municipality (ADM) is accused of not communicating with the municipality on projects that they implement in the area. They just implement without involving the ward councillor and municipality in order to co-ordinate the efforts and budget. In April 2008, the Department of Water Affairs introduced the National Water Services Regulatory Strategy, which
clearly states the strategic regulatory direction for water and sanitation services in South Africa. In 2003 Amathole District Municipality and other District municipalities became Water Service Authorities under its jurisdiction. Due to lack of resources and capacity within the local municipalities, it resulted in poor service delivery, ADM took over the function in 2006 of being a Water Service Provider through Section 78 of Municipal Systems Act 32 of 2000.

*Power struggle among the councillors:* a power struggle can be easily fuelled by miscommunication or poor communication, because it creates the foundation for propaganda. The conflict resulted from “perceived divergence of interest” (Pruitt and Kim 2004: 7). Both parties in this conflict wanted to put their group member into power. Anstey (1991) elaborated on the reasons behind the conflict, saying that not only would parties perceive their goals as mutually exclusive, but they would employ tactics that would aim to eliminate the opposing party so that they would be free to fulfil their ambition. This is what happened at Mnquma. The themes categorized above, namely miscommunication, poor administration of political candidates appointments, poor coordination of government services and the power struggle, can result in internal dissonance and polarisation of groups (Sandy et al., 2000; and Barash et al., 2002). This leads to the interpretation that resources are not enough for all the parties that want them. It is therefore critical that local leadership should create a dialogue platform, on which parties can openly discuss these issues and maybe even arrive at win-win strategies. Peleg (1999: 114) explained that needs are at the core of social change and it is known that at the end of each conflict lies social change. Analysing the themes that were prevalent in the background information given by both groups it was clear that both parties wanted change.

The social structure theorist would support this premise, because it can be translated to mean that the conflict is latent and only needs a triggering event to precipitate violence. It is important to note the role that is played by socio-economic or historical factors in setting the platform (Jeong 2008). The Mnquma Municipal Manager was in the municipality for fifteen years being municipal manager. On the 30 of March 2012 the
Mayor renewed the Municipal Manager’s contract together with another two Directors without the matter being discussed by the council as stipulated in the Constitution. In the council’s meeting that was chaired by the Municipal Speaker, there were disagreements in renewing the Municipal Manager's contract by the mayor, but the mayor insisted. The Municipal Speaker adjourned the meeting in order to seek for assistance from the Supreme Court in Umtata. The mayor moved the meeting from the original venue (Umsobomvu Hall) to Council Chambers, where councillors in his support attended without involving those who are in the Speaker’s favour. The Mayor and his councillors renewed the contract of the Municipal Manager and two Directors. The Supreme Court of South Africa issued notice that the Municipal Manager and two Directors must leave the municipality till the matter is resolved.

More drama continued in Mnquma Municipality where the Mayor appointed a security company to prevent the Speaker in entering the municipal premises, and the Speaker appointed Security company to prevent the Municipal Manager and two Directors in entering the municipal premises.

The Constitution of South Africa (1996) states that local government has a critical role to play in ensuring community sustainability and livelihood. The lack or poor involvement of local government through its official or local council can be categorised as poor service delivery. Local government might not have been responsible for the actual rendering of the services, but they are responsible for the co-ordination of services through their IDP processes. Service delivery is and will continue to be poor in the area.

5.5 Conclusion

It is difficult to conceptualise service delivery and even more difficult to get the respondents to understand it. The data confirm that although the municipality received unqualified audit report, there is still a huge challenge in service delivery, and community participation is still the matter to be looked at. During interviews one councillor mentioned that the training of councillors by the municipal officials on
processes is inadequate. He mentioned what is experienced when SDBIP is tabled in the council meetings where conflict starts and physical fights are witnessed, this did not mutually exclude other variables that might have played a role in the council conflict. Throughout this study, the researcher has found it difficult to find theoretical literature that would prove or disprove the hypothesis of the study. This is because this type of study involves different areas of processes. The study has not fully explored the dynamics of the processes. The literature concentrated on individual, societal and an international different explanation of municipal performance management system. There is insufficient information in the literature on societal conflict to verify the role of service delivery, especially in a country like South Africa, where service delivery backlogs are a great challenge. The data-capturing process was difficult, because of the language barrier. Some concepts, more specifically service delivery, were hard for the researcher to explain without imposing her own personal understanding, because of the lack of Xhosa terminology. The study otherwise proceeded without difficulties
CHAPTER SIX:

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The aim of this study is to assess the performance management in the municipality and what are the measures in place to test the adequacy and effectiveness of the municipality on services that it renders to communities. The assumptions that supported the study were that if the councillors concentrated on what they were voted for and perform their duties as stated in the Municipal Systems Act, services would be delivered appropriately and according to government standards. It was further assumed that if government officials and community leaders (ward councillor and traditional leaders) played their role by working together the municipal performance would improve. This assumption brought to the forefront the issue of capacity of government officials, municipal officials and councillors, that is, do they possess the relevant skills and capacity to capacitate community members with necessary needs?

In order to place service delivery and municipal performance within the context of this study, it was conceptualised according to the broad principles which are stated in the Constitution of South Africa (1996), section 152, which defined the role of local government as “to give priority to basic needs of the community, and to promote the social and economic development of the community, and participate in national and provincial programmes”. These services must be provided according to the standards set out in public service legislation. It was important to consider the role of the provincial department because of its involvement in monitoring the municipality’s performance. Chapter Six will summarise the findings of the study within the context of what has been stated above and the objectives of the study.
6.2 Objectives of the study

This section will discuss and conclude on the findings, according to the objectives that have been set out in Chapter One. The objectives of the study were to:

- Investigate the problems experienced by municipality with regard to lack of understanding of performance management
- To assess the quality of services rendered by municipality to its stakeholders
- To investigate the basis of bonus payments to senior management

6.2.1 The investigation of the problems experienced by municipality with regard to lack of understanding of performance management

The response from the interviewed group and from individual interviews confirmed to an extent, that service delivery in the municipality is poor, and that municipal performance is poor. It was noticed that the municipal performance is based on unqualified audit opinion, not on the core business of the municipality that is service delivery to improve people’s lives. This was also proved by the fight between the Speaker and the Mayor over contract renewal of the Municipal Manager and two Directors.

It was the result of these factors that led to basic services being delayed in this particular community. Basic services such as water, electricity and sanitation could not be delivered to all community members on time because even councillors do not know the correct procedures and processes that they need to follow in case of service delivery. This is influenced by the planning processes (IDP).

The White Paper on Transformation of Public Services Act (1997) states that all public services should strive to improve the livelihood of communities, be efficient and effective and be cost-effective. This includes services provided by all spheres of government in South Africa. Therefore there is no department that is exempted from working according to these standards. Such a declaration is also stated in the Constitution of the Republic of South Africa (1996).

It can be concluded that the lack of co-ordination is non-compliance with the Constitution (1996) which promotes co-operative government and even established
the Intergovernmental Relation Framework Act (2005) that aims to guide cooperative governance because all the spheres of government need each other in order to succeed in delivering their services. Most conflict theories concern people fighting for scarce resources; people perceive incompatible goals and miscommunication as the sources of conflict.

It was found that all the community respondents and traditional leaders believed that if the councillors could work with them they can provide necessary needs and improve their lives.

6.2.2 The assessment of the quality of services rendered by municipality to its stakeholders

The data had certain recurring themes, which will be summarised in this section. These themes are poor co-ordination in the implementation of public programmes, miscommunication, poor governance and political intolerance.

Poor co-ordination in the implementation of the public programme, miscommunication, poor governance and political intolerance

Throughout the study, poor co-ordination, miscommunication and poor governance were central to the poor performance of the municipality and conflict among the councillors. These factors facilitated the perpetuation of the conflict. In conflict language, these factors did not trigger the latent conflict, but instead promoted and sustained the conflict that had been manifested.

Section 41(1)(h), of the Constitution of South Africa (1996) promotes intergovernmental relations but this co-operation is not common in reality. Government spheres are guided by their strategic mandates and have to meet their annual targets. This may sometimes pose as an obstacle to co-ordinating implementation processes, because, in order for implantation to be holistic, departmental efforts must be co-ordinated right from the planning phase. Miscommunication creates polarisation in groups that are in conflict.
Once the groups are polarised into “us” and “them”, it is easy for the parties to automatically assume and believe the worst about the other party. It is the miscommunication that made ward committees not to know their roles and job descriptions. It was the poor communication of the respective departments that made traditional leaders feel undermined by councillors and government. It is important to note that it is the officials who failed to communicate. This confirms the issue of a government official’s capacity to effectively render services.

Political interference and poor governance are intertwined. The councillors are using political affiliation, instead of using their roles as a ward councillors appropriately when addressing community’s needs. It is a concern that the Provincial Government failed to intervene in the conflict that is continuous in this municipality. The community is seeing their neighbouring communities progressing and make them wonder and becoming confused on what they need to do for them to be treated in that way. They even think that the ward councillor is right when telling them that only ruling party members should benefit first, and they start contributing towards the party even if one does not know what he or she is contributing to.

In the Daily Dispatch of 24 October 2012, the Mayor wrote to set the record straight about the conflict amongst councillors about renewal of employment contract of the municipal manager and two municipal directors. He justified this by stating that the municipality had received an unqualified audit report for 2011 there is no point of not renewing these senior managers’ contracts. What he did not mention is that the financial statements were drawn by consultants. That does not mean that the municipality’s performance is good. Based on the research findings, it could be concluded that the municipality’s performance is not up to standard. It is also clear that the bonuses of senior managers were paid based on the Auditor-General’s unqualified audit report other factors were not considered. One councillor confirmed that the councillors depend on what they are told by the Mayor to move that senior managers receive bonuses. No one verifies the correctness of the motivation.
6.3 Recommendations

6.3.1 Recommendations from this study

1. Co-operation and co-ordination in implementing public service: There is a need to improve co-operation and co-ordination in the implementation of public service. The philosophy behind the introduction of the IDP in all municipalities in the country was to improve co-operation and co-ordination. The constraint with the IDP process is that most municipalities do not have the capacity to facilitate it timeously. In most cases, the IDP is a document for audit purposes but it will not necessarily influence the delivery of service within the municipality. The municipal IDP should include projects to be implemented over five years to improve the living conditions in the communities.

2. Assessment of councillors’s performance: the South African Government should have the strategy and the plan to verify the performance of ward councillors to ensure that they are performing their duties in a proper manner, to reduce the time to create and discuss all irrelevant issues that lead to conflict and abandon the right of poor societies.

3. A turn-around strategy for Mquma Municipality: The Provincial Government should intervene and solve the political problem in the municipality and therefore it is important to investigate the reasons for the top political leaders’ conflict that cause the political instability in the municipality and design a specific plan to monitor the progress in implementation of the IDP. The municipal leadership should look at the ward committee members’ issue of not being paid their salaries since they started working for the municipality, instead of spending money on personal fights.

4. Improvement of client or community interface platform: The community needs many services in a short period of time. The municipality should create platform for dialogue. The platform can create opportunities for the community to exercise their rights and their responsibility for participative governance. This can ensure that community grievances are heard and addressed before they manifest as community conflicts.
5. Establishment and maintenance of intergovernmental relations forums: The Intergovernmental Relations Framework Act (2005) mandates the establishment of intergovernmental forums in all three spheres of government. It is even more critical at local government level, because it is this sphere of government that is closest to the people and designed to serve local communities, and it is also the sphere of government that is usually under pressure to answer to the community. Sometimes local government is forced to account for services that are not their core responsibility. Intergovernmental forums will serve as mechanisms to empower the municipalities with the knowledge of all programmes within their municipal jurisdiction. This can help them to answer to the communities they serve and can assist the whole government system to account to the community at large.

6.3.2 Recommendations for future studies

Mnquma is serving rural communities therefore there is no history of community conflict and service delivery demonstrations, that could not guarantee that there will not be one in the future. There is a need to investigate the role of poor service delivery that could escalate community conflict. It is difficult to conduct an investigation in this regard because it merges two academic fields, namely conflict studies and public administration. The theoretical schools of thought that are prominent within conflict studies are not specific to service delivery issues, in general, but it contributes to poor service delivery. This posed a problem because it meant that the researcher had to place conflict within the context of municipal performance management studies. Noting the above constraints, and with the increased prevalence in service delivery related to protest, that the public administration scholars should start to contextualise the role that can be played by public service delivery in escalating community dissatisfaction and intolerance. Service delivery cannot take place in an environment that is not stable, safe and secure. Mnquma municipality was not politically stable since 1995 and therefore the local communities suffered through a lack of service delivery, they have been undermined. It can be concluded that poor service delivery can trigger community
conflict, especially if the community does not have a mechanism to express their grievances.

6.4 Conclusion

Councillors’ failure to facilitate public participation and political conflicts related to service delivery are a challenge to study and manage, not only because they are not well conceptualised, but because they are addressed only once they have manifested in destructive public actions. Structural and human needs theories expressed the idea that if human needs are not met and structures are not modified to attend to the needs, conflict will evolve into violence. This means that service delivery backlogs, poor service delivery and lack of service delivery should be important considerations in addressing community needs. This study indicated a high probability that service delivery is the basis of poor or good municipal performance.


17. Hlophe, N. J. An Investigation into Service Delivery – A Case Study of Ezakheni Township. Port Elizabeth: NMMU.

Articles
1. DBSA. 1992. Implementation through Development Planning – the case of DBSA

Newspaper Article


Legal Documents

3. Local Government: Municipal Finance Management Act, No. 56 of 2003
9. Intergovernmental Framework Act 2005
Annexure A

PERFORMANCE MANAGEMENT SYSTEMS’ QUESTIONNAIRE

SECTION 1: MUNICIPAL ADMINISTRATIVE DETAILS

The objective of this questionnaire is to investigate the level of performance management system in Mnquma local municipality. The intention is to look at the effectiveness of performance management systems, and the procedures followed when developing integrated development plan. Once completed the analysis of the questionnaire will be shared with the Municipal Manager and Speaker to assist in with the efficiency and gaps in the development of integrated development plan and measuring performance management.

Please complete all the administrative details in order to assist the researcher to analyse the data.

All responses will be confidential.

1. Name of the Department

2. Job Title
3. For how long have you been working for the municipality (in years)

| Less than 5 years | 5 - 9 | 10 - 14 | 15 - 19 | 20+ |

4. Please Indicate your Title:
(Mr, Miss, Dr, Prof, etc)

5. Gender:

- Male
- Female

SECTION B

DEVELOPMENT OF INTEGRATED DEVELOPMENT PLAN

1. Role played by your department in developing IDP
2. Role played by your department after the adoption of IDP

3. How performance management system is measured

SECTION C

Question 1

PLEASE INDICATE WITH AN X WHERE APPLICABLE

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<td>Identification of community needs</td>
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<td>Identification of projects for the year</td>
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<td>Budget for the projects to be done</td>
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Question 2

2.1 List tools that are being used in measuring the performance management system.

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2.2 Suggest any improvements you would like to see in order to close gaps that might be in the performance management system processes.

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THANK YOU VERY MUCH FOR YOUR WILLINGNESS TO PARTICIPATE IN THIS QUESTIONNAIRE
WARD COUNCILLOR’S QUESTIONNAIRE

SECTION 1: ADMINISTRATIVE DETAILS

The objective of this questionnaire is to investigate the satisfaction of councillors on effectiveness of performance management system. The intention is to look at the level of involvement of councillors in development of integrated development plan and the evaluation of performance management system.

Please complete all the administrative details in order to assist the researcher to analyse the data.

All responses will be confidential.

1. Name of Ward

2. Number of years in the ward

3. Needs of the community
4. GENDER:

Male

Female

SECTION B

DEVELOPMENT OF INTEGRATED DEVELOPMENT PLAN

1. Role played by ward councillor on the development of integrated development plan

SECTION C

MUNICIPAL PERFORMANCE MANAGEMENT

PLEASE INDICATE WITH AN X WHERE APPLICABLE

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<td>Budget for the projects to be done</td>
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<tr>
<td>Measuring performance management system</td>
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</table>
Annexure C

WARD COMMITTEE’S QUESTIONNAIRE

SECTION 1: ADMINISTRATION DETAILS

The objective of this questionnaire is to investigate the involvement of ward committee members on development of integrated development plan and effectiveness of municipal performance management system. Please complete all the administrative details in order to assist the researcher to analyse the data.

All responses will be confidential.

1. Name of Ward

2. Number of years in the ward

B. Please indicate years of experience

<table>
<thead>
<tr>
<th>Years of Experience</th>
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<tbody>
<tr>
<td>Under 5 years</td>
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<tr>
<td>5 – 15 years</td>
</tr>
<tr>
<td>16 – 25 years</td>
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</table>
3. How do you identify Needs of the community?

4. GENDER:
   Male
   Female

SECTION B

MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM

PLEASE INDICATE WITH AN X WHERE APPLICABLE

<table>
<thead>
<tr>
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<th>Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitation of community participation</td>
<td></td>
<td></td>
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<tr>
<td>Identification of community needs</td>
<td></td>
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<tr>
<td>Identification of projects for the year</td>
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<tr>
<td>Budget for the projects to be done</td>
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<tr>
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</table>
Annexure D

TRADITIONAL LEADER’S QUESTIONNAIRE

SECTION 1: ADMINISTRATIVE DETAILS

The objective of this questionnaire is to investigate the level of involvement in the development of municipal integrated development plan and effectiveness of performance management system. The intention is look at the satisfaction level of communities with the municipal performance management.

Please complete all the administrative details in order to assist the researcher to analyse the data.

All responses will be confidential.

1. Name of Ward

2. Number of years in the ward
3. Needs of the community

SECTION B

MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM

PLEASE INDICATE WITH AN X WHERE APPLICABLE

<table>
<thead>
<tr>
<th>Activity</th>
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<th>Involved</th>
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<td>Identification of community needs</td>
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<td>Identification of projects for the year</td>
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<td>Budget for the projects to be done</td>
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<tr>
<td>Measuring municipal performance management system</td>
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