

# Perspectives

## on KwaZulu-Natal

### Local government in transition since the December 2000 elections

There have been significant changes in the operations of municipal structures since the local government election in December last year. Frikkie Brooks, who is the chief director of development planning in the KwaZulu-Natal Department of Traditional and Local Government Affairs and his colleague, the chief director of local government, Lionel Pienaar, explained the changes to **Cheryl Goodenough**.

Before the election on December 5, KwaZulu-Natal had one metropolitan council (Durban), 61 transitional local councils (TLCs) and seven regional councils, which provided for all the areas in between the TLCs. The restructured councils that were put in place after the election consisted of the Durban Unicity, 50 local councils and 10 district councils.

The relationship between the local and district councils is different from the one that existed between the TLCs and Regional Councils that were in place before the 2000 elections. The local councils (also known as category 'B' municipalities) and the district councils (category 'C' municipalities) form a double layer of municipal government. According to Brooks and Pienaar, this means that certain functions are allocated to each type of municipality. Local and district municipalities therefore share the same geographical area and are only different in terms of the functions that they have. Representation on district councils consists of 40% elected councillors, while the remaining 60% are nominated by their respective local municipalities.

The changes are likely to take place gradually, particularly because certain functions may have to be transferred from one structure to another. The period of transition allowed for in the second amendment to the Municipal Structures Act allows for two years. Of course, the moving of functions may also involve the moving of personnel, funding and budgets. "The general public has no idea how deep this transformation process has cut and that it is going to take time to have new systems and processes fully functional," says Brooks.

Functions that the district councils became responsible for after the December election included electricity, which is currently supplied by Eskom, water supply which is supplied by water boards in some areas, roads, health and libraries and museums which are currently provincial functions.

The changes in the local government structure will also affect strategies such as the provincial Growth and Development Strategy and the KwaZulu-Natal Integrated Rural Development Strategy which have not taken into account the new functions that are to be carried out by the different bodies. Brooks says that many strategists have been forced "to go back to the drawing board because their models don't work in the new dispensation".

Among the first priorities for the provincial department after the December election was 17 "critical care municipalities" that were formed as a result of the new boundary demarcations. These municipalities did not have core towns and included several in rural areas where the

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councils had no meeting place and no offices. The councils include Izingolweni, Impendle, Nquthu, Msinga, Jozini, Hlabisa, Ndwedwe and Maphumulo. One of the councils had 47 councillors, including several who had to be employed on a full-time basis, but no accommodation for offices, no vehicles, no staff and no income.

These municipalities were given R35 million by the provincial department in the last financial year to establish accommodation and subsequently to obtain items such as office furniture and equipment and vehicles.

A local government issue that received much attention during the budget hearings earlier this year related to about 500 staff members, who became redundant as a result of merges. However, Pienaar says that this situation arose after the 1994 elections when towns were amalgamated and in the process areas that were run by the former Natal government and those under the control of the government of KwaZulu were joined up. This resulted in the duplication of staff and led to the intervention of the province to ensure that people remained employed. Newspapers reported earlier this year that some of the employees were being paid to stay at home. The December local government elections made no further impact on these employees and the issue remains unresolved.

The current changes that have to be carried out are administered largely by ten change management committees that are involved specifically in the division of powers and functions. While the provincial minister of local government has the power to transfer functions from one council to another, he can only make a decision on the basis of a recommendation by the change management committees and an assessment by the Demarcation Board. While the provincial minister can allocate a category 'B' municipality function to a 'C' municipality if the first body does not have the capacity, the intention is that the 'B' municipality will build the capacity and in the long term resume responsibility for the function.

The national government has allocated funding for the process of change through a three year transformation grant. In the last financial year, KwaZulu-Natal municipalities received R19.6 million out of a total of R100 million from this grant. In 2001/2002 municipalities in this province will be allocated R63 million out of R250 million, while in the next financial year, the allocation is expected to be about R56 million out of R200 million.

This funding is provided to assist councils to develop interim integrated development programmes (IDPs), amalgamation plans and to start with the implementation of priority issues identified in

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The new municipal system, according to the chairman of the Municipal Demarcation Board, Michael Sutcliffe, aims to ensure that there are:

- More functional economic, financial and administrative bases (through the Municipal Demarcation Act);
- More representative and focused political structures that have significant powers (through the Municipal Structures Act);
- Better administrative systems allowing for greater participatory democracy (through the Municipal Systems Bill);

Municipalities will no longer divide people in terms of settlements (urban versus rural) or race or population density/size (cities, towns, villages, etc). The country will now simply be divided into municipalities operating as a sphere of government with constitutional functions assigned to them.

***From Idasa's publication Khanyisa, November 2000***

these plans. According to Brooks, all KwaZulu-Natal councils have completed the interim IDPs, but some amalgamation plans are still outstanding. The next task is to complete comprehensive IDPs, which is where the bulk of the work lies. These are to be completed by March next year.

This grant is transferred to a municipality on application, once it has complied with certain procedures and conditions. These funds are then transferred from the national government to the local councils, bypassing the provincial government.

KwaZulu-Natal is one of only a few provinces where the provincial department is playing a leading role in mentoring councils for changes to be carried out. Brooks says that this is a boost to the councils because "any application-based system prejudices the weakest structures". Skills involved in processes such as drawing up business plans are vital to accessing the funding, but often newly elected councils do not have such skills.

Pienaar says that his department was even involved in procedures such as the drawing up of an agenda for the first meeting of the councils after the December election. "Many of the officials elected were brand new. They didn't have any exposure to how councils should operate. There are major decisions that have to be taken at that first meeting. These include the election of the major, the speaker and office bearers. It's vital that councillors are empowered before that first meeting." Orientation and induction courses for councillors have also been held. While municipal and financial managers have received training relating to their specific functions, ongoing training is also included in the department's programme.

The department is also assisting councils through several programmes. Assistance has been given in the development of standard operational procedures, relating to, for example, procurement, indigent support and credit control. Another programme involves a monitoring system, which will consist of measurable performance indicators focused on financial performance, customer satisfaction, human resource development and best business practice. The community communications initiative is concerned with passing on information relating to decisions taken in the council chambers to the public. The development of this relationship is considered particularly important in the light of the debt owed to KwaZulu-Natal municipalities - It currently stands at about R1.3 billion.

However, Brooks warns that the IDP process does not just involve local government structures. It also involves provincial departments such as health, economic development and tourism, education and housing as well as structures involved in the provision of electricity and land use management, for example. "If the department of education wants to build a school, it is not a simple process, if the school is not included in the council's IDP," Brooks says. This presents a significant problem because most provincial departments do not have the available staff to be part of 61 IDPs.

Nevertheless the IDPs are due to be completed by March 31 next year and are to be submitted to the provincial minister. According to legislation, the transformation committee that will scrutinise the plans and advise the MEC has only 30 days to assess the 61 plans and identify any problems. As Brooks says "it's going to be a rough ride to meet these deadlines".

- The exclusion of district councils from the national Division of Revenue Act that was passed earlier this year has resulted in the Uthukela district municipality launching a court action in the Pietermaritzburg High Court. The municipality of Uthukela covers the Estcourt and Ladysmith areas and serves a population of about 550 000. Council officials say that the national government

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has acted unconstitutionally by failing to pay revenue to the district municipalities. The list of 67 respondents in the matter is topped by President Thabo Mbeki and Minister of Finance Trevor Manuel. It also includes other municipalities in KwaZulu-Natal, Municipal Demarcation Board chairman Michael Sutcliffe and other provincial ministers.

The municipality estimated that it would be about R8 million short during this financial year without the national revenue. It received R13 million last year, R9 million in 1999 and R6 million in 1998.

The case has been postponed until September 21.

*Cheryl Goodenough heads Profile KwaZulu-Natal cc*

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