Analysing the perceptions on the amalgamation of a local government on general service delivery

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Graduation ceremony: October 2018
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DECLARATION

By

Joanne Lavars

“I hereby declare that this research report submitted for the degree (Masters in Business Administration) at the North-West University, Potchefstroom Business School, is my own original unaided work and has not previously been submitted for any other institution of higher education. The research submitted excludes any contributions in the form of guidance from subject matter experts or my supervisor. I further declare that all sources cited or quoted are hereby clearly indicated or acknowledged by means of a comprehensive list of references and that this dissertation represents my own opinions and not necessarily those of the North-West University, Business School and Business Management Programme”.

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Signature:

Date: 31 May 2018
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Most importantly, I wish to thank and acknowledge the people who contributed to the success of my study. My sincere gratitude and appreciation to:

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- Dr Erika Fourie for running the statistical data, and for advice.
- Mrs Cecile van Zyl for attending to the linguistic aspects of this research document.

A great thank you to all my family and friends, for their endless support during the course of my study.

I dedicate this study to my husband, Clayton Lavars and my son, Cquinlyn Lavars. Thank you for all the love and support you have vested in me.
ABSTRACT

The Ministry of Cooperative Governance and Traditional Affairs together with the Municipal Demarcation Board (MDB) has decided to amalgamate the Tlokwe City Council and Ventersdorp Local Municipality in terms of section 21 of the Local Government: Municipal Demarcation Act of 1998. The JB Marks Local Municipality (Category B municipality) was established by means of the amalgamation of the Ventersdorp Local Municipality and Tlokwe City Council following the August 2016 municipal elections, consisting of a geographical area of 6 398km², considered to be the largest municipality of three local governments in the district.

Concerns regarding the impact of the consolidation of municipal entities in terms of their financial and fiscal performance have been raised over the past 18 years, leading to establishments questioning the criteria used by the MDB in order to determine municipal boundaries, condemning the board for its contribution in facilitating financially unviable and unsustainable municipalities.

In terms of section 152 (2) of the Constitution, a municipality’s legislative authority is vested in its municipal council. Its primary function is to govern its local community according to democratic principles subject to national and provincial legislation. Governing the affairs of local communities implies that the municipality must provide appropriate and sustainable services to the community, promote economic development and create a safe and healthy environment. It requires the utilisation and execution of all municipal functions, relying on auxiliary and instrumental functions in order to make decisions.

The data collection methodology, which will be used to collect data for this study, consists of questionnaire distribution, using open-ended questions presented to the relevant participants selected, in an effort to address the subject matter. This study is aimed at investigating and assessing the opinions of stakeholders, decisively community members and employees of Council, to evaluate the management competency and service delivery in accordance with the perceived value they anticipated. Answers were provided on a five-point Likert scale. Descriptive statistics were calculated on all
variables. These comprised frequencies, percentages, means and standard deviations as is appropriate for this level of measurement. Reliabilities of subscale scores were subsequently calculated through the utilisation of Cronbach’s alpha coefficient. Subscale scores were calculated by calculating the mean score of all the items on the scale. Descriptive statistics were calculated for these scales. Correlations between scales were calculated and interpreted. Conclusions derived from the assessment of the raw data, and subsequently valuable recommendations were provided in an effort to better the current situation within local government by maximising service delivery initiatives and minimising unsupported government expenditure.

Keywords: Amalgamation, service delivery, local government, public perceptions, community, sustainability
GLOSSARY OF TERMS

Local government: Refers to a distinct sphere of government that consists of municipalities that are instituted for each demarcated area, or municipal area, and cover the whole territory of South Africa (Constitution).

Municipality: A municipality, when referred to as an entity, is an organ of state within the local sphere of government exercising legislative and executive authority within the specific demarcated area of jurisdiction, consisting of political structures, the administration of the municipality and the community.


Defining developmental local development as ‘local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs to improve the quality of their lives.

Governance: Refers to regulating society and administering service on a mass scale, while effectively managing the public resources and responding to the needs and expectations of citizens as individuals, interest groups and society as a whole (Swilling & Woodridge 1997:491).

Amalgamation: Refers to the process in which separate organisations unite to form a larger organisation or group. The association was formed by the amalgamation of several regional environmental organisations.

Service delivery: Refers to the distribution of basic resources amongst communities that citizens depend on. Schedule 4, Part B of the Constitution of the Republic of South Africa, defines service delivery in terms of the functions of a municipality and establish its responsibility towards its community for the provision of essential services.
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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<td>DA</td>
<td>Democratic Alliance</td>
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<td>MDB</td>
<td>Municipal Demarcation Board</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>MDG</td>
<td>Municipal Demarcation Grant</td>
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<td>COGTA</td>
<td>Cooperative Governance &amp; Traditional Affairs</td>
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<td>MFMA</td>
<td>Municipal Finance Management Act</td>
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<td>PFMA</td>
<td>Public Finance Management Act</td>
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<td>SALGA</td>
<td>South African Local Government Association</td>
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<td>SCOPA</td>
<td>Standing Committee on Public Accounts</td>
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<td>SDBIP</td>
<td>Service Delivery and Budget Implementation</td>
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<td>LGTAS</td>
<td>Local Government Turnaround Strategy</td>
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<td>MTEF</td>
<td>Medium-term Expenditure Framework</td>
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<td>APR</td>
<td>Annual Performance Report</td>
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<td>LGSETA</td>
<td>Local Government Sector Education &amp; Training Authority</td>
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<td>NCBF</td>
<td>National Capacity Building Framework</td>
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<td>MIG</td>
<td>Municipal Infrastructure Grant</td>
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<td>Abbreviation</td>
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<tr>
<td>FOCT</td>
<td>Functional, Overlapping Competing Jurisdictions</td>
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<td>AG</td>
<td>Auditor General</td>
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<tr>
<td>MEC</td>
<td>Member of the Executive Council</td>
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<td>MSCOA</td>
<td>Municipal Standard Chart of Accounts</td>
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<td>DORA</td>
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Chapter 1

SCOPE AND NATURE OF THE STUDY

1.1 BACKGROUND AND MOTIVATION FOR THE STUDY

The Ministry of Cooperative Governance and Traditional Affairs together with the Municipal Demarcation Board (MDB) has decided to amalgamate the Tlokwe City Council\(^1\) and Ventersdorp Local Municipality after the August 2016 local government elections in terms of section 21 of the Local Government: Municipal Demarcation Act of 1998. The newly formed North West 405 Municipality, now JB Marks Local Municipality, would deliver a re-determined category B municipality, consisting of seventy-seven (77) members. Thirty four (34) ward members were elected from 34 wards through the first-past-the-post system and thirty three (33) were elected through the proportional system.

The ANC and the DA were the two major political parties contesting for leadership of the Tlokwe Local Municipality and eventually, in the amalgamated JB Marks Local Municipality, the African National Congress (ANC) won a narrow majority of 34 seats on the council, maintaining their status as the ruling party of the Potchefstroom/Ventersdorp region aiming to provide housing, improve infrastructure and harmonise transparency of the two municipalities. The North West Department of Local Government and Human Settlements together with ANC members has expressed their satisfaction with regard to the transition between the two municipalities. The announcement of the amalgamation created a great deal of negativity within the residents of both the Ventersdorp and Tlokwe regions. Regardless of the new grading the municipality achieved after consolidation,\(^2\) residents from both municipalities did not accept it well, as they staged violent protests against the merger, torching municipal assets in the process (www.news24.com/southafrica/20170912).

Although Ventersdorp has enough sources of revenue within its designated area, it was still one of the nine defaulting municipalities being under administration due to financial

\(^1\) During the research done for this study, the Tlokwe Local Municipality and the Ventersdorp Local Municipality were amalgamated into the JB Marks Local Municipality. This was gazetted on 13 May 2016 (No.7644 Vol.259). Throughout this study, the researcher will refer to the JB Marks Municipality or JB Marks City Council, but when necessary, references will be made to the Tlokwe City Council of Ventersdorp Local Municipality. Within the JB Marks Local Municipality, there will also be references to the two constituent parts, i.e. Potchefstroom and Ventersdorp, when necessary.

\(^2\) The researcher will throughout the study refer to the merger of the two municipalities as ‘the amalgamation’ or ‘the consolidation’ of the said municipalities.
mismanagement, before the amalgamation in respect of relieving it from distress was initiated. Similar to many other municipalities in the country, the Tlokwe City Council has experienced service delivery protests as well as non-payment of services during the past ten years. This has caused an interruption in service delivery, despite the legislative requirements mandate given to this sphere of government. In terms of section 16 (1) of the Local Government: Municipal Systems Act, No. 32 of 2000 (South Africa, 2000:36), a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. The municipality for this purpose encourages and creates conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan. The ineffective leadership and bad governance have created a crisis of confidence and service delivery problems in various South African public sector departments.

It is therefore the responsibility of both provincial and local spheres of government to improve their efficiency and increase its own revenue streams while supporting fiscal sustainability within the particular entity. At the same time, it has to sustain government spending on basic services as well as social and economic infrastructure through scarce resources and within a weak economy (Budget Review, 2016).

Upon the decision of the Demarcation Board (MDB), the current number of municipal entities will be reduced from 278 to 257 with their boundaries redrawn post the 2016 local government elections. It is expected that the decision will result in more effective and sustainable municipal entities and will be the most significant boundary change since 2000, in an effort to reduce administration costs and free resources for efficient service delivery. National government has allocated R409.3 million for the costs associated with the process of amalgamation. This funding was distributed through the Municipal Demarcation Grants (MDG) for the Medium-term Expenditure Framework (MTEF) ending after a three-year financial cycle in 2017/2018 to all municipalities faced with amalgamation (Budget Review, 2016).

1.2 BACKROUD TO THE RESEARCH PROBLEM

With the end of apartheid and the beginning of a new democratic dispensation, local government structures were set to decrease by intervals. The Municipal Demarcation Board (MDB) was established in 1999, with the objective to rationalise the number of
municipalities into 284 municipalities in preparation for the 2000 municipal elections (Ncube & Vacu: 2015). Before the 2006 local government elections, this number was further reduced to 283, and further to 276 before the 2011 municipal elections, consisting of eight metropolitan municipalities, 44 district municipalities, and 226 local municipalities, which was projected to decline further in preparation for the 2016 local government elections as new demarcations will come into effect (Ncube & Vacu: 2015).

Business processes in the municipal sector have become very complex, owing to the fact that there is a growing demand for better governance underpinned by better performance in order to achieve improved service delivery. In the absence of understanding stakeholder management and the proper risk management of business processes, the practice in the public sector is prone to wastage of resources, duplication, inefficiencies, poor monitoring, poor evaluation, lack of compliance and political interference.

The decision by the Municipal Demarcation Board (MDB) to determine certain ward demarcations and municipal boundaries in the country was aligned with the Department of Cooperative Governance and Traditional Affairs (COGTA). Minister Pravin Gordhan requested that the MDB should consider the determination and re-determination of boundaries of certain municipalities, with a view to make them more sustainable and financially viable. This process was regulated by the Local Government Municipal Demarcation Act, No 27 of 1998. The Constitution of the Republic of South Africa (1996), together with the Municipal Structures Act, No 117 of 1998 regulates the mandate set out for the Municipal Demarcation Board (MDB), determining that the MDB will act independently, upon delimitation of wards when determining municipal boundaries for local elections. The Provincial Finance Management Act, No 29 of 1999 (PFMA) and the Municipal Finance Management Act, No 56 of 2003 (MFMA) regulate the activities of the MDB.

Concerns regarding the impact of consolidation of municipal entities in terms of their financial and fiscal performance have been raised over the past 18 years, leading to establishments questioning the criteria used by the MDB in order to determine municipal boundaries, condemning the board for its contribution in facilitating financially unviable and unsustainable municipalities (Ncube & Vacu: 2015).

In an effort for municipalities to enhance their performance with regard to quality service
delivery, it is necessary for the national government to continually intervene and assist
such entities to effectively and progressively achieve its constitutional imperatives. Assistance is needed through the provision of adequate financial and non-financial resources and the establishment of the differentiation between the capacity levels of municipalities. Throughout national government’s efforts to assist local spheres of government to fulfil its constitutional mandate, a plethora of policies, programmes and capacity-building measures have been instituted, but still a sense of urgency exists with regard to the need for these local government entities to deploy additional resources as well as intensify current programmes and strategies in an effort to successfully carry out its mandate (Koma, 2010).

The fiscal performance of municipalities is affected by factors that include poor revenue streams, backlogs that seem impossible to update, the effects of unemployment and poverty, poor service delivery, poor budget planning and execution thereof, corruption together with skills, knowledge and experience deficits. For government, the amalgamation of municipalities, in essence, should cut costs by reducing the number of local governments. It has been found that, although demarcations will reduce the number of politicians and administrators, the different service levels and different wage scales of the municipal entities respectively might bring forth an increase in expenditure (Slack & Bird, 2013).

Despite communities that opted for various violent protests and attempted court interdicts by opposition parties against the merger of the Ventersdorp and Tlokwe Local Municipalities, the decision of the Demarcation Board was concluded on national level and set out to be implemented on all spheres of government, regardless of community participations, as long as it represents the approval of the current leadership and furnishes a satisfying result upon elections for the ruling party. The actual process and potential challenges of implementation and consolidation of the separate systems into one amalgamated MSCOA compliant system in terms of National Treasury regulations will be dealt with afterwards, with the delivery of optimal basic services to the communities and maintaining sufficient financial sustainability at the end of the list of priorities.

To address the challenges experienced by most municipalities pertaining to sustainability, a variety of options were considered, of which direct interventions, strengthening district municipalities, or disestablishing and amalgamating some local municipalities were included (Budget Review: 2016).
1.2.1 Current service delivery and sustainability constraints

The ineffective leadership and bad governance have created a crisis of confidence and service delivery problems in various South African public sector departments. This ineffectiveness has resulted in the poor service delivery of some essential municipal services, despite the constitutional requirements to do so.

The failure of many municipalities (including the Tlokwe City Council) to provide adequate services to communities is precisely the lack of identifying, establishing, maintaining and enhancing the provision of services to communities. The Ventersdorp municipality is one of the worst performing municipalities and is deteriorating further, and was placed under administration due to their mismanagement of municipal funds and poor service delivery. This situation has led to a series of service delivery protests and non-payment for services by the communities. In various municipalities throughout South Africa, in the past ten years, there have been sporadic and protracted service delivery protests owing to the failure of municipalities to deliver services to the satisfaction of the communities. In other instances, there has been mass non-payment of services, leaving municipalities without revenue to render essential services.

As a crucial responsibility of government and government institutions, the public service should deliver services that a society requires to maintain and improve its welfare. To do this, the municipality requires organisational structures and suitably qualified people who must be supported to deliver the services for which they are responsible. It is necessary to analyse the topic relative to encouragement that governs the behaviour of politicians, employees and service providers to match the best interests of the beneficiaries.

For the past six years, the Tlokwe City Council has been receiving an unqualified ‘with modification’ audit report from the provincial Auditor-General, with the help of several consultants at an extremely high compensation rate. These reports have been sending waves throughout administrative and political circles. The message that is conveyed by these reports focuses on the lack of internal controls and the rising of unauthorised, fruitless and wasteful expenditure. The most recent audit findings are as follows:

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3 Reference to Tlokwe City Council audit reports from financial periods 2010/11 to 2015/2016.
1.2.1.1 Auditor-General’s report

Opinion: According to the Auditor General, the financial statement presents fairly, in all material respects, the financial position of the Tlokwe City Council as at 30 June 2014, and its financial performance and cashflows for the year in accordance with the SA Standard of GRAP\(^4\) and the requirement of the MFMA and DoRA. The municipality did not develop and adopt appropriate systems (policies) and procedures to monitor, measure and evaluate the performance of staff in contravention of section 67(d) of the MSA (Audit Report, 2016/2017).

Both the annual reports of the Tlokwe City Council and Ventersdorp Local Municipality for the 2015/2016 financial year concluded that the financial statements drafted and submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. As disclosed in the financial statements, fruitless and wasteful expenditure of R9 468 105 was incurred in the financial year 2016/2017, whereby the fruitless and wasteful expenditure of R61 426 046 from prior financial periods had not yet been dealt with in accordance with section 32 of the MFMA. Insufficient and unsupported expenditure, insufficient audit evidence of revenue collections and material misstatements to revenue and current liabilities identified by the auditors in the submitted financial statements were subsequently the reason for the disclaimer received from the Auditor-General after the 2016/2017 audit, post-amalgamation (Audit Report, 2016/2017).

1.2.1.2 Governance

Management does not have an adequate risk strategy that addresses performance reporting and non-compliance with laws and regulations.

It was stated that there were no proper controls in place at the municipality for the identification of irregular expenditure and effected non-compliance with their own by-law and SCM regulations on the constitution of the adjudication committee, which contributed to the assessment of the materiality of irregular expenditure. Previous audit periods brought about more irregular expenditure that was identified by the audit team than what was initially identified by the municipality themselves. The municipality disclosed only

\(^4\) Refers to the Generally Recognised Accounting Practices as per legislative requirements for standard chart of accounts in preparation of annual financial statements.
R833 670 irregular expenditure incurred for the 2015/2016 year; subsequently, after auditing, the AFS\textsuperscript{5} identified an additional R69 419 113 in irregular expenditure.

The strategic objective of the municipal entity, “To improve the quantity and quality of basic services to the community of Ikageng, Ext 8 with regard to access to water and sanitation”, was reported within the annual performance report (APR), yet it was not included within the approved service delivery and budget implementation plan (SDBIP). The above change was never approved by council, as per the requirements of section 25(2) of the MSA, and was contradictory to the requirements of section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), (Audit Report: 2016/2017).

In line with the above, Haynas (1992, 12;15) stresses that good governance lies at the heart of the exercise of power and is central to political accountability. It is not necessarily democratic government, but it is a purposive, development-oriented government, which seeks to improve the quality of life of the mass of people. Efficient governance appears to be a function of the reduction of state dominance and the growth of vibrant spaces that constitute a crucial sign of broad political engagement.

1.3 STATEMENT OF THE RESEARCH PROBLEM

The research problem that will be investigated within the ambit of this research study reads as follows: Establish whether or not the amalgamation of the Tlokwe and Ventersdorp municipalities was beneficial to all related stakeholders in terms of sustainability and service delivery of the new consolidated entity. Assess the current management competencies within the consolidated JB Marks municipality, which results in poor services delivery to communities and poor value perceptions of stakeholders.

1.4 RESEARCH QUESTIONS

Wellman et al. (2005) help us to understand that defining your precise primary research question helps you to focus on a specific research problem that might be small enough to be investigated (Wellman et al., 2005:13).

\textsuperscript{5} The abbreviation refers to annual financial statements.
Municipal amalgamation: How are the employees of the consolidated municipality affected by the role of politics, corruption and organisational culture within a newly amalgamated entity, and how do the above influences affect their productivity, work satisfaction and turnover intent within this newly developed entity?

Public participation: What is the relationship between political penetration into the administrative duties of employees within JB Marks Municipality and how does this affect the value perception of community members?

Legislative mandate: Why are municipalities unable to perform effectively and efficiently, as prescribed by the Constitution (Act No. 108 of 1996), to report on their organisational performance as required by local government?

Service delivery: What current obstacles, internal and external, prohibit the consolidated JB Marks Municipality from delivering quality service to the communities of Potchefstroom and Ventersdorp?

1.5 RESEARCH OBJECTIVES

1.5.1 General objectives

Through this research study, the researcher wants to ascertain employee perceptions of municipal demarcations by assuring employees that all human resources matters will be handled in a manner that will result in stability and equity throughout the amalgamated entity.

The researcher will initiate and implement a total quality change management plan in order to maximise the quality of service delivery that can be implemented within each department of the institution, directing each employee in the way forward to also form part of the IDP document of the amalgamated city council.

1.5.2 Specific objectives

Initiate ward-based planning approaches, to be integrated into the municipal planning systems. Enhance economic and social development within poor communities, to assist
the municipal entity with the planning and management of programmes and projects directly affecting them, in an effort to not only develop indigenous knowledge, but also to develop communities, and not only base community participation on the IDP formulation and execution.

Internal factors related to issues over which the municipality could exercise a direct influence, such as the quality of decision-making by councillors, the quality of appointments within the municipal administration, and the need for performance management and evaluation for senior management, procurement and financial governance. Determine the current sustainability/viability of JB Marks Local Municipality after consolidation in terms of:

- Economic viability;
- Tax sustainability;
- Financial viability; and
- Dependence on inter-governmental transfers.

Facilitate the establishment, implementation and review of performance management systems within each department of council; monitor and review the performance, outcome and impact of individual and collective performances on departmental basis pertaining to adherence to legislation and service delivery.

- Identify loopholes within the system that are causing the rise in fruitless and wasteful expenditure.
- Ensure that municipalities adhere to the most basic service needs of communities.
- Establish a clean, effective, efficient, responsive and accountable consolidated local government entity, which improves sustainability and fiscal performance and professionalism within the amalgamated entity.

1.6 SUMMARY

This chapter provides an orientation of the problem statement and the research objectives. It provides background to the South African statutory stipulations and regulatory framework for local government and how municipalities are unable to comply accordingly. The chapter identifies the management and research questions and links them to the
research objectives. The responses include the 1998 White Paper on Local Government, which recommended a policy of developmental local government, which placed greater emphasis on participative planning. The researcher therefore investigated whether the municipal amalgamation is in actual fact effective through the promotion of economic development, the enhancement of fiscal performance, as well as the sustainability and maximisation of effective and efficient service delivery on its own, and not bring forth any negative implications for the employees and community members of the amalgamated municipal entity. Chapter 2 will outline the statutory requirements and literature review pertaining to municipal amalgamations within the broader context.
Chapter 2

LITERATURE REVIEW

2.1 INTRODUCTION

Section 40 of the Constitution of the Republic of South Africa (Act 108 of 1996) makes provision for three spheres of government, namely national, provincial and local government, and, as such, local government was established with the mandate of providing basic services to their surrounding communities in a sustainable manner, which will ensure the enhancement of social and economic development within those communities. It has been previously predicted that local government entities would be faced with the predicament of adhering to the high expectations of their disadvantaged communities in the shortest timeframe, in and around South Africa, due to the high number of unfulfilled needs and dissatisfaction among the communities (Moosa, 1996). Taking into consideration the number of service delivery protests experienced by South Africa, as from 1994 to 2010, this would be indication enough of the high number of dissatisfied communities with regard to the delivery of basic services by local government (European Union Municipal Outreach, 2010). The inability of municipalities to deliver quality, sound and sustainable basic services is due to the challenges that local government institutions face, which may include the following: lack of capacity, unaccountable officials, and maladministration (Cooperative Governance and Traditional Affairs (COGTA), 2009). The above stated challenges require innovative and creative solutions that would enable municipalities to deliver basic services to communities in a sustainable manner within the shortest possible timeframe.

This chapter provides a brief overview of existing literature that represents the most authoritative scholarship with regard to the research problem that was identified by the researcher and that is relevant to the research topic. The researcher highlighted issues relating to conventional ways of providing quality service delivery within amalgamated local government institutions, which will enhance sustainability and fiscal performance within these institutions, which are an integral part of the financial management of local government institutions that introduce municipal best practices. The South African legislative framework with regard to local government service delivery aims at creating the basis for viable municipal entities that makes individual municipalities responsible for the
delivery of basic services that the public expects and that ensures that taxpayers receive value for money.

2.2 THE IMPORTANCE OF LOCAL GOVERNANCE

Local government can be defined as a sphere of government that is located within communities and well placed in order to appropriately respond to local needs, interests and expectations of the communities it serves, and remains at the coalface of public service delivery (Van der Waldt, 2006). According to Alexander et al. (2010), the inability of municipalities to provide quality basic services is due to the skills and capacity constraints that local government is faced with (Alexander et al., 2010). The national government budget review revealed that more than 60 percent of senior managers within municipalities have virtually no sound educational background, and no qualifications in finance or engineering, while most are inexperienced (Economist Intelligence Unit 2007, Internet). It is undeniable that public and private procurement professions are different with regard to their fundamental goals and practices, as public sector practitioners are governed by legislative bodies, laws and regulations. In turn, private sector practitioners are guided by a board of directors and business plans (McCue & Pitzer, 2005). Public administrative agencies draw revenues from taxes and fees, which are then used to serve the public through the delivery of basic services.

In 2010, it was requested from the Institute for Local Government Management of South Africa (ILGM) to lodge an investigation into and compile a report for Parliament, based on the service delivery protests the country was facing at that time, taking into consideration the significant increase in service delivery protests in 2009. The above report advised that “governance in municipalities, specifically with regard to the awarding of tenders and the appointment of service providers” be investigated and dealt with accordingly (ILGM, 2010). Thornhill et al. (2008:492) stated that local government can be seen as the first point of interaction between an individual and a government institution. Therefore, local government, which is not only referred to as an individual municipality, but also a collective term for all the municipalities within a country, is the sphere of government closest to the people (Roux, 2005:64). Being the government closest to the people, it is to be expected that a core function of municipalities is the rendering of a variety of basic but essential services to the community within its jurisdiction (Roux, 2005:69).
South Africa will be facing a huge developmental risk if and when local governments fail in their capacity to perform their constitutional responsibilities, as they form a fundamental part of the reconstruction and development of the country. Many years after the development of the new local government system, numerous worrying trends and signs surfaced, which undermines the progress and successes achieved thus far (LGTAS, 2009). In an effort to democratise our society and to grow our economy simultaneously, this can only be accomplished through a responsive, accountable, effective and efficient local government system that forms part of a developmental state. In order for South Africa to reach this ranking, it is fundamental to establish a country in which the government and society work together at all levels in an effort to enhance social justice, economic growth and development of the country as a whole (LGTAS: 2009). A developmental local government forms the central point of a developmental state; therefore, the Local Government Turnaround Strategy (LGTAS) is aimed at counteracting the above stated forces that undermine the development of our local government system. Some of the root causes that hinder the development of local government include: systemic constraints, policy and legislative constraints, and other political factors. The main challenges that hinder local government development include weaknesses in the accountability system; the capacity and skills constraints of employees; weak intergovernmental support and oversight; as well as other internal issues associated with the inter-governmental fiscal system (LGTAS, 2009).

Koma et al. (2010) define a developmental state as one that excels in public administration and intervenes in the economy by promoting social development. The local sphere of government constitutes a fundamental part of public administration, which is expected to excel in the provision of public services. A strong state capacity forms an integral part in the distinguishing of a developmental state, which is achievable through the creation of an inexpensive, efficient and effective public service, staffed by the nation’s brightest and best officials (Koma, 2010).

In an effort to restore the confidence of communities in local government, national government undertook a nine-province-wide assessment of each of the 283 municipalities through the Department of Cooperative Governance and Traditional Affairs (CoGTA), which was guided by Minister Sicelo Shiceka and respective MECs responsible for local government, during the course of one year. The purpose of these provincial assessments was to establish the challenges faced and the main causes of poor performance, distress
or dysfunctionality within the various municipalities, to discuss with the relevant stakeholders and formulate a turnaround strategy that will promote sustainable service delivery within this sphere of government (State of Local Government Report, CoGTA, 2009).

The Local Government Turnaround Strategy (LGTAS) was developed in an effort to reform local government and, with the assistance of SALGA, to enhance the state of development within this sphere of government relating to effective and efficient municipal leadership, policy management and regulatory and oversight environments of municipalities, ensuring that municipal entities are led by political and administrative officials who are responsive, accountable, efficient, and effective in carrying out their duties with civic pride (State of Local Government Report, 2009).

2.3 CURRENT PROFILE OF MUNICIPALITIES AND STATUS OF SERVICE DELIVERY WITHIN SOUTH AFRICA

A sustainable local government entity is one that functions without constraints, and which is capable of being innovative in addressing the social and economic needs of its surrounding communities (Palidano, 2000). According to Edigheji et al. (2009:62), positions within the bureaucracy of Africa should be based on merit rather than patronage. Ethnic or religious considerations, Weberian merit-based recruitment, and rewarding long-term public service careers are required for the establishment of Africa’s developmental states (Edigheji, 2009).

An effective local government entity should be addressing the socio-economic needs of its entire population, especially those living in poverty, the marginalised and the historically disadvantaged. Local government should contribute to the establishment of a well-managed and democratic state, which builds its legitimacy on its capacity to facilitate productive economic activities and economic growth, qualitatively enhancing the living conditions of its people and reducing poverty within its communities (National Capacity Building Framework, 2008).

Understanding municipal differences will assist municipalities in understanding their respective strengths and weaknesses, enabling them to take responsibility for identifying
and managing appropriate interventions, ensuring that municipalities can meet the basic service needs of communities. Section 152 of the RSA Constitution implies that the municipalities of a developmental state assume a greater and more significant role in the economic and social development of such a given state.

Figure 2.1: Classification of district municipalities

A graphical depiction of the classification of district municipalities is the following:

Source: LGTAS, 2009

Part B of Schedule 5 of the Constitution regulates municipal responsibilities and capacities, falling within its provincial or local competence level, pertaining to service provision in terms of water and electricity, town and city planning, road and storm water drainage, as well as waste management services and emergency services for surrounding communities.
The four classes of municipalities, as displayed above, are derived from spatial, social, municipal capacity as well as economic indicators, which are indicative of municipalities’ vulnerability (LGTAS, 2009).

- Class 1 represents the high vulnerability municipal entities (Local Municipalities: 57 & District Municipalities: 12).
- Class 2 represents relatively high vulnerability municipal entities (Local Municipalities: 58 & District Municipalities: 11).
- Class 3 represents medium vulnerability municipal entities (Local Municipalities: 58 & District Municipalities: 13).
- Class 4 represents low vulnerability municipal entities (Metros: 6, Local Municipalities: 58 & District Municipalities: 12).

Government’s priority since 1994 has been to meet the basic needs of the millions of South Africans living in poverty, in an effort to meet the developmental objectives set for municipal areas (LGTAS: 2009).
The division of settlements into separate and unequal spaces is vested throughout the country, as a result of the apartheid regime, as displayed in the above table, and the situation to date remains unchanged. As the table reflects, the two provinces that experience the worst service delivery constraints are the Eastern Cape and Limpopo. The National Treasury made the implementation of the MFMA compulsory for every aspect of municipal operations, i.e. successful audit purposes and providing direction in terms of financial and management capacity within the different classes of municipalities, as approximately 56% of all South Africans are living in poverty, and are urgently in need of effective poverty alleviation measures to be taken by local government (LGTAS: 2009).

2.3.1 Service delivery provision

The Community Survey Report published by Statistics South Africa in March 2008 revealed that the socio-economic audit for municipalities in the country glaringly highlights some areas of significant improvement and other grey areas that require more improvement (Koma, 2010). Only 36 of the 283 municipalities country-wide do not have a sanitation backlog (Report on the State of Local Government in South Africa, 2009). The national-based piped water access, within a 200m radius of a household, has increased from 72.1% to 74.4 % in 2007 only. It was found that Limpopo, the Eastern Cape and KwaZulu-Natal recorded the lowest percentages of piped water accessibility, which proved to be below the national average of 74.4% (Community Survey Report, 2007). It is important to take note of the fact that these backlogs did not take into consideration population growth, new households and limited infrastructure facilities that numerous local
municipalities are faced with. The enormity of challenges saddling municipalities, relating to service delivery incapacities, remains daunting. It is, therefore, fundamental that the performance of municipalities should be measured against its capacity to address the unique challenges opposed by weaker and more vulnerable municipalities characterised by a complexity of rural developmental problems, which include enormous infrastructure backlogs that require extraordinary measures in an effort to address funding and delivery of capacity requirements (Koma, 2010).

2.3.2 Deficiencies in administrative capacity

Profound administrative capacity refers to the availability and accessibility of concrete and tangible resources (human, financial, material or technological) that require the knowledge to facilitate and implement policies and the capacity to deliver public services. The referred capacity also consists of intangible resources such as a commitment to, and leadership for the implementation of policies and the delivery of public services (Brynard & De Coning, 1999:2006). In accordance with the National Capacity Building Framework (NCBF) for local government, capacity is guarded as the potential for something to happen, further providing a three-pronged definition that covers the individual, institutional and environmental capacity factors. Individual capacity is referred to as the potential and competency of an individual, reflected through his/her differentiated technical and generic skills. Institutional capacity is referred to as the potential and competency of organisations, which include human resources, strategic leadership, organisational purpose, institutional memory, internal confidence, partnerships, intergovernmental relations and functions, infrastructure and financial capability. Therefore, environmental capacity is referred to as the potential and competency found outside of the municipalities’ formal structures, such as socio-economic composition and demographic composition, including political, legislative and social capital within communities and the natural and mineral resources available (NCBF, 2004:2008).

The Report on the State of Local Government in South Africa, published in 2009 by COGTA, reveals an intriguing comparison of the various differentiated capacities of municipalities. It is through this investigative report that it was found that a number of municipal administrations are relatively stable and well-resourced, while others are faced with huge infrastructure backlogs, which opt to be the result of demographic change and the prevalence of apartheid-based socio-economic legacies. It is therefore required that
the state of local government performance should encapsulate, within this very context, the dimensionality of capacity of this sphere of government in an effort to holistically understand their proper functioning as per the legislative prescripts and policy aspects that regulate their individual functioning (Koma, 2010).

It is through the report published in 2007, by the Local Government Sector Education and Training Authority (LGSETA), that it was learned that a total of 31% of municipal managers have qualifications that do not relate to finance, legal, public administration or planning and development. It further revealed that a total of 28% of the chief financial officers within municipalities have not acquired finance-related qualifications, and a total of 35% of technical managers have no formal educational-engineering qualifications. The findings of this report on its own can implicate the relevant municipal entities negatively, relating to the performance of this sphere of government, as the daily functionalities within a municipality rely on the expertise of its senior municipal executives, who are expected to contribute to the political structures and political office-bearers operating within municipalities, such as mayoral committees, the executive mayors and mayors.

Although the individual capacity of municipal councillors is clearly articulated within the Municipal Structures Act, a report published by SALGA (South African Local Government Association) in 2007 stated that there is inadequate legal advice supporting council decision-making. It was found that, in some instances, the roles of councillors were not clearly defined, and 60% of councillors who participated in the survey are first-time councillors. According to Kanyane et al. (2006:116), the inability of municipalities to deliver quality services and the national poor performance of municipalities as a whole can be blamed on the weak leadership in strategic management; poor corporate governance; shortage of skilled employees; financial mismanagement; poor regulations and legislation adherence; misplacement of skills within municipalities; and the ongoing political considerations in the appointment of senior managers without the necessary required qualifications. The political influences within this local sphere of government have crippled its capacity to perform in good faith, and liberated corruption as the norm of the day. Financial mismanagement within municipalities has resulted in poor and inadequate budgeting, accounting, credit control and financial reporting systems. It is therefore the most profound reason for the approximately 60% of the 283 municipalites that cannot provide sound evidence to account for the revenue they collected and expenditures acquired (Nombembe, 2008). These municipal entities are broadly viewed as low-capacity
municipalities, due to the municipal managers and financial officers who are unable to depict how and when financial transactions occurred and were recorded, and cannot provide efficient proof of where the amounts listed in their financial statements originate from (Nombembe, 2008).

The National Treasury report of June 2009 made provision for 56 local municipalities and eight district municipalities on their financial distress list. Most of these municipalities are in the Eastern Cape, the Free State and the Northern Cape (Report on the State of Local Government in South Africa, 2009). It is apparent from the foregoing that this local sphere of government is currently facing critical challenges pertaining to the delivery of effective and sustainable basic services, administrative capacity and institutional fiscal performance that promote effective implementation of government policies and programmes (Koma, 2010).

2.3.3 Innovative and transformative political executive leadership

It is fundamental that, within a multi-dimensional government entity, effective, strong, coherent and transformative political and executive leadership is necessary to steer the organisation into the right direction in order to achieve its organisational objectives. Effective leadership should be supported and co-ordinated by committed administrative supporting services that do not contradict the principles of sound service delivery with its actions (Meyer & Cloete, 2006:305). It is required from municipal leaders to have a clear vision of what they envisage within their individual cities, towns and localities, in an effort to establish fully-developed communities that receive optimal service delivery from the sphere of government that governs the juridical area they live in. Effective and strategic leadership is fundamental to the bold and decisive actions against underperforming municipalities, which consist of a lack of accountability. It is therefore required that both the political and administrative components of a local municipality should acquire skills, competencies and knowledge that will befit the imperatives of a developmental system of this local sphere of government. Skills and knowledge acquisition should therefore top the municipal agendas of all municipal entities in an attempt to achieve municipal strategic vision and objectives (Maserumule, 2008:441).
2.3.4 Human resource considerations

The policy requirements within municipalities include human resource systems and measurements that are regulated by national government and mandated to be adhered to in an effort to carry out various aspects of the employees’ functions, such as the procedures for employee appointments, performance measurements, employee training and development, and the promotion of municipal employees. It is from the foregoing necessary that senior officials should take note that all municipal employees should not only be subject to decisions and policies facilitated by councils, but to also form an integral part of the decision-making process, especially pertaining to issues affecting them directly, through the use of a consultative process in order to make inputs. In this event, employee involvement and basic job satisfaction would be maximised and the awareness of specific requirements would result in the limitation of deviations during policy implementation. Mafolo et al. (2012) state that municipal employees can acquire representation at operational level through Local Labour Forums (LLFs). Section 72 of the Competency Guidelines for Municipal Managers and Managers directly accountable to Municipal Managers (Notice 347 of 2007) regulates appointments, and clearly articulates the processes to be followed pertaining to municipal staff appointments (Koma, 2010).

The Municipal Systems Act, 2000, provides a senior management competency framework that clearly articulates 11 generic managerial competences that need to be visible and concurrent within the nature of the senior management appointee. These competencies include strategic capability and leadership; programme and project management; financial management; change management; knowledge management; service delivery innovation and facilitation; problem identification, analysis and solving thereof; people management; client orientation and customer focus; as well as communication and accountability together with ethical conduct. It is therefore envisaged that adopting more standardised criteria for the employment of municipal executives will result in enhancing the overall capacity of municipalities to fulfil their legislated obligations (Koma, 2010).

For the appointment of senior officials within a Category B municipality, the recommended minimum level of education is restricted to a bachelor’s degree with a minimum of five years’ experience relevant to local government, while for the appointment of senior officials within a Category A municipality, the recommended minimum level of education is restricted to a post-graduate degree. As sound financial management, public
management, project management and strategic management programmes are offered by various LGSETA-accredited institutions within all educational institutions in the nine provinces of the country, it is unacceptable that senior officials should be employed within a local government entity based on political preferences rather than educational merits, which results in municipalities being staffed by senior managers who add no value and fail to deliver on their performance objectives. In an effort to limit the political interference with the appointment of senior officials within a municipality, it is best advised for their human resource functions to be outsourced, pertaining to both the screening and interviewing functions (including competency-based assessments) in the event that external recruitment agencies should assist in the recruitment and appointment of senior municipal executives (Koma, 2010).

2.4 PROVINCIAL MONITORING OVER MUNICIPALITIES

It is fundamental that all spheres of government should consume a more holistic view of the strategic and focused support of low-capacity municipalities as well as the essential assistance in resource provision to these municipalities in order to conduct basic service delivery. The required support can entail one or more of the following: Providing training programmes for effective supply chain management and financial management; and the facilitation of performance management systems to assist municipalities in the formulation of their five-year integrated development plans.

Section 139 of the RSA Constitution, 1996, provides that an administrator should be appointed, for a period not less than six months, in an effort to ensure that the local government entity addresses the current challenges that it faced pertaining to the filling of funded posts, the financial crises it was experiencing, and poor service delivery. In this event, the provincial sphere of government provided for major improvements since intervention in the local municipality. Due to the increase in service delivery protests, the number of administrators who have been appointed has markedly increased. It is vital for municipalities to fully acquire capacity to independently fill management posts with skilled and qualified individuals, to independently establish effective municipal policies and council resolutions as regulated by law. Provincial governments should assist the local spheres of government within its juridical area with the successful implementation of continuous management reform and performance management processes, and to enhance the ability of such entity to reinforce anti-corruption and good corporate
governance mechanisms, financial viability and sustainability, together with adequate financial management systems, which are important prerequisites for effective municipal service delivery (Koma, 2010).

2.5 DIFFERENTIATED SYSTEM OF LOCAL GOVERNANCE

From the foregoing it is becoming increasingly evident that the holistic view of the so-called one-size-fits-all, or rather, the uniformity approach pertaining to local government is prominently unrealistic and untenable. The Department of Co-operative Governance and Traditional Affairs, with regard to the state of local government in South Africa, attested this view pertaining to the status of all uniformed municipalities within the borders of South Africa, given the historical and socio-economic conditions and financial viability of all municipalities.

The report on the State of Local Government in South Africa, 2009, stated that the larger municipal entities such as the City of Cape Town, City of Johannesburg, Ekurhuleni and the City of Tshwane should adopt special legislation and functional planning authorities in order to enhance their role in promoting the national economy, while smaller, local municipalities in rural areas should be released from the complexities of compliance with a regulated integrated development plan that surpasses the capacity of the government entity by far (Report on the State of Local Government in South Africa, 2009). In all its practicalities and modalities pertaining to the facilitation and implementation of a differentiated system of local government, it must be considered to be in line and adhere to international and national best practices. Both scientific and rigorous research endeavours have to be undertaken in an effort to explore the feasibility and effective implementation of a differentiated system of local government by the National Department of Co-operative Governance and Traditional Affairs (Koma, 2010).

2.5.1 Creating an ideal municipal entity

LGTAS (2009) identified an ideal municipality as a local government institution that strives to contribute to the building of a developmental state, and simultaneously relies on the constitutional and legal framework that regulates its functionality. It further considers an ideal municipality as one that would:

- Provide both democratic and accountable government for local communities.
• Be highly responsive to the needs of the local community it serves.
• Enhance the provision of efficient services to communities in a sustainable manner.
• Promote social and economic development within its community.
• Provide a safe and healthy environment to the community.
• Promote the involvement of communities and community organisations in local government matters, which enhances community empowerment and distribution.
• Facilitate a culture of public service and accountability among municipal staff.
• Assign clear responsibilities within its capacity, for the management and coordination of above administrative units and mechanisms.

These mechanisms will contribute to a healthy local environment through which vulnerable groups feel supported and protected, while mitigating the social distance between government and communities (LGTAS, 2009).

2.5.2 Municipal best practices

It is within the LGTAS (2009) that direction was found pertaining to the ideal of a sustainable municipal entity, where a random sample of some of the best-performing municipalities has been selected, particularly identifying the reasons for the accreditation and what sets them apart from the rest. It is through the analysis of these municipalities that assistance can be lent as supporting mechanisms for weaker municipalities.

Table 2.2: Examples of municipalities moving in sustainability mode

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Area of performance</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gamagama (Northern Cape)</td>
<td>Service delivery</td>
<td>Backlogs eradicated Strong economic centre</td>
</tr>
<tr>
<td>Overstrand (Western Cape)</td>
<td>Financial viability</td>
<td>Good credit rating Outstanding collection rates Good CAPEX budget spend</td>
</tr>
<tr>
<td>Thabazimbi (Limpopo)</td>
<td>Local economic development</td>
<td>Strong economic seeds Good engagement with business sector</td>
</tr>
<tr>
<td>Cape Winelands DM</td>
<td>Planning facilitation</td>
<td>Facilitate economic growth in district Excellent approach to PMS, IDP Innovation to district IGR</td>
</tr>
<tr>
<td>West Rand DM (Gauteng)</td>
<td>Good governance</td>
<td>Focusing on development facilitation</td>
</tr>
</tbody>
</table>
The above table illustrates the municipalities that can be used for benchmarking purposes. Their area of performance with the good characteristics is displayed in the table above, as well as the reasons for their optimal performance.

2.5.3 Tlokwe City Council/Ventersdorp before the amalgamation

Table 2.3: Average payment rate through a comparative analysis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>80.01</td>
<td>78.75</td>
<td>81.65</td>
<td>87.15</td>
<td>88.95</td>
<td>93.74</td>
</tr>
<tr>
<td>August</td>
<td>79.03</td>
<td>94.56</td>
<td>92.78</td>
<td>101.16</td>
<td>89.91</td>
<td>93.50</td>
</tr>
<tr>
<td>September</td>
<td>79.60</td>
<td>95.25</td>
<td>89.81</td>
<td>84.51</td>
<td>80.12</td>
<td>88.63</td>
</tr>
<tr>
<td>October</td>
<td>101.00</td>
<td>98.96</td>
<td>89.07</td>
<td>100.40</td>
<td>107.64</td>
<td>96.81</td>
</tr>
<tr>
<td>November</td>
<td>94.50</td>
<td>120.24</td>
<td>96.84</td>
<td>99.94</td>
<td>92.96</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>94.58</td>
<td>97.03</td>
<td>113.34</td>
<td>84.69</td>
<td>86.37</td>
<td>94.09</td>
</tr>
<tr>
<td>January</td>
<td>96.38</td>
<td>96.28</td>
<td>97.53</td>
<td>91.27</td>
<td>86.67</td>
<td>91.06</td>
</tr>
<tr>
<td>February</td>
<td>83.00</td>
<td>91.60</td>
<td>102.47</td>
<td>97.26</td>
<td>91.65</td>
<td>94.50</td>
</tr>
<tr>
<td>March</td>
<td>93.32</td>
<td>90.85</td>
<td>92.54</td>
<td>90.19</td>
<td>95.40</td>
<td>96.53</td>
</tr>
<tr>
<td>April</td>
<td>97.13</td>
<td>97.42</td>
<td>88.57</td>
<td>95.54</td>
<td>91.36</td>
<td>95.50</td>
</tr>
<tr>
<td>May</td>
<td>88.00</td>
<td>95.89</td>
<td>97.19</td>
<td>104.09</td>
<td>122.67</td>
<td>101.61</td>
</tr>
<tr>
<td>June</td>
<td>105.68</td>
<td>109.70</td>
<td>107.77</td>
<td>108.31</td>
<td>91.60</td>
<td>90.33</td>
</tr>
</tbody>
</table>

The above table is a profound indication of the relatively good collection rate that the municipality has generated over the years from the Tlokwe region alone. The direct revenue collected from basic services rendered has been verified and compiled from the 2011/2012 financial years to the latest audit financial year, being 2016/2017. These collection rates are upheld at above 90%, despite the annual increases in basic household services.

Table 2.4: Financial analysis of Tlokwe City Council

<table>
<thead>
<tr>
<th></th>
<th>2013/2014</th>
<th>2014/2015</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>376 600 095</td>
<td>219 286 515</td>
<td>186 220 572</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>2.29:1</td>
<td>4.80:1</td>
<td>4.53:1</td>
</tr>
<tr>
<td>Cash Ratio</td>
<td>-</td>
<td>1.53:1</td>
<td>1.26:1</td>
</tr>
</tbody>
</table>

The Tlokwe City Council maintained its sound financial position within the 2015/16 financial year due to good financial management practices applied in accordance with the financial strategies and policies of the municipality. The table above indicates the financial ratios used to analyse the current financial position of the municipality. The Council’s cash
and cash equivalents held at year-end are indicated by the table above. The current ratio measures the ability of a municipality to pay its current liabilities from current assets. The norm of the industry is a ratio of 2:1; however, a ratio of 1:1 is acceptable for municipalities. The Tlokwe City Council achieved a ratio of 4.53:1, which shows the municipality’s ability to settle existing short-term liabilities through current assets. The slight decrease within council’s liquidity ratio in the 2015/16 financial year was due to the R90.8 million more operating expenditure incurred (Tlokwe City Council Annual Report 15/16).

Table 2.5: Tlokwe City Council financial overview

<table>
<thead>
<tr>
<th>Details</th>
<th>Original budget</th>
<th>Adjustment Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>204 635</td>
<td>208 994</td>
<td></td>
</tr>
<tr>
<td>Trade Services</td>
<td>825 309</td>
<td>777 569</td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>132 502</td>
<td>130 824</td>
<td></td>
</tr>
<tr>
<td>Licensing and test grounds</td>
<td>11 976</td>
<td>4 827</td>
<td>4 827</td>
</tr>
<tr>
<td>Other revenue</td>
<td>472 597</td>
<td>565 921</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1 190 885</td>
<td>1 270 147</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>1 234 783</td>
<td>1 256 136</td>
<td></td>
</tr>
<tr>
<td>Total (Surplus/Deficit)</td>
<td>43 898</td>
<td>(6 926)</td>
<td>14 011</td>
</tr>
</tbody>
</table>

The table above indicates a financial overview of the Tlokwe City Council’s financial position at year-end for the 2015/2016 financial year. The municipality budgeted a collection rate of 95% for the 2015/16 financial year, and a percentage of 94.7% was achieved. Although the municipality resolved in May 2014 that the outstanding debt of indigents to be written off (R43 million was written off from the debt of indigents in August 2014), the municipality still achieved a collection rate of above 90%, and was still in a financial position to cover all their expenditures from the revenue collected through positive cashflow management (Tlokwe City Council Annual Report 15/16).
Table 2.6: Ventersdorp financial overview

<table>
<thead>
<tr>
<th>Details</th>
<th>Original Budget R</th>
<th>Adjustment Budget R</th>
<th>Actual R</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>69,404,000</td>
<td>70,084,000</td>
<td>107,979,949</td>
</tr>
<tr>
<td>Taxes Levies and tariffs</td>
<td>81,654,900</td>
<td>75,863,395</td>
<td>112,866,512</td>
</tr>
<tr>
<td>Other</td>
<td>348,520</td>
<td>752,870</td>
<td>919,190</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>151,407,510</td>
<td>146,700,265</td>
<td>221,765,651</td>
</tr>
<tr>
<td><strong>Less: Expenditure</strong></td>
<td>146,070,296</td>
<td>184,165,236</td>
<td>241,279,633</td>
</tr>
<tr>
<td><strong>Net Total</strong></td>
<td>5,337,214</td>
<td>37,464,971</td>
<td>19,513,982</td>
</tr>
<tr>
<td>Note: Surplus/(Deficit)</td>
<td>(5,337,214)</td>
<td>(37,464,971)</td>
<td>(19,513,982)</td>
</tr>
</tbody>
</table>

For the Ventersdorp Local Municipality, their main source of revenue is collections from rates and taxes, service charges, rentals and grant income. The municipality’s sustainability largely depends on the harsh implementation of the Credit Control and Debt Management policies. Effective revenue collections from electricity provision are prohibited by consumers’ illegal electricity connections, which have led to indigent registrations to decline and causing high levels of electricity losses of approximately 42.90%. The table above indicates the financial position of the municipality at year-end for the 2015/2016 financial year. Inefficiency of the management of its resources and encouraging the community to pay for the services they receive have led to the deficits displayed in the table above (VLM 2015/2016 Annual Report).

The table below illustrates the amounts and percentages of revenue generated from electricity and water collections within the Ventersdorp region at year-end for the 2015/2016 financial year. Taking into account that this is the main source of revenue collection, apart from the government grants that the Ventersdorp Municipality received, it is evident that due to the illegal connections within its rural areas, revenue collected from the few citizens who do pay for basic services are not sufficient to cover the short-term and long-term liabilities that the council incurred throughout the operating years, being the main reason that the municipality was placed under administration.
Table 2.7: Ventersdorp revenue collection from water and electricity for 2015/2016

<table>
<thead>
<tr>
<th>DATE</th>
<th>ELECTRICITY LEVIES</th>
<th>COLLECTION RATE</th>
<th>WATER LEVIES</th>
<th>COLLECTION RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-15</td>
<td>6,374,451</td>
<td>29%</td>
<td>342,648</td>
<td>18%</td>
</tr>
<tr>
<td>Jul-15</td>
<td>6,065,084</td>
<td>35%</td>
<td>70,485,202</td>
<td>3287%</td>
</tr>
<tr>
<td>Aug-15</td>
<td>3,588,211</td>
<td>66%</td>
<td>-58,184,265</td>
<td>-2474%</td>
</tr>
<tr>
<td>Sep-15</td>
<td>2,506,606</td>
<td>63%</td>
<td>442,378</td>
<td>28%</td>
</tr>
<tr>
<td>Oct-15</td>
<td>1,599,903</td>
<td>171%</td>
<td>295,938</td>
<td>11%</td>
</tr>
<tr>
<td>Nov-15</td>
<td>3,699,053</td>
<td>27%</td>
<td>438,761</td>
<td>44%</td>
</tr>
<tr>
<td>Dec-15</td>
<td>3,358,522</td>
<td>224%</td>
<td>281,431</td>
<td>4%</td>
</tr>
<tr>
<td>Jan-16</td>
<td>1,882,106</td>
<td>240%</td>
<td>444,125</td>
<td>10%</td>
</tr>
<tr>
<td>Feb-16</td>
<td>5,814,464</td>
<td>21%</td>
<td>6,103,848</td>
<td>495%</td>
</tr>
<tr>
<td>Mar-16</td>
<td>2,224,193</td>
<td>136%</td>
<td>-5,364,850</td>
<td>-177%</td>
</tr>
<tr>
<td>Apr-16</td>
<td>3,497,001</td>
<td>182%</td>
<td>214,731</td>
<td>3%</td>
</tr>
<tr>
<td>May-16</td>
<td>6,499,596</td>
<td>99%</td>
<td>-11,129,073</td>
<td>-173%</td>
</tr>
</tbody>
</table>

2.5.4 JB Marks following the amalgamation

The Tlokwe City Council inherited all the liabilities that the Ventersdorp Municipality incurred prior to the amalgamation. Therefore, arrangements were made and the debt of the Ventersdorp region had to be settled after the establishment of the JB Marks Municipality. The table below indicates a financial overview of the financial position of the municipality as at the end of the 2016/2017 financial year.

Table 2.8: JB Marks Financial overview

<table>
<thead>
<tr>
<th>Financial Overview: 2016/2017</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Details</strong></td>
<td>Original Budget</td>
</tr>
<tr>
<td>Income:</td>
<td>197 878 360</td>
</tr>
<tr>
<td>Grants</td>
<td>690 038 814</td>
</tr>
<tr>
<td>Trade Services</td>
<td>150 853 520</td>
</tr>
<tr>
<td>Property Tax</td>
<td>8 270 000</td>
</tr>
<tr>
<td>Licensing and Test Grounds</td>
<td>164 229 736</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>1 411 240 430</td>
</tr>
<tr>
<td>Expenditure</td>
<td>1 484 616 749</td>
</tr>
<tr>
<td>Total (Surplus/Deficit)</td>
<td>(73 375 319)</td>
</tr>
</tbody>
</table>

Expenditures incurred because of the amalgamation left the municipality unable to cover operational expenses for the maintenance of its infrastructure. Poor financial management and a lack of internal control were the main causes for the disclaimer that resulted from the most recent audit of the municipality (Annual Report, 2016/2017).
The Auditor-General found a lack of internal control and poor document management within the municipality to be the cause of insufficient and inappropriate audit evidence presented to sustain the financial transactions that formed the basis of the financial statements for the year 2016/2017. For these reasons, the Auditor-General was unable to provide an audit opinion on these financial statements (Audit Report, 2016/2017).

In terms of revenue collection, the Auditor-General was unable to confirm stated revenues in accordance with the audit support presented. During the audit, they could not validate property rates of R144 096 372, government grants and subsidies received of R258 136 306, service charges of R765 824 030 and interest earned on external investments of R17 261 987, disclosed in the notes to the financial statements (Audit Report, 2016/2017).

In terms of expenditure incurred, the Auditor-General could not obtain sufficient and appropriate audit support as evidence to validate the depreciation and amortisation stated within the financial statements of R225 855 529 processed during the financial year. Due to an inadequate document management system, insufficient supporting documents were submitted to the audit team and therefore the transactions within the financial statements could not be validated. It was found that unresolved irregular expenditure incurred prior to the amalgamation of the two municipalities was not correctly included within the opening balances, as restated for the NW 405 Municipality. This resulted in irregular expenditure being understated by R564 300 711. It was further found that transactions worth R135 459 558 incurred in the 2016/2017 financial year were in contravention to the supply chain management requirements, and were not included in the updated irregular expenditure register that was disclosed. The fruitless and wasteful expenditure incurred for the audited financial year amounted to R9 468 105, while the fruitless and wasteful expenditure of R61 426 046 from prior financial years had not been resolved as yet, in contrast to section 32 of the MFMA. Material losses amounting to R45 772 156 (8.07%) on purchased bulk electricity and R17 111 814 (35.94%) on purchased bulk water were detected during the audit (Audit Report, 2016/2017).

The North West Province contributed 15% to the total irregular expenditure of R28 376 billion that local government anticipated in the 2016-17 financial year, representing 22% of their annual provincial local government expenditure budget. The lack of transparency and accountability in the provision of sound financial management resulted in the disappointing
audit outcomes due to financial performance not being viable. Budget overspending by 16 municipalities contributed to the R1.19 billion in unauthorised expenditure (MFMA, 2016/17).

It is evident from the audits performed for the financial period 2016/2017 that most municipalities depend on the support from consultants in the compilation of their annual financial statements. These consultation services came at a cost of R96.2 million and R118.7 million in the 2015/2016 financial year. These expenditures were incurred despite the material misstatements that the financial statements contained (MFMA, 2016/2017).

The net current liability position of 12 municipalities within the North West Province deteriorated by 55%, which was due to their inability to recover long outstanding debts and generate revenue from basic services rendered. This resulted in their current liabilities exceeding their current assets by approximately R1.9 billion, meaning that from the revenue generated from the delivery of basic services, they are unable to cover all expenditures incurred throughout the year (MFMA: 2016/2017).

2.6 PUBLIC FINANCE MANAGEMENT ACT (PFMA) (Act No. 1 of 1999)

The Public Finance Management Act (PFMA) (Act 1 of 1999) promotes the objective of good financial management within all spheres of government, in an effort to enhance service delivery through the effective and efficient use of limited resources. The key objectives of the above Act are to modernise the public sector and financial management system, to institutionalise the responsibility and accountability of public sector managers, ensuring the timely provision of quality information and eliminating waste and corruption in the use of public assets.

2.7 MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) (Act No 56 of 2003)

The MFMA regulates local government systems and operations on a day-to-day basis, by providing a sound financial framework and structure in terms of the segregation of the duties of municipal employees, both administrative and executive, in terms of accountability. The main objective of the Act is to enhance the capacity of municipalities to offer sustainable service delivery to all its stakeholders by modernising budget and financial management practices. The aim of the act is to institutionalise principles of
transformation and transparency that enhance a more accountable local government sphere, which effectively adhere to the emerging demands and challenges of its surrounding community, in a consistent and sustainable manner (NT, 2005b:1).

2.8 THE MAIN CHALLENGES HINDERING GOOD CORPORATE GOVERNANCE AND EFFECTIVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT

The essence of good corporate governance is found in the sound ethical values of an organisation, while influencing economic stability and growth prospects as corporate governance compliance becomes statutory. Corporate governance compiles responsible leadership, sustainability and corporate citizenship into concrete governance of organisations and therefore forms the foundation of responsible leadership and good corporate citizenship (Ehlers & Lazenby, 2010).

Through the compliance to ethics of corporate governance, organisations are requested to part ways with the traditional strategic management implementation that solely focuses on a strategy that enhances profitability, but rather focuses on building sound business partnerships that create inter-organisational sources of cooperative advantage (Dyer & Singh, 1998). Successful corporate governance provides structure to the organisation to enable them to perform well on an economic, social, and environmental level, striving to achieve a sound triple bottom line (Ehlers & Lazenby, 2010).

The seven primary characteristics of sound corporate governance that have been identified by the King Committee are discipline, transparency, independence, accountability, responsibility, fairness and social responsibility (The King II Report, 2002). The King III Report states that good corporate governance should form the basis of effective leadership. Sustainability forms the most important source of opportunities and risks for organisations and is obtainable through the transition of innovation, fairness and collaborations within an organisation. Both social transformation and redress are essential for the effective facilitation of sustainability within any organisation, as the practice of sustainability reporting forms the basis of corporate governance (The King III Report, 2009).

Through good corporate governance, it is requested from any organisation to:

- Set direction through economic, social and environmental performance.
• Facilitate responsible business aims, practices and general conduct by reflecting the vision and mission strategies.
• Upon determination of strategic goals, to consider organisational risks and setting strategies that benefit all stakeholders.
• Set clear, transparent, attainable and measurable goals (Ehlers & Lazenby, 2010).

Good corporate governance within local municipalities should promote accountability, transparency, responsiveness, equity, effectiveness and efficiency. Good governance can be achieved within a municipal environment through the effective implementation of municipal bylaws, local policies, an effective approach through the integrated development planning process and successful infrastructure provision and development (SALGA 2016, Annual Report).

The LGTAS (2009) identified the areas of concern in an effort to analyse the corporate governance of a local government entity as:

• Service delivery: Municipal provision of water and electricity, sanitation and refuse removal to the community.
• Spatial conditions: Differentiation of the various locations within the municipal community.
• Governance: Referring to the leadership and oversight capacity of both executive and administrative bodies of the local government sphere.
• Financial management: Municipal management of the budget composed from the government grants and revenue collected from the community, including equitable shares (ES) and the municipal infrastructure grants (MIG).
• LED: Referring to the efforts of a municipality to grow their community and the entity in itself.
• Labour relations: Harmonising employee functions with the objectives of the employer.

2.9 CRITERIA FOR THE EVALUATION OF LOCAL GOVERNMENT STRUCTURES

The consideration of municipal demarcations finds its essence in the effectiveness and efficiency of service delivery within the current structures of the local government entity. The amalgamation of municipal entities is opposed as a measurement to ensure that local
government entities, in covering a bigger judicial area, are financially able to deliver more sustainable basic services across their enlarged local boundaries, while sharing costs equitably and minimising poor service delivery. In terms of the service delivery initiative, a larger municipal entity may seem more favourable, as a larger consolidated government unit tends to produce better outcomes in terms of meeting service delivery projections; however, the decision of an appropriate local governance structure for a metropolitan area would depend on how you weigh considerations of efficiency, responsiveness, and accountability up against economies of scale, externalities, and the capacity to deliver and coordinate basic services (Slack & Bird, 2013).

In some instances, shifting service delivery initiatives upwards by increasing the responsibilities of existing units might also be more effective in terms of minimising poor service delivery, rather than enlarging the municipal boundaries horizontally. This alternative approach might be more favourable as smaller municipal entities have better interaction between community groups, and the local government spheres are ensuring adequate local voice and accountability within the municipality. There is no one-size-fits-all model for municipal demarcation considerations, but rather the consideration of all factors within a single entity that might affect service delivery in that regard (Bird & Slack, 2008). The subsidiarity principle proposes that decisions pertaining to effective and efficient service delivery should be obtained by the sphere of government closest to individual citizens, in an effort to ensure that resource allocation occurs effectively and with great accountability and responsiveness. It is evident that small, fragmented, general-purpose municipalities might stimulate competition between local spheres of government in relation to mobile residents and tax bases, which will enable them to deliver optimal tax-based services (Klink, 2008).

Public interaction, by means of public meetings, hearings, elections, and physical contact with government representatives, has proven to be more viable and effective within smaller local government entities (Faguet, 2004; 2011). Although amalgamated municipal entities might have the advantage of better economies of scale in terms of service delivery provisions, minimising the per-unit costs of essential services rendered, which affects administrative overheads, it is more likely that, within this geographically area, certain communities will be dominated by other special-interest groups (Bish, 2001).
Within a global economy, healthy competition among local spheres of government might not only increase effective service provisions, but might also enhance economic growth and stable markets influences by satisfied communities that are able and willing to invest in a healthy state. According to Boyne (1992), it is evident that the costs endured by larger government units are higher, due to the ‘bureaucratic congestion’ within that sphere of government (Slack & Bird, 2013).

2.9.1 Availability of alternatives to municipal demarcations

In accordance with Slack and Bird (2013), regional structures are efficient in addressing regional problems such as fiscal disparities among municipalities as well as externalities in service provision that give way to resolving transportation and environmental coordination issues. The restructuring of municipal regions provides economic competitiveness, social cohesion, and fiscal viability of such areas within a global economic setting, as it becomes a requirement for cities wanting to take full advantage of both new and emerging opportunities for economic cooperation and enhancing equal productivity and competitiveness within an increasingly knowledge-based economy.

Lefèvre (2008) accentuates the following five characteristics for effective regional restructuring:

- Political legitimacy by means of direct election
- Geographic boundaries that match the functional territory of a metropolitan region
- Independent financial resources
- Relevant powers and responsibilities
- Adequate municipal personnel

2.9.1.1 One-tier structured municipality

A one-tier municipal entity provides one political body making all taxing and spending decisions for a specific metropolitan area, though it is not prescribed that services be provided uniformly throughout the metropolitan area. According to Bahl and Linn (1992), consolidated one-tier governments provided greater fiscal capacity, better service coordination, clearer accountability and more streamlined decision-making more efficiently.
As the taxation capacity of a consolidated one-tier government grows, its ability to borrow and recover both capital and operating costs automatically increases simultaneously. It is therefore undeniable that services might be funded more justly, as a wider tax base exists for sharing the service cost from which taxpayers across the region will benefit. Establishing a large one-tier government has the advantage of economies of scale within service provision. Municipal amalgamations that entail this form of restructuring may internalise externalities through the merger of two or more geographically adjacent lower-tier municipalities or by means of annexation, which entails the appropriation of a portion of a municipality by an adjacent municipality, reducing the number of politicians and bureaucrats (Slack & Bird, 2013).

In an effort to provide a better balance between regional considerations, local responsiveness as well as accountability, the following options are available as alternatives to municipal amalgamations: A two-tier model, voluntary cooperation, and special districts.

2.9.1.2 Two-tier model

These two-tier models comprise a region or district that is an upper-tier governing body covering a fairly large geographic area consolidated with two or more lower-tier municipalities (which may be cities, towns, or villages). The responsibility for service provision that provides a wide range of benefits generates externalities that entail some redistribution, and display economies of scale, residing within the capacity of the upper-tier municipal entity. It is therefore the responsibility of the lower-tier municipal entity to provide the community with local benefits. Redistribution within this structured entity can be achieved by a combination of tax and spending regulations, as taxes are usually levied at uniform rates throughout the regional boundaries, depending on the size of its tax base. The upper-tier government body endures expenditure on services that the entire city-region can benefit from and might not necessarily be distributed equally among the lower-tier municipalities in the same manner as when revenues are collected, as resources are redistributed from municipalities with a larger tax base to smaller tax-base municipal entities, as this government structure can permit any desired degree of redistribution (Slack & Bird, 2013).
2.9.1.3 Voluntary cooperation

Voluntary cooperations are provided in the form of minimal government restructuring. Sharpe et al. (1995) describe this form of restructuring as an “area-wide body based on voluntary cooperation between existing units of local government in the agglomeration with no permanent, independent institutional status” (Sharpe 1995:12). These structures gained favour because it is easy to create politically, and can be disbanded just as easily being an alternative manner of recognising the interrelationship between local communities within a region through some form of area-wide arrangement. This form of restructuring is established through mutual cooperation between local government bodies, which implies a sense of administrative integration and political linkage between the related parties. Providing representation on the boards, these cooperative organisations can levy taxes, accumulate contributions or even levy user fees to pay for services from the respective municipalities (Slack & Bird, 2013).

Voluntary cooperation provides effective service delivery to the local government regions without resorting to amalgamation of municipal boundaries, as municipalities maintain their autonomy pertaining to expenditure and tax decisions, and still attain economies of scale in service delivery as well as addressing externalities accompanying service provision matters (Sharpe, 1995). The voluntary model might be favourable in instances where policy-makers from various local government bodies obtained similar objectives (Slack & Bird, 2013).

2.9.1.4 Special-purpose districts

Special-purpose districts are adopted in instances where services are to be delivered that spill over municipal boundaries. Single-purpose special districts are used to provide specified municipal services for selected municipalities or, in some events, manage regional services for these local government entities with significant externalities; this form of restructuring is most favourable in countries that consist of a strong and autonomous selection of local government entities. The boards of some special districts are generally controlled indirectly through municipal councils that are also responsible for the management of transportation services, water and waste management, economic development, together with taxing, price setting, and other policy-making decisions.
These special-purpose districts express the advantage that each service spillover can be addressed on an individual basis. Since the boundaries are hardly ever the same for each service rendered, it could give effect to the establishment of differently-sized special districts. One of the major advantages of this type of restructuring is the fact that service delivery might be rendered by professional individuals free from political influence when making critical decisions, providing professional expertise that may otherwise not be available to the municipal government, together with the use of dedicated revenues from user fees in order to finance capital expenditures (Bahl & Linn, 1992), as the possibility exists to obtain higher salary ratings in an effort to attract greater talent (Bahl, 2010).

It is through this form of restructuring that the perceptions of functional, overlapping, competing jurisdictions (FOCJ) are exemplified, which posits that “welfare could be improved substantially by promoting competition between newly emerging jurisdictions that are organized along functions instead of territories” (Frey & Eichenberger, 1996:315). The concept of the FOCJ approach is real government entities that consume enforcement power, levy taxes, and would range over areas that are defined by the functions that they are responsible for. It is within the capacity of individuals and the local communities to decide upon which government entity they wanted to belong to (Slack & Bird, 2013).

2.10 MANAGING BUDGET CONSTRAINTS AND SPENDING PRESSURES

The 2016 Budget Review revealed that escalating compensation costs continue stretching provincial finances through their report on the division of revenue and spending by provinces and municipalities.

In an effort to manage compensation pressures, local government has been reducing the number of staff employed, ordinarily in non-critical positions. Numerous provinces have adopted a centralised staff recruitment system, through which they can exercise greater control over the filling of vacancies in an attempt to improve the competence level of provincial departments and align organisational structures more diligently with service delivery objectives. All spheres of government were advised to reduce expenditure on services pertaining to events catering, communications, venue hiring, facilities and consultants, as a cost-saving initiative. In an effort to promote this initiative, government bodies can start by shutting down underperforming programmes as well as reviewing
supply chain management processes, as the centralisation of supply chain departments added to the existing problems government departments are facing. It therefore lies within the capacity of the different spheres of government to review spending on public entities that provide financing for development purposes, to avoid duplication of functions within its individual departments, and to consolidate units performing similar functions. Provincial and local spheres of government should minimise their reliance on transfers and grants by improving the cost effectiveness of its operations. It is necessary that provincial legislation should be endorsed in an effort to merge or close overlapping or non-core entities (Budget Review, 2016).

2.10.1 Municipal revenue and spending

It is projected that, due to the increasing cost of service provision and slow growth in transfers, that local government is currently faced with tough fiscal choices. It is therefore advised that municipalities should improve their own revenue collection, to increase its efficiency through effective service delivery and to obtain greater value for money (Budget Review, 2016).

Municipalities draw revenue from collections from communities pertaining to user charges, rates and taxes. It is within poor and rural municipalities that you will find much lower tax bases, which rely more heavily on government grants. Within bigger metropolitan municipalities, only 19% of their revenue is derived from national transfers, despite the fact that district municipalities that provide services to rural areas take a stand at 80% consumption of national transfers. Increases in costs of bulk electricity and water have recently caused a reduction in the surpluses that local municipalities generate from rendering these services. It is through the equitable share that local municipalities within rural areas ensure higher per capita transfers in an effort to fund free basic services to all poor households, providing community services in these municipalities with a weak revenue base (Budget Review,: 2016).

2.10.2 Transfers to local government

It is government’s reprioritisation of expenditure that has changed the allocation of local government’s equitable shares. Within the fiscal years 2017/18 and 2018/19, R1.5 billion and R3 billion are to be added, respectively, in an effort to offset the escalating costs of
rendering free basic services, although the baseline was reduced by R300 million in 2016/17. It is during these financial years that municipalities are bound to receive a monthly subsidy of R335 per household to provide free basic services to 9.2 million poor households across the nation, while the responsibility to allocate these funds accordingly lies within the capacity of the individual municipalities. Part of the reprioritisation process resulted in direct transfers intended for the upgrading of local government infrastructure being reduced, a situation that can be equalised with a reduction in wasteful expenditure per local government entity (Budget Review, 2016).

2.10.3 Improving infrastructure investments in municipalities

The Local Government Infrastructure Grant Review of the 2015/16 fiscal years revealed numerous weaknesses within the grant system, as service delivery is constrained through a lack of capacity, ineffective systems and poor planning (SALGA Annual Report, 2016).

In an attempt to improve infrastructure spending, the national government is taking steps to ensure better value for money. The centralisation of supply chain units as new procurement standards was issued in November 2015 in an effort to offer officials greater flexibility to be able to negotiate lower prices from service providers. National departments provided provinces with prototype designs and benchmark costs adopted for different sizes and types of schools, which may obtain similarity within its region, which reduces the scope of architects and engineering consultants to overdesign these facilities. In an effort to reduce the risk of overruns or delays, government departments may benefit more from management contracts by appointing one contractor to oversee all aspects of a specialised project. An infrastructure management system was developed that indicates a specialised control point where approvals are granted and equipment checked (Budget Review, 2016).

Significant changes were adopted through the process of intergovernmental review of the local government infrastructure grant system, pertaining to the manner in which these grants are structured.

- Advising municipalities to allocate conditional grants to repairs and revamping of existing infrastructure, delivering secure revenue streams and improving service provision.
- Municipalities should reduce water and sanitation grants, from regional bulk infrastructure grants into funded large bulk-water and sanitation projects, as well as project water services infrastructure grants into funded construction and restoration of reticulation schemes with on-site services in local rural municipalities.
- Secondary cities should determine how infrastructure developments contribute to the urban development of local communities through which apartheid spatial patterns are diminished, providing long-term government support and contributing towards sustainable infrastructure upgrades (Budget Review, 2016).

### 2.11 SUMMARY

This chapter provided a literature review based on existing literature and regulations pertaining to local government management, decisively outlining the legislative framework and regulatory stipulations in relation to effective and efficient service delivery, revenue collection and government expenditure exercised by local government.

For municipalities in South Africa to succeed in sustainable service delivery, officials in this local sphere of government should be development-oriented. They should ensure that services are delivered impartially, fairly and equitably. It is therefore imperative that local government employees should have acquired the desirable educational background to effectively manage the municipal entity, adhering to existing regular stipulations and striving to achieve organisational objectives. Chapter 3 will follow with the research methodology and data collection design for this study to be utilised throughout the study.
CHAPTER 3
RESEARCH METHODOLOGY AND DATA COLLECTION

3.1 INTRODUCTION

The purpose of this chapter is to describe the ways and means through which this study was conducted in order to meet the aims and objectives mentioned within Chapter 1. The results achieved through the said methodology will then answer the question as to whether or not the amalgamation of the Tlokwe and Ventersdorp municipalities was beneficial to all related stakeholders in terms of sustainability and service delivery of the new consolidated entity. Research methodology assists the process of investigation by clearly articulating the necessary procedures to follow upon conducting the research. Haynas (1992:12-15) explains that good governance lies at the heart of the exercise of power, as it is central to political accountability. It is not necessarily democratic government, but it is a purposive, development-orientated government, which seeks to improve the quality of life of the mass of the people.

3.2 THE RESEARCH PROCESS

According to Watkins (2012:36-37), the research process provides insight into the process of ‘how’ the research will be conducted, from formulating the research proposal to the final submission of the thesis or dissertation. For the purpose of answering the research question, the research design that is going to be used is a quantitative research method, as it seeks to understand a given research problem or topic from the perspective of the local population it involves. The research approach relevant to this study is quantitative, as the value/weight of a specific service delivered in terms of the level of satisfaction is investigated, and only later on measures it in terms of numerical value it carries. Derived from the work of Collis and Hussey (2003), Watkins (2012:37) articulates the eight fundamental stages of the research process. The current research process under investigation adapts this approach as follows:

- Identify the research topic and the problem that will be investigated;
- Conduct an abbreviated literature review on previous studies pertaining to the topic;
• Clearly define and formulate the research problem, research question, research objective and related investigative questions to be answered in an attempt to resolve the problem at hand;
• Select an appropriate research design and data collection methodology to add value to your investigation;
• Formulate and submit a completed research proposal;
• Collect, analyse and interpret the research data collected;
• Make relevant and executable recommendations, upon drawing conclusions from the data collected, on how the research problem in question can be solved; and
• Write, proofread and submit the research report (dissertation).

3.2.1 A qualitative approach

Baxter and Babbie (2003:326) stated that interviews as a form of qualitative method can be “especially appropriate when the researcher wants to understand in a richly detailed manner what the interviewee thinks and feels about some phenomenon”. Questions asked during the interview are prepared prior to the interview, bringing forth a method of direct data collection. According to Lindlof and Taylor (2002:18), “Fundamentally, qualitative researchers seek to preserve and analyse the situated form, content, and experience of social action rather than subject it to mathematical or other formal transformations”. The norm of qualitative research focuses on the principle of understanding the true nature and perspectives of human beings with regard to certain experiences and disclosing their true reflections pertaining to those experiences. Qualitative researchers rely on the in-depth responses to research questions, pertaining to how the participants understood and experienced the situation addressed (Jackson, Drummond & Camara, 2007:22-23). As the municipal amalgamation investigated in this research was structured by people, affecting both communities and employees, the best manner in which the researcher can analyse the perceptions and true feelings of the participants is through questionnaires presented to participants in the form of a brief interview, projecting the focus on people, structures and processes. It is through this research approach that the researcher will truly understand and be able to analyse the unique experiences, feelings and perceptions that have a direct influence on their daily lives (Jackson, Drummond & Camara, 2007). Qualitative research is effective in obtaining culture-specific information pertaining to the values, opinions,
behaviours, and social contexts of specific populations, as it seeks to understand a given research problem or topic from the perspectives of the local population it involves.

3.2.2 The interpretive approach

The researcher has clear access to the organisation forming part of the employees of the newly amalgamated municipal entity, and as a staff member can provide inside knowledge and access to both organisations. The nature of the research questions and the access to participants require an interpretive approach, which utilises a quantitative research method in order to analyse and interpret the data collected hereafter. According to Geertz (1973), one of the primary goals of the interpretive approach would be to understand human culture and the diversity thereof. Schutz (1973) stated that people have the unique ability to create their own perspectives of the different situations that they are faced with in the world around them, and thereafter determining their own behaviour towards the world. Baxter and Babbie (2003:326) describe interpretive research as “to weave together native and researcher subjectivities in an attempt to understand the life experience as a native”. The aim of the interpretivism approach is to discover how the participants understand their own lives, as well as the situations that have a direct influence on their lives. The role of the researcher is to relate to these experiences, to analyse the feelings of the participants and to carefully interpret them accordingly, so that the valuable opinions of the participants can be understood and clearly articulated, and therefore the interpretation of the researcher should not be removed from the research process. The whole purpose of this study is to understand how the amalgamation of the Ventersdorp and Tlokwes municipalities affected the various stakeholders of the newly consolidated municipal entity.

The role of the researcher was to differentiate between the organisational needs of employees and the household needs of communities surrounding the new municipal entity. After collecting the data, the researcher carefully analysed the data, and articulated the true feelings of the various stakeholders. The researcher made valuable and change-worthy recommendations as to how exactly the situation of the organisation could be mended, and the feelings and perceptions of stakeholders could be addressed, as well as improving the quality of services delivered to the surrounding communities through the implementation of necessary change management principles.

3.3 THE RESEARCH DESIGN
This study was projected towards a specific outcome; therefore, applied research may serve as a research type, as the above has been designed for the purpose of applying the findings of the research to solving a specific research problem currently in existence. Applied research involves the application of existing knowledge in an effort to improve current management practices and policies. The above research study takes place in a social world, involving the systems in which populations operate, which, in turn, explains why individuals do what they do, based on their unique experiences and their individual interpretations thereof, implying the existence of an interpretative paradigm.

Research design methods of field research, case study and historical research are limited to an approach towards qualitative and quantitative research. Qualitative research can be defined as the non-numerical examination and interpretation of observations and experiences for the purpose of discovering underlying meaning and value patterns of relationships. According to De Vos (2004:240), qualitative research can be defined as a multi-perspective approach that makes sense of interpreting or reconstructing the various interactions of differentiated meanings, opinions and the influences thereof, analysing and understanding the underlying actions of individuals in an effort to make sense of their current circumstances through the interpretation of their experiences.

Babbie (2001:98) defined quantitative research as the numerical representation and manipulation of observations and experiences for the main purpose of elaborating the phenomena that reflect the observations investigated.

Wellman et al. (2005) describe a cross-sectional design to be one that investigates different criterion groups, as they comprise different age groups to be measured in terms of sometimes more than one variable at the same time. In some instances, the participants can differentiate with regard to variables other than age (Wellman et al., 2005:95). Therefore, the qualitative approach will be supported by a cross-sectional design.

### 3.3.1 Sampling method

Watkins et al. (2012:74) defined the sampling method as follows:

*Sampling is a shortcut method for investigating a whole population, data is gathered on a small part of the whole parent population or sampling frame, and used to inform what the whole picture is like. In reality there is simply not enough time, energy, money, labour/man*
power, equipment, access to suitable sites to measure every single item or site within the parent population or whole sampling frame. Therefore an appropriate sampling strategy is adopted to obtain a representative and statistically valid sample of the whole.

The sampling strategy used for the purpose of this research would be probability sampling or representative sampling, which is most common with regard to a survey-based study in which one will conduct a questionnaire that will be distributed among the individuals within the targeted groups in order to answer your research question (Wellman et al., 2005:55-57). Through probability sampling, the researcher selected the simple-random sampling method to identify and select those individuals who would form part of the focus groups for this survey study (Wellman et al., 2005:59). The research also had applied research characteristics, whereby it is designed to apply its findings to solving a specific, existing problem at the time. Applied research involves the application of existing knowledge to improve management practices and policies (Watkins, 2012:5). It identified and obtained information about the characteristics of ward-based planning and indicated the link to the methodology of quality service delivery as it was applied to Tlokwe City Council.

Relating to the research problem, the researcher investigated a specific population at the JB Marks Local Municipality. The various units of analysis from which conclusions were drawn after investigation were as follows: For the purpose of this study, reference was made to the population as the various stakeholders affected by the process of amalgamation of the above-mentioned municipal entities and the state of service delivery rendered by the new entity, thereby also including the entire communities of Potchefstroom and Ventersdorp.

The units of analysis consisted of one organisation, two focus groups (the employees of the JB Marks Local Municipality and the community members of the combined designated area). Self-administered questionnaires were distributed among the focus groups in the order 100/50 (100 employees and 50 community members). Furthermore, the financial statements through audit reports over a two-year cycle, the internal systems and the new financial system all formed part of the units of analysis that was investigated and evaluated. As information needed to be more detailed, collecting data from an entire population was economically unrealistic and time consuming, and therefore relevant samples had to be drawn that needed to be representative in nature in order to draw the
correct conclusions (Wellman et al., 2005:52). From the population, a sample of 150 respondents was drawn. The relevant target groups were as follows: Through probability sampling, the researcher identified fifty (50) community representatives, which includes both councillors and ward committee members within the current population to form part of the research by answering a well-structured survey questionnaire, from which the needed information was collected upon making conclusions. Another target group was selected from employees of the institution under discussion. The researcher selected one hundred (100) employees from the consolidated entity to form part of the research study. It was more efficient and effective to distribute questionnaires personally to line managers and senior managers within the institution in an interview format whereby the questions were presented to them per section, as they were more at ease when approached on a personal level rather than reflecting their true aspirations and values of this institution on a piece of paper. The data collection methodology used to collect data for this study consists of questionnaire distribution, through the use of open-ended questions presented to the relevant participants selected, in an effort to address the subject matter.

3.3.2 Reliability and validity

According to Watkins (2012:74), validity can be defined as the extent to which the findings within a research study accurately represent what is currently happening in the society, validating whether the picture created by the data collected throughout the research study actually reflects the true nature of the study (Collis & Hussey, 2009). Watkins (2012:74) explained the three major forms of validity as: “content validity, criterion-related validity, and construct validity”. The data validity through this research study is represented by content validity, as the content of the measuring instrument represents the extent to which adequate coverage of the investigative questions that guide the study is provided. The content validity is regarded as ‘good’ when the instrument used contains a representative sample of the population that relates to the subject of interest being researched (Cooper & Schindler, 2006).

The reliability of the data obtained through the questionnaire distribution was assessed by the usage of Cronbach’s alpha coefficients. According to Watkins (2012:76), this technique provides a reliability testing that requires a single test administration to be obtained in an event to provide a unique estimate for the reliability of a given test. Cronbach’s alpha
provides an average value for the reliability coefficients that one would have obtained for all probabilities. The reliability of the Cronbach’s alpha coefficient generally ranges between 0 and 1, where there exists no lower limit of the coefficient. Therefore, the internal consistencies of the items in the scale are determined by how close the Cronbach’s alpha coefficient is to 1.0.

After conducting the survey, the researcher then analysed the data obtained and compared the findings of the pre-tested instrument, used through the pilot-testing of the questionnaires and the actual study results obtained from the sampled participants, under the same conditions in an effort to determine the authenticity and credibility of the said instruments used throughout the study. The feedback received from respondents addressed the concept of the problem statement, ensuring the achievement of a positive outcome for this research study.

According to Watkins (2012:75), the “reliability, or trustworthiness, is concerned with the findings of the research. The findings can be said to be reliable if the researcher or anyone else repeated the research and obtained the same results”.

3.3.3 Data analysis methods

The data obtained through the questionnaires was analysed in a phenomenological manner. Watkins (2012:9) defined phenomenology as “a theoretical point of view that advocates the study of direct experience taken at face value, and one which sees behaviour as determined by the phenomena of experience, rather than by external, objective and physically described reality” (Remenyi et al., 2009). According to Leedy and Ormrod (2010), it is through a phenomenological study that the perceptions, perspectives, and understandings of individuals pertaining to a specific situation will be related (Watkins, 2012:9). The data analysis will be conducted through the utilisation of the following methods:

- **Part A:** Analysis of the biographic data obtained through the research sample; and
- **Part B:** The analysis of the survey questionnaire and interview items through the use of frequency analysis, means, standard deviation, Cronbach’s alpha, and correlation between the subscales within the structured questionnaires.
3.4 THE DATA COLLECTION DESIGN

The methods of data collection utilised by the researcher were adopted in the form of well-structured questions designed in order to collect information from both the administrative and political leadership within the JB Marks Local Municipality. The data was collected from participants by means of a questionnaire. The questionnaires were used to obtain the opinions of councillors, senior managers, middle managers and ward committee members in order to justify what should have been done. Establishing what was happening within the service delivery system of the new municipal entity post-amalgamation, and getting their opinions on how to address the way forward, in relation to leadership and governance, in an effort to enhance the sustainability of services rendered by the local sphere of government was addressed in this study. As the identified leaders and managers from various sections within the municipality were asked to complete these questionnaires and partake in the interviews, their individual responses were noted; therefore, the information provided will be regarded as more or less a true reflection of what is taking place within the systems and operations of the JB Marks Local Municipality.

3.4.1 Questionnaire design

Watkins (2012:74) defined a questionnaire design as “a survey is the collection of a large quantity of evidence, usually numeric, or evidence that will be converted to numbers, normally by means of a questionnaire” (Remenyi et al., 2009). He further explained that questionnaires fall within the very same domain upon addressing the broader definition of a research inclusive of a survey study. Researchers regard questionnaires as a list of carefully structured questions, tested and distributed among reciprocates through whom reliable responses from the sample chosen will be obtained for evaluation and conclusions drawn.

The aim of any questionnaire is therefore to establish and transpire the true nature of the feelings, attitudes, perspectives and behaviours of a selected group of participants pertaining to the relevant subject matter in question. In the case of a quantitative approach, structured (closed) questions are presented to participants, while a qualitative approach always suggests unstructured (open-ended) questions to participants. The body
of individuals who were selected to partake in the qualitative approach for this research consists of both political and administrative leaders within the said municipality, representing the units of analysis for this research study.

3.5 RESEARCH ETHICS

Saunders et al. (2000:130) defined ethics in research as the appropriateness of behaviour pertaining to the rights of those individuals who become the subject of the said research work, as well as those individuals affected by it. Within every investigation, it is the responsibility of the researcher to protect the participants and to ensure that no constitutional right of such participant was violated (Watkins, 2012:77). Leedy and Ormrod (2010) explained the ethical issues in relation to research studies as: Protection from harm, informed consent, the right to privacy as well as honesty with professional colleagues, voluntary participation, anonymity, and confidentiality (Watkins, 2012:77). For the purpose of this research study, the following ethical research considerations apply:

- **Informed consent:** All participants selected for the research will be offered a choice of whether or not to partake, after informing them beforehand with regard to the nature of the study and the expectations of each participant.

- **Right to privacy:** The highest confidence will be displayed with regard to the nature and the quality of each participant’s performance, as the information obtained will only be used for the purpose of this research study, and personal details of participants will not be disclosed.

- **Honesty with professional colleagues:** All research findings obtained through the duration of the study will be reported correctly and with the utmost honesty, without any misrepresentation or intentional misleading of any nature with regard to the nature of the research.

- **Anonymity and confidentiality:** All personal information pertaining to the identity of the participants will be kept strictly confidential and will not in any circumstances be disclosed, regardless of the reason. This will bring forth more open and honest responses from participants.

3.6 RESEARCH ASSUMPTIONS
Watkins et al. (2012:80) defined research assumptions as follows:

An assumption represents a condition that is taken for granted, without which the research study would be pointless. The requirement to state assumptions on which the research is undertaken is based on the fact that it is essential that others know what one assumes with respect to a research study. It is then essential that the examiner (and other readers of the research study) know what is being assumed with respect to the anticipated research study, as this knowledge is fundamental to the proposed research as a whole.

The following research assumptions pertaining to the research study in question are made:

- All sampled respondents will understand the questions and statements of both the questionnaires and interviews in relation to the amalgamation, structures, governance and current leadership of the new entity in comparison to the previous status of the individual municipal entities;
- Most of the respondents selected have acquired a substantial amount of continuous service over the years (more than three years), which enable them to speak openly and truthfully and in confidence with regard to the true nature of the current organisational status;
- All the respondents will be able to answer all the questions represented in an open and honest manner; and
- The information obtained from individual respondents within the organisation will display the status of the amalgamated municipal entity in terms of sustainability and the efficiency of adherence to service delivery standards.

3.7 SUMMARY

Chapter 3 has outlined the research methodology and data collection design used to obtain the data from participants, the sampling method, aspects of reliability and validity, research ethics, and the research assumptions pertaining to the research study. The methodology used will result in raw data collected that would be analysed and interpreted in the next chapter.
CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

The purpose of any academic research study is projected towards generating new knowledge by comparing existing academic literature and current occurrences or experiences within a specific field of study. It is therefore the purpose of this empirical investigative study to develop constructive recommendations for the aspects pertaining to current leadership and governance, as well as future projections with regard to good service delivery and maintaining of such that should be addressed within the JB Marks Municipality to mitigate the fast tracking of public participation and service delivery towards its communities. Throughout the preceding chapters, the theoretical framework and rationale for integrated strategic planning within South African local government were provided.

The aim of this chapter was the presentation, analysis and interpretation of the data collected from the respondents collectively. This means that the results obtained from the respondents from the self-administered questionnaires that were used as the data collection instrument as part of the empirical research study are now reported and interpreted. The aim of this empirical investigation is vested in the various problems and shortcomings, previously identified within the research problem, and to verify whether these problems are in actual fact present within this particular local sphere of government, and therefore to decide on the way forward.

4.2 RESULTS FROM THE QUESTIONNAIRES

As previously indicated, the empirical research of this study was conducted through two self-administered questionnaires, one specifically designed and distributed among employees of the municipal entity only, and the second one specifically designed for members of the community, not working within Council, and distributed as such. The feedback received from the participants is presented in this section.
The data collected and analysed by the researcher was based on a sample of 100 respondents, and consisted of 40 community members, and 60 employees from the JB Marks Local Municipality. The sample resulted from the convenience sampling method. From the original sample of 100 community members and 100 employees selected for the quantitative study, only 40 were returned by community members and only 60 were returned by employees.

The data analysis was conducted into two parts, in accordance with the structure of the questionnaire, namely:

- Section A: The results of the frequency analysis of the biographic data of the research sample indicated above; and
- Section B: The results of the survey questionnaire items using frequency analysis and means as descriptive statistics, as well as independent t-tests for the four subscales.

4.2.1 Analysis of the biographic data (Section A)

In this research study, the researcher chose to capture information based on two different sets of questionnaires, one specifically designed for the employees of the JB Marks Municipality, and one specifically designed for the community of the organisation in question. The biographic data collected from the employees consisted of questions based on the aspects of gender, age, nationality, home language, highest level of education, as well as level of employment, and was department based. In total, the municipal workers had seven questions to answer under this section.

The biographic data collected from community members included questions structured to indicate their respective gender to their settlement type and the number of household members not working in that specific household, as this will have a direct effect on their individual perceptions towards the value of service received from the amalgamated municipal entity in question. In total, the community had nine questions to answer under this section.

The diversity provided by the two groups was needed in an attempt to limit bias, i.e. to not reflect a biased view with regard to the perceptions of participants in relation to municipal
service rendering. This section provides the reader with an overview of the respondents’ biographical information. This is important for the reader to understand the background as it may affect the perceptions and experiences of the respondents. The information of the two groups (employees and community members) is reported simultaneously for all corresponding questions that were included in both the questionnaires presented to participants.

4.2.1.1 Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Male</td>
<td>48</td>
<td>48.0</td>
<td>48.0</td>
</tr>
<tr>
<td>2: Female</td>
<td>52</td>
<td>52.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.1 reflects the gender splits within the sample

All sampled participants had indicated their gender. Slightly more than half of the respondents (52%) are females and men constitute the remaining 48%.

4.2.1.2 Nationality

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: South African</td>
<td>98</td>
<td>98.0</td>
<td>98.0</td>
</tr>
<tr>
<td>2: Other</td>
<td>2</td>
<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2 reflects the nationality splits within the sample

All sampled individuals participated in this exercise. Of all participants, only two were from foreign countries, resulting in 98% being South African citizens. The 2% originating from foreign countries are not employed by council, but formed part of the community, as they reside in Potchefstroom, and are equally entitled to the basic services essential to all community members rendered by the JB Marks Local Municipality.
4.2.1.3 Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Mayor’s office</td>
<td>5</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>2: Municipal manager</td>
<td>2</td>
<td>3.3</td>
<td>11.7</td>
</tr>
<tr>
<td>3: Finance</td>
<td>16</td>
<td>26.7</td>
<td>38.3</td>
</tr>
<tr>
<td>4: Housing</td>
<td>6</td>
<td>10.0</td>
<td>48.3</td>
</tr>
<tr>
<td>5: Infrastructure</td>
<td>9</td>
<td>15.0</td>
<td>63.3</td>
</tr>
<tr>
<td>6: Sports, arts &amp; culture</td>
<td>8</td>
<td>13.3</td>
<td>76.7</td>
</tr>
<tr>
<td>7: Human resources</td>
<td>2</td>
<td>3.3</td>
<td>80.0</td>
</tr>
<tr>
<td>8: LED</td>
<td>5</td>
<td>8.3</td>
<td>88.3</td>
</tr>
<tr>
<td>9: Other</td>
<td>7</td>
<td>11.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3 reflects the departmental splits within the sample

This question was only posed to the employees of council (60 participants), as it was not included in the community questionnaire. As indicated by Table 4.3 above, the highest percentage was employed within the finance section (26.7%), forming part of the operational staff, while the lowest percentage was employed within either the office of the municipal manager (3.3%), and the human resources section (3.3%), forming part of the strategic planning and management sections within Council.

4.2.1.4 Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 21</td>
<td>3</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>21-25</td>
<td>5</td>
<td>5.0</td>
<td>8.0</td>
</tr>
<tr>
<td>26-30</td>
<td>14</td>
<td>14.0</td>
<td>22.0</td>
</tr>
<tr>
<td>31-35</td>
<td>16</td>
<td>16.0</td>
<td>38.0</td>
</tr>
<tr>
<td>36-40</td>
<td>19</td>
<td>19.0</td>
<td>57.0</td>
</tr>
<tr>
<td>41-45</td>
<td>16</td>
<td>16.0</td>
<td>73.0</td>
</tr>
<tr>
<td>46-50</td>
<td>12</td>
<td>12.0</td>
<td>85.0</td>
</tr>
<tr>
<td>51-55</td>
<td>15</td>
<td>15.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4 reflects the age splits within the sample

This question was included in both questionnaires. This section on age distribution within the sample revealed the differentiation of age.
All respondents answered this question. The most dominant age group is 36 to 40 at 19%, with only 3% of respondents being younger than 21. This middle age group is likely to be more stable and reserved, having acquired enough experience to be able to add valuable input pertaining to service delivery and the effects that the amalgamation had on both employees as well as the community of the JB Marks Local Municipality as a whole.

4.2.1.5 Language

<table>
<thead>
<tr>
<th>Language</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: English</td>
<td>5</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>2: Afrikaans</td>
<td>24</td>
<td>24.0</td>
<td>29.0</td>
</tr>
<tr>
<td>3: Setswana</td>
<td>47</td>
<td>47.0</td>
<td>76.0</td>
</tr>
<tr>
<td>4: isiZulu</td>
<td>1</td>
<td>1.0</td>
<td>77.0</td>
</tr>
<tr>
<td>5: Tshivenda</td>
<td>1</td>
<td>1.0</td>
<td>78.0</td>
</tr>
<tr>
<td>6: Xitsonga</td>
<td>1</td>
<td>1.0</td>
<td>79.0</td>
</tr>
<tr>
<td>7: isiXhosa</td>
<td>11</td>
<td>11.0</td>
<td>90.0</td>
</tr>
<tr>
<td>9: Siswati</td>
<td>7</td>
<td>7.0</td>
<td>97.0</td>
</tr>
<tr>
<td>10: Sesotho</td>
<td>1</td>
<td>1.0</td>
<td>98.0</td>
</tr>
<tr>
<td>11: Northern Sotho</td>
<td>2</td>
<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5 reflects the different language splits within the sample.

The researcher gathered the above information as it seems to be an important indicator of the cultural differences between the employees and community members of council. The majority of respondents were Setswana speaking (47%), followed by Afrikaans- (24%) and isiXhosa-speaking (11%) respondents. Only 5% of the sampled individuals’ home language is English.

4.2.1.6 Level of education

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Less than Grade 12</td>
<td>12</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>2: Grade 12/ matric</td>
<td>31</td>
<td>31.0</td>
<td>43.0</td>
</tr>
<tr>
<td>3: Certificate</td>
<td>15</td>
<td>15.0</td>
<td>58.0</td>
</tr>
<tr>
<td>4: Diploma</td>
<td>16</td>
<td>16.0</td>
<td>74.0</td>
</tr>
<tr>
<td>5: Bachelor's degree</td>
<td>19</td>
<td>19.0</td>
<td>93.0</td>
</tr>
<tr>
<td>6: Honour's degree</td>
<td>4</td>
<td>4.0</td>
<td>97.0</td>
</tr>
</tbody>
</table>
Table 4.6 reflects the different levels of education within the sample.

As we view the results gathered from the sampled participants, it reflects that the highest qualification obtained by 19% of respondents was a Bachelor’s degree (NQF level 7), whereby 31% have acquired grade 12 / matric, and 12% have not. Only 3% have obtained a post-graduate degree (NQF 8/9) within their respective fields of specialisation. The educational background of an employee has a direct effect on the execution of his/her duties relating to the profound knowledge that forms the basis of decision-making as well as perceptions of organisational change and commitment.

Table 4.6 indicates that 57% (calculating all individuals who acquired tertiary education) of the respondents are qualified in one way or the other, being professionals in their own respective fields of study. This is vital for participants to understand the purpose and implication of the study, knowing that they had a clear picture of what was expected from them; having a clear understanding of the subject matter under consideration within the particular study.

4.2.1.8 Level of employment

Table 4.7 reflects the different levels of employment within the sample.

Table 4.7 above reveals that the highest percentage of respondents are employed at operational level (48%), a further 21% constitute supervisory and junior management
positions, and only 10% constitute higher positions, i.e. top-level managers to directors within their respective departments. The remaining 21% constitute either councillors or interns within the organisation.

The results obtained indicate a relatively fair distribution of participants from various departments and employment levels all forming part of the study. The senior staff who form part of the strategic planning and decision-making are responsible for communicating the organisational plans across different sections and to offer valuable information and guidance to all operational staff, ensuring optimal implementation and execution of set goals.

4.2.1.9 Community settlement type

<table>
<thead>
<tr>
<th>Settlement type</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Formal</td>
<td>34</td>
<td>85.0</td>
<td>85.0</td>
</tr>
<tr>
<td>2: Informal</td>
<td>6</td>
<td>15.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.8 reflects the different settlement types within the sample

The above question was exclusively included in the questionnaire distributed to community participants. The relevance of this question was to provide insight into the extent of the need for essential services rendered by the municipal council. As indicated by Table 4.8 above, 85% of participants form part of formal settlements, and only 15% of community members within the sample live in an informal settlement, which relies mostly on the local sphere of government closest to them for essential services to be rendered unto them on a daily basis.

4.2.1.10 Household size

<table>
<thead>
<tr>
<th>Members</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>14</td>
<td>35</td>
<td>35.0</td>
</tr>
<tr>
<td>4-6</td>
<td>18</td>
<td>45</td>
<td>80.0</td>
</tr>
<tr>
<td>More than 6</td>
<td>8</td>
<td>20</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.9 reflects the number of household members per settlement type
As revealed by the results from question 9 section A of the community questionnaire, from the 40 respondents, 45% lived in a home with four to six household members, and 35% lived in a home with one to three household members. Only 20% of the households had more than six members. From the 40 respondents, 77.5% lived in a home with one to three household members not working, and 22.5% lived in a home with four to six household members not working.

This is relevant in indicating that almost all community participants have some of their household members unemployed, some who might be relying on government pensions to maintain their physical needs, which forms part of the indigent community, expecting essential services to be rendered from local government on which they rely on a daily basis, to whom poor service delivery is intolerable.

4.2.2 Analysis of survey questionnaire (Section B)

This section of the questionnaire deals with questions relating to the level of service delivery within a complex organisation, and how the amalgamation of the Ventersdorp and Tlokwe municipalities affected the status quo of the newly consolidated JB Marks Local Municipality in terms of policy management, good governance and public participation. Within this section, the true perceptions and experiences of the participants are being measured and concluded as the perceptions of the community vs the perceptions of the employees, determining whether local government in general is a complex organisation.

Section B of the questionnaire was therefore divided into four categories and consisted of 37 statements for the municipal employees and 31 statements for the community members, overall forming part of the study, to which respondents had to indicate the extent of their agreement, by marking the corresponding block with an X. The five-point Likert scale was used for all categories, under Section B of the questionnaire, and participants were requested to choose between the following options: strongly agree (5), agree (4), undecided (3), disagree (2), and strongly disagree (1). Derived from the rating of the specific statements, a high score denotes a more positive answer (agreement), while a lower score pointed more towards negative perceptions (disagreement). The data analysis and interpretation that follow are arranged into four sections, aligned to the sub-
investigative questions that have to be answered, also aligned to the research questionnaire. The four areas to be covered are:

- Category A: Municipal amalgamation;
- Category B: Public participation;
- Category C: Legislative mandate; and
- Category D: Service delivery.

4.2.2.1 Municipal amalgamation

The purpose of the questions in this section was to determine the participants' overall perceptions and experiences pertaining to the municipal amalgamation of the newly consolidated JB Marks Municipality, and whether or not this local sphere of government is a complex organisation. The results obtained are subsequently discussed below. This section contains 10 questions asked, pertaining to the subject matter, whereby only four questions were repeated within the community questionnaire (questions 1 and 8 to 10).

<table>
<thead>
<tr>
<th>1. MUNICIPAL AMALGAMATION</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 The amalgamation will provide us with better job opportunities.</td>
<td>26.0</td>
<td>30.0</td>
<td>13.0</td>
<td>23.0</td>
<td>8.0</td>
<td>2.57</td>
<td>1.312</td>
</tr>
<tr>
<td>*1.2 My position fits perfectly within my unit’s organogram.</td>
<td>16.7</td>
<td>16.7</td>
<td>18.3</td>
<td>43.3</td>
<td>5.0</td>
<td>3.03</td>
<td>1.221</td>
</tr>
<tr>
<td>*1.3 I am fully conversant with my placement.</td>
<td>23.3</td>
<td>18.3</td>
<td>21.7</td>
<td>33.3</td>
<td>3.3</td>
<td>2.75</td>
<td>1.244</td>
</tr>
<tr>
<td>*1.4 My position will not be compromised by the amalgamation.</td>
<td>13.3</td>
<td>11.7</td>
<td>35.0</td>
<td>28.3</td>
<td>11.7</td>
<td>3.13</td>
<td>1.186</td>
</tr>
<tr>
<td>*1.5 My competencies will strongly influence my placement with regard to employment equity.</td>
<td>15.0</td>
<td>13.3</td>
<td>23.3</td>
<td>38.3</td>
<td>10.0</td>
<td>3.15</td>
<td>1.233</td>
</tr>
<tr>
<td>*1.6 I can cope with all the changes (resulting from the amalgamation) that directly affect my work.</td>
<td>18.3</td>
<td>21.7</td>
<td>11.7</td>
<td>36.7</td>
<td>11.7</td>
<td>3.02</td>
<td>1.347</td>
</tr>
<tr>
<td>*1.7 Employees need no change intervention to help them cope with the process of amalgamation.</td>
<td>23.3</td>
<td>16.7</td>
<td>20.0</td>
<td>26.7</td>
<td>13.3</td>
<td>2.90</td>
<td>1.386</td>
</tr>
<tr>
<td>1.8 The amalgamation will result in job losses.</td>
<td>21.0</td>
<td>24.0</td>
<td>27.0</td>
<td>17.0</td>
<td>11.0</td>
<td>2.73</td>
<td>1.278</td>
</tr>
<tr>
<td>1.9 There are benefits for us resulting from the</td>
<td>27.0</td>
<td>21.0</td>
<td>24.0</td>
<td>22.0</td>
<td>6.0</td>
<td>2.59</td>
<td>1.264</td>
</tr>
</tbody>
</table>
1.10 If an opportunity arises to undo the amalgamation, I will vote against it.

Table 4.10: Municipal amalgamation: questionnaire analysis

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>“The amalgamation will provide us with better job opportunities.”</td>
<td>43.0</td>
<td>18.0</td>
<td>13.0</td>
<td>13.0</td>
<td>2.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.466</td>
</tr>
</tbody>
</table>

(i) The amalgamation will provide us with better job opportunities.

This statement was based on question one of category A, in section B of the questionnaire. In respect of the above statement, the main aim was to establish from participants who is employed within the municipality and whether the amalgamation of the municipality would yield any positive result. This question was a good starting point that lay a good foundation for the total research. This statement would establish whether both employees and community members have a total understanding of municipal amalgamations, as well as the consequences thereof for all stakeholders. Pertaining to this statement, 100 respondents participated and the results are captured in the diagram below.

![Diagram showing the results of the statement](image)

The results above indicate that the majority of respondents (56%) disagree with the statement that the municipal amalgamation between the defiant municipality – Tlokwe and Ventersdorp – will bring about any hope for new job opportunities. These results could be influenced by various factors, such as the actual size of the merged municipality would in fact remain the same.
(ii) My position fits perfectly within my unit’s organogram

This statement was based on question two of category A, in section B of the questionnaire. The purpose of the statement was intended to establish individual opinion in relation to the specific outcomes pertaining to their placement. This question is important in that it attempts to solicit views and opinions of placed individuals within the new organisational structure. In this regard, 60 participants responded to the questionnaire as follows:

![Figure 4.2: My position fits perfectly within my unit’s organogram](image)

The above results indicate that the respondents are in total agreement (62%) with the statement, which suggests that the placement process was accepted by employees. The response from this statement is in contrast with the response obtained from statement three, indicating that 42% of the employees are not conversant with their respective placements.

The response from statement three clearly indicates the dissatisfaction among employees with the placement process, and introduced various emotional challenges, which may be the main cause of workplace stress, burnout and a high turnover intent among the employees of council. Again, it is within statement four that 40% of employees believed that though they are unhappy with the process, and they still believed that their positions will not be compromised through the placement process, being fully aligned with statement two.
(iii) My competencies will strongly influence my placement with regard to employment equity

This statement was based on question five of category A, in section B of the questionnaire. The aim of this statement was to test the opinions of the employees against one another, including those individuals who benefited and those who did not, from the placement process, in relation to what they perceive as being fair in terms of employment equity regulations and how organisational change affects them individually.

The results above indicate that 48% agreed with the statement, and believed that they were not negatively affected by the placement process, and are of the opinion that they were placed in accordance with their relevant work experiences and competencies pertaining to the execution of their daily tasks within the organisation.

The above statement can be aligned with the results obtained from statement six, being that the employees can cope with all the changes resulting from the amalgamation that directly affects their work, as 48% agreed with the statement.

Furthermore, based on individual opinion, the results from statement seven, being that employees are in no need for any change intervention to help them cope with the process of amalgamation, opinions were divided, as 40% agreed with the statement, another 40% disagreed and the remaining 20% were undecided. This might be due to one of two reasons: either they did not understand the question correctly, or they feel that their
opinions would not bring about any change to mend the current situation, and therefore they need not bother.

(iv) There are benefits for us resulting from the amalgamation

This statement was based on question nine of category A, in section B of the questionnaire. The purpose of this statement was to establish, according to the opinions of both employees and community members, whether or not the shortcomings that existed within the two separate local spheres of government would now be addressed effectively as a combined unit that would be beneficial for all stakeholders of the consolidated municipal entity.

Bearing in mind the current status quo of the municipality, emanating from the respondents choice of perceptions, valuable recommendations would be made in an effort to rectify the current situation.

Figure 4.4: There exist benefits for us resulting from the amalgamation

From the above results, it is evident that the majority of participants (48%) disagreed with the statement. The results imply that all participants, irrespective of their tenure of work or background, bearing in mind the current legislation pertaining to municipal amalgamations regulating the process of consolidation of the two municipal entities, did not bear fruit at all, as up until the present, no stakeholders benefited from the process.
(v) If an opportunity arises to undo the amalgamation, I will vote against it

This statement was based on question ten of category A, in section B of the questionnaire. The purpose of this question and the choice of participants included in the sample were to determine, based on the perceptions of the participants, whether or not the requirements and expectations of what exactly the amalgamation would bring forth were met, bearing in mind the multitude of promises made by the local government unto the various stakeholders in an effort to bring about support in favour of the notion, for the process of amalgamation to be executed.

The above results revealed that 61% of the respondents disagreed with the statement, indicating that they would, in actual fact vote, in favour of the motion to undo the municipal amalgamation of the JB Marks Municipality, if ever the possibility would arise. This is a clear indication that both community members and employees of the JB Marks Municipality are dissatisfied with the whole process of amalgamation. This might be a result of poor municipal services rendered and unresolved issues with regard to labour relations matters on the side of employees.

As indicated by the mean of 2.35 (SD = 1.466), the respondents disagreed with the last statement: “If an opportunity arises to undo the amalgamation, I will vote against it”. The respondents tended to be undecided in terms of the other statements in this section.
4.2.2.2 Public participation

The purpose of the questions within this section was to determine the participants' overall perceptions and experiences pertaining to public participation, ward committees and ward councillors' involvement in communicating valuable information to community members, and the inclusion of matters important to the community within the five-year IDP document of the municipality. The JB Marks Municipality's adherence to the communities' needs for basic infrastructure upgrades, and how much they value the actual needs of the community they aim to serve, is being measured within this section, in accordance with the overall perceived value participants received. Although all questions are important, not all will be discussed below.

<table>
<thead>
<tr>
<th>2. PUBLIC PARTICIPATION</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Council's meetings are open to the public.</td>
<td>8.0</td>
<td>10.0</td>
<td>28.0</td>
<td>39.0</td>
<td>15.0</td>
<td>3.43</td>
<td>1.112</td>
</tr>
<tr>
<td>2.2 Council's meetings lead to effective decision-making.</td>
<td>13.0</td>
<td>19.0</td>
<td>36.0</td>
<td>24.0</td>
<td>8.0</td>
<td>2.95</td>
<td>1.132</td>
</tr>
<tr>
<td>2.3 The Council provides regular reports to the community (on critical matters affecting the community).</td>
<td>15.0</td>
<td>21.0</td>
<td>40.0</td>
<td>18.0</td>
<td>6.0</td>
<td>2.79</td>
<td>1.094</td>
</tr>
<tr>
<td>2.4 The Council solves community problems in appropriate leadership forums.</td>
<td>18.0</td>
<td>25.0</td>
<td>30.0</td>
<td>20.0</td>
<td>7.0</td>
<td>2.73</td>
<td>1.179</td>
</tr>
<tr>
<td>2.5 The performance of councillors and senior managers is regularly appraised.</td>
<td>13.0</td>
<td>15.0</td>
<td>41.0</td>
<td>20.0</td>
<td>11.0</td>
<td>3.01</td>
<td>1.150</td>
</tr>
<tr>
<td>2.6 The public is allowed to give valuable input pertaining to the structuring of the municipal budget.</td>
<td>16.0</td>
<td>33.0</td>
<td>24.0</td>
<td>19.0</td>
<td>8.0</td>
<td>2.70</td>
<td>1.185</td>
</tr>
<tr>
<td>2.7 The public is allowed to give valuable input regarding how municipal fees are spent.</td>
<td>23.0</td>
<td>26.0</td>
<td>26.0</td>
<td>21.0</td>
<td>4.0</td>
<td>2.57</td>
<td>1.174</td>
</tr>
<tr>
<td>2.8 The communities of Potchefstroom and Ventersdorp were well informed about the process of the amalgamation.</td>
<td>21.0</td>
<td>30.0</td>
<td>20.0</td>
<td>23.0</td>
<td>6.0</td>
<td>2.63</td>
<td>1.220</td>
</tr>
<tr>
<td>2.9 Changes pertaining to the amalgamation of the two communities were publicly communicated.</td>
<td>21.0</td>
<td>31.0</td>
<td>20.0</td>
<td>21.0</td>
<td>7.0</td>
<td>2.62</td>
<td>1.229</td>
</tr>
</tbody>
</table>

Table 4.11: Public participation: questionnaire analysis
(i): The Council provides regular reports to the community (on critical matters affecting the community)

This statement was based on question three of category B, in section B of the questionnaire. Firstly, with this statement, the researcher wanted to establish the extent to which the respondents ascertained themselves with the terminology, within the subject matter, together with the right they as a community have to be informed about decisions pertaining to public services directly affecting them. The responsibility to keep community members informed is vested within council, and being executed through ward councillors and ward committees. The question of how effective this process is is yet to be debated. Secondly, the right that the communities have to form part of public decision-making, to partake in processes, and to make valuable inputs is regulated by law and should be administrated by the local government sphere closest to them.

Concluded from the results obtained above it is evident that, although 40% were undecided, another 36% disagreed, meaning that although council meetings are open to the public (statement one), agreed by 54% of the respondents, it is ineffective in terms of public participation. The public does either not retain the opportunity to partake in the council meetings, or is not given an opportunity to partake in an event to make valuable inputs regarding matters that are, to them, close to the heart.

Statement two, whether or not council’s meetings lead to effective decision-making, was overall undecided by 36% of the respondents, as the remaining 64% were divided by
opinions, as 32% agreed with the statement and another 32% disagreed. That leads to the conclusion that the uncertainty pertaining to public decision-making exists among not only community members, but also among the employees of Council. This means that, from employees it is expected to implement plans made, which they did not form part of, which they were never granted an opportunity to give input to, and they are now expected to execute decisions that they were never informed of beforehand.

(ii): The Council solves community problems in appropriate leadership forums

This statement was based on question four of category B, in section B of the questionnaire. As previously discussed, it is the responsibility of Council to ensure that decisions are made inclusive of public opinion. Ward councillors should therefore liaise with the community members and receive public complaints or advice from the ward community members appointed within the different wards. It is then upon the ward committee meetings where the public issues are being discussed, articulated and communicated to the municipality. These issues should then be addressed by the municipality based on importance and relevance. Taking into account that all public complaints are important, some are more crucial than others and need to be addressed immediately. It is therefore within the function of Council to prioritise these issues and include the most important in the manner of time consumption, within the municipality’s IDP document for the projected five-year implementation planning.

![Figure 4.7: The Council solves community problems in appropriate leadership forums](image)
The above results obtained from the respondents clearly indicate a confident disagreement (43% of respondents disagreed) with the statement that the municipality solves the problems the community are faced with within appropriate leadership forums. It is within statement five that the majority of respondents (41%) were of no opinion, and within statement six that the majority of respondents disagreed (49%) that the municipal budget is structured inclusive of public participation. Therefore, if we combine the results from above statements discussed, it is evident that the JB Marks Municipality does not adhere to legislation pertaining to public participation in terms of budget structuring and the communication thereof to meet the needs of the community as set out within the IDP document.

(iii) The public is allowed to give valuable input regarding how municipal fees are spent

This statement was based on question seven of category B, in section B of the questionnaire. As we have come to the realisation that inadequate information has been communicated poorly, this creates mistrust among communities within local government structures, becoming the greatest evil, and this statement was subjected in essence to the hope that our current leadership will eventually come to understand the power of the collective voice. For decades, the question asked above, has formed part of the list of unanswered questions that forever prohibited good governance and led to administrative oversight problems within local government.
The results above indicate that respondents overall disagreed with the statement, as most of them were of the opinion that the public has little if not no say at all when it comes to local government expenditure, as 49% opposed the statement made. The rest of the respondents were divided, as 26% were undecided and the remaining 24% agreed with the statement. It is therefore debatable whether or not the input of the public is ever even considered upon making budget allocations in accordance with the municipal IDP document.

the above conclusion is confirmed by the outcome of the results of statement six, whereby 49% of respondents disagreed with the statement made, being that the public is allowed to make valuable inputs into the structuring of the municipal budget. This confirms that the public does not have any input pertaining to local government budget structuring and local government expenditure, and the inputs made are not recognised, as the council decides upon the above independently.

(iv): The communities of Potchefstroom and Ventersdorp were well informed about the process of the amalgamation

This statement was based on question eight of category B, in section B of the questionnaire. The aim of the statement was to establish to what extent the local municipalities informed and educated the communities with regard to the merger and the prospects thereof. This acknowledges the fact that poor communication causes the most frustration that institutes rivalry between both community and local governments.
As the results above indicate, 51% of the respondents disagreed with the statement, denying the fact that they were well informed about the merger and the effects it would present. Although various violent and non-violent attempts were logged by the communities, in an effort to display their dissatisfaction with the proposed merger of the two municipalities, all efforts made were ignored in an effort to maximise the voting capacity of the ruling party. Both the communities of Ventersdorp and Tlokwe presented a divided nation where insecurities caused by little knowledge and ignorance created fear of a new venture. This presented the community of the newly consolidated JB Marks Municipality, robbed of integrity, opportunities as well as political processes, which created havoc and tedious challenges within the administrative systems of the municipal council. No individual could anticipate that the incoming force would not be ready to prevail, leaving the communities in war of asserting their rights and dignity as their liberation, growth, pride and essence remain unrecognised.

The above conclusion is sustained by the results obtained through statement nine of the questionnaire, where 52% disagreed with the statement indicating that changes pertaining to the consolidation of the two municipal entities were publically communicated to all stakeholders. Only 20% of the respondents were uncertain with regard to the statement made, and the remaining 28% agreed that they were well informed pertaining to the consolidation of the two local municipalities.

4.2.2.3 Legislative mandate

The Constitution of the Republic of South Africa, 1996 (Act no 108, of 1996) regulates the functioning of local government entities. It is within Chapter 7 of above act that the status of municipalities, the objectives of local government, all developmental duties of municipalities, as well as the establishment of municipalities are clearly set out. Therefore, the powers and functions of municipalities are constituted and to be adhered to upon normal functioning of this government sphere. Both executive and legislation authority municipalities are vested in their municipal council, subject to public participation, as prescribed.

It is within sections 4(2) (b) and (c) of the Municipal Systems Act of 2000 (Act no 32 of 2000) that it is clearly stated that the provision of an accountable and democratic government is vested in the responsibilities of the municipality and its committees. It is
therefore expected from such municipality to provide the above without any fear or prejudice, through the encouragement of public participation.
Section 5(1)(a) of the above act establishes the right of the residents to demand that all proceedings of the municipal council and its committees are conducted inclusive of public participation, without any prejudice.

<table>
<thead>
<tr>
<th>3. LEGISLATIVE MANDATE</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Members of the community give valuable recommendations to the Council regarding the provision of services.</td>
<td>11.0</td>
<td>15.0</td>
<td>33.0</td>
<td>31.0</td>
<td>10.0</td>
<td>3.14</td>
<td>1.137</td>
</tr>
<tr>
<td>3.2 The recommendations made above are incorporated into daily service rendering.</td>
<td>16.0</td>
<td>23.0</td>
<td>31.0</td>
<td>26.0</td>
<td>4.0</td>
<td>2.79</td>
<td>1.122</td>
</tr>
<tr>
<td>3.3 The Municipal Budget is done through consultative community meetings.</td>
<td>15.0</td>
<td>29.0</td>
<td>26.0</td>
<td>26.0</td>
<td>5.0</td>
<td>2.76</td>
<td>1.138</td>
</tr>
<tr>
<td>3.4 The service standards of the municipality are made available to the public.</td>
<td>15.0</td>
<td>14.0</td>
<td>27.0</td>
<td>38.0</td>
<td>6.0</td>
<td>3.06</td>
<td>1.171</td>
</tr>
<tr>
<td>3.5 The municipality regularly does a survey of public perceptions of service quality.</td>
<td>15.0</td>
<td>26.0</td>
<td>33.0</td>
<td>22.0</td>
<td>4.0</td>
<td>2.74</td>
<td>1.088</td>
</tr>
<tr>
<td>3.6 Community forums within the municipality function effectively.</td>
<td>15.0</td>
<td>25.0</td>
<td>42.0</td>
<td>16.0</td>
<td>2.0</td>
<td>2.65</td>
<td>0.989</td>
</tr>
<tr>
<td>3.7 Municipal services are delivered in cohesion with constitutional regulations.</td>
<td>15.0</td>
<td>19.0</td>
<td>24.0</td>
<td>40.0</td>
<td>2.0</td>
<td>2.95</td>
<td>1.132</td>
</tr>
<tr>
<td>3.8 Municipal service projects are structured in accordance to community needs as prioritised within the IDP (Integrated Development Plan).</td>
<td>15.0</td>
<td>19.0</td>
<td>27.0</td>
<td>35.0</td>
<td>4.0</td>
<td>2.94</td>
<td>1.144</td>
</tr>
</tbody>
</table>

Table 4.12: Legislative mandate: questionnaire analysis

(i): The municipal budget is done through consultative community meetings

This statement was based on question three of category C, in section B of the questionnaire. As legislation prescribes municipal budget meetings to be held inclusive of public participation, decision-making is subjected to addressing community concerns pertaining to the relevant subject matter. The above question was populated to establish the opinions of the participants with regard to the structuring and execution of municipal budget meetings, and whether they occur with the inclusion of public opinion, pertaining to the expenditure of council fees.
Figure 4.10: The municipal budget is done through consultative community meetings

According to above results, the majority of respondents (44%) disagree with the statement, as only 26% were undecided, and the remaining 31% were in agreement with the statement that the municipal budget is conducted through interactive meetings that council has with the public. We therefore conclude that council meetings pertaining to the structuring and allocation of municipal funds occur exclusive of public participation.

The above statement can be combined with the contrast projected through the findings of statement one compared to that of statement two. In statement one, the majority agreed (41% of respondents) that the community members do contribute in providing valuable input with regard to the provision of service.

Statement two resulted in the majority (39% of respondents) being in disagreement with the fact that the valuable recommendations that the public contributes to council pertaining to municipal budgeting are not incorporated into daily functioning.

(ii) The service standards of the municipality are made available to the public

This statement was based on question four of category C, in section B of the questionnaire. This question was projected towards establishing whether or not the community of the JB Marks Municipality has asserted themselves with the service standards of the said municipality as set out within the legislation that regulated the daily operation of the municipal entity.
Understanding what legislation prescribes and thoroughly asserting themselves with the terminology thereof, the above results conclude that the majority of respondents (44%) agreed with the statement above.

It is the responses from statements five and six, respectively, that contradict the above results, whereby 41% of respondents disagreed with the statement that the JB Marks Municipality regularly conducts a survey, investigating public opinions pertaining to service quality. This interpretation of results concludes that service standards and service quality are not regularly measured, evaluated and upgraded within the municipal entity, prohibiting continual interaction with the public in an effort to maximise service delivery and the value perception for the community.

(iii) **Municipal services are delivered in cohesion with constitutional regulations**

This statement was based on question seven of category C, in section B of the questionnaire. Various items of legislation exist in terms of providing guidance to local government entities in an effort to regulate their daily operations in accordance with the said acts, laws and policies made. In category C, municipal service delivery will be discussed further.
The above results indicate that the majority of the respondents agreed (42%) with the statement made, reassuring that the JB Marks Municipality delivers services in correlation with constitutional regulations. From this, it can be concluded that the service structures are developed in accordance with legislation that regulates the operation; it is the implementation of such where the lack of profound administration exists.

The above statement is supported by the outcome of statement eight, whereby 39% of the respondents agreed that the municipal service projects, as set out within the IDP, are structured in accordance with community needs. How effective this might have been in the past, was not addressed. Therefore, the conclusion that the planning of municipal service structures in accordance with legislation is consistently done, it is only at the stage of execution of such plans where challenges are experienced.

4.2.2.4 Service delivery

In terms of section 152 of the Constitution Act 108 of 1996 of the Republic of South Africa, local government has five objectives: a) democratic and accountable local government; b) sustainable service delivery; c) Social and Economic Development; d) safe and healthy environment; and e) community participation. These objectives are discussed as sub-themes below;

The council of municipality, within the municipality’s financial and administrative capacity, and having regard to practical considerations, has the duty: of exercising the municipality’s
executive and legislative authority and using the resources of the municipality in the best interests of the local community; of providing without favour or prejudice, a democratic and accountable government; and of encouraging the involvement of the local community in a financially and environmentally sustainable manner.

It should, in addition, provide members of the local community with full and accurate information about the level and standard of municipal services they are entitled to receive, and inform the local community about how the municipality is managed, of the costs involved and the persons in charge. It can be deduced from the above that the constitutional and statutory provisions underline the importance of accountability in the democratic local government and administration, and the need for involving citizens in municipal affairs.

<table>
<thead>
<tr>
<th>4. SERVICE DELIVERY</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 The municipality provides sustainable services to the community.</td>
<td>26.3</td>
<td>15.2</td>
<td>10.1</td>
<td>42.4</td>
<td>6.1</td>
<td>2.87</td>
<td>1.368</td>
</tr>
<tr>
<td>4.2 The consolidated municipality provides a safe environment to the community.</td>
<td>26.3</td>
<td>15.2</td>
<td>21.2</td>
<td>33.3</td>
<td>4.0</td>
<td>2.74</td>
<td>1.282</td>
</tr>
<tr>
<td>4.3 JB Marks provides its community with a healthy environment.</td>
<td>26.3</td>
<td>18.2</td>
<td>26.3</td>
<td>22.2</td>
<td>7.1</td>
<td>2.66</td>
<td>1.279</td>
</tr>
<tr>
<td>4.4 The municipality adopted social development programs.</td>
<td>22.0</td>
<td>22.0</td>
<td>22.0</td>
<td>29.0</td>
<td>5.0</td>
<td>2.73</td>
<td>1.238</td>
</tr>
<tr>
<td>4.5 The municipality has systems in place to ensure that services are delivered to previously disadvantaged communities.</td>
<td>19.0</td>
<td>18.0</td>
<td>18.0</td>
<td>39.0</td>
<td>6.0</td>
<td>2.95</td>
<td>1.258</td>
</tr>
<tr>
<td>4.6 Sufficient controls are being exercised with regards to policies. Acts and by- Laws.</td>
<td>21.0</td>
<td>24.0</td>
<td>23.0</td>
<td>27.0</td>
<td>5.0</td>
<td>2.71</td>
<td>1.217</td>
</tr>
<tr>
<td>4.7 Free basic services are delivered to poor households (in accordance to council policies).</td>
<td>20.0</td>
<td>10.0</td>
<td>16.0</td>
<td>33.0</td>
<td>21.0</td>
<td>3.25</td>
<td>1.424</td>
</tr>
</tbody>
</table>
4.8 Councillors understand their role of oversight on the affairs of the municipality.

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<thead>
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<tbody>
<tr>
<td></td>
<td>26.0</td>
<td>18.0</td>
<td>27.0</td>
<td>25.0</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>2.63</td>
<td>1.228</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

4.9 The new JB marks have been successful in dealing with important community matters.

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27.0</td>
<td>30.0</td>
<td>25.0</td>
<td>13.0</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>2.39</td>
<td>1.163</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

4.10 Political functions are clearly separated from the administrative functions pertaining to the daily operations of council.

<p>| | | | | | |</p>
<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.0</td>
<td>26.0</td>
<td>21.0</td>
<td>18.0</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>2.42</td>
<td>1.232</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.13: Service delivery: questionnaire analysis

(i): **Sufficient controls are being exercised with regard to policies, acts and by-laws**

This statement was based on question six of category D, in section B of the questionnaire. Through this question, the researcher wanted to establish the municipal council’s adherence to constitutional legislation that regulates local government operations according to public opinion.

![Category D: Statement 6](image)

Figure 4.13: Sufficient controls are being exercised with regards to policies, acts and by-laws

The above results indicate that 45% of respondents were of the opinion that the JB Marks Municipality does not exercise sufficient controls in terms of adherence to legislative requirements. Contradictory to such, the majority of the respondents (49%) agreed with
statement one, that the municipality delivers sustainable services to the community, yet with regard to statement two and three, respectively, the majority of respondents disagreed that the municipality provides the community with a safe and healthy environment. The paradox found throughout the results obtained within this section may be due to a lack of understanding of the proposed questions on behalf of the community members.

(ii): Free basic services are delivered to poor households in accordance with council policies

This statement was based on question seven of category D, in section B of the questionnaire. This question was projected towards establishing the efficiency of local government service delivery, as regulated by law. Municipalities keep indigent registers that contain all the necessary information of individual households in need of free basic services, which should be retained in accordance with the ever-changing needs of the communities.

The paradox referred to within statement six is fully established within statement seven above. The results obtained above indicate that the majority of the respondents (54%) agreed with the statement that free basic services are delivered to poor households of the JB Marks Municipality, as prescribed by council policies.
(iii): The new JB Marks Municipality has been successful in dealing with important community matters

This statement was based on question nine of category D, in section B of the questionnaire. This question is aimed at establishing how effective the new municipality has been at addressing issues of the public, imposing value to communities in accordance with the most basic responsibility of a local municipality, namely sustainable service delivery.

![Category D: Statement 9](image)

Figure 4.15: The new JB Marks Municipality has been successful in dealing with important community matters

As indicated above, the majority of respondents (57%) disagreed that the JB Marks Municipality has been successful in solving important community matters since the establishment of the consolidated municipal entity. The question now remains, if the dominant opinion throughout this section is in disagreement with the given statements, except for statements one and seven above, how will they then conclude that the municipality still delivered sustainable services to the community?

(iv): Political functions are clearly separated from the administrative functions pertaining to the daily operations of council

This statement was based on question ten of category D, in section B of the questionnaire. This continues to be an epic problem within all spheres of government, namely the segregation of duties in terms of the administrative functions as to the political infiltration.
into daily operations of the municipality, which prohibit sustainable service rendering. This question tests the opinions of respondents against existing knowledge with regard to the above statement made.

Figure 4.16: Political functions are clearly separated from the administrative functions pertaining to the daily operations of council

The dominant opinion remains in disagreement with the statement above, as clearly indicated by 56% who were of the opinion that there is no clear segregation of duties pertaining to the administrative and political spheres of the municipal entity, as political influences filter down to the lowest level of administration. Until the municipality adheres to the clear separation of political and administrative duties within municipalities, as prescribed by legislation, profound service delivery and maximisation of optimal service rendering will continue to be compromised.

4.3 TEST FOR RELIABILITY

Through the test for reliability, the researcher analysed the Cronbach alphas. The validity and reliability of the constructs within the questionnaire need to be established before using them for further analysis. The use of factor analysis within this study in order to establish construct validity was not possible, since the sample size was too small. Content validity was established though, and was achieved by using recognised subject matter experts to evaluate whether test items assessed defined content. The Statistical Consultation Services presented the assessment of face validity within this study.
The reliability of the subscales was tested by calculating the Cronbach alpha coefficients (see Table 4.13). This coefficient reflects the degree of internal consistency of the scale – i.e. the degree to which items correlate with one another as well as with the scale total. There is general consensus that an alpha value of 0.70 and above could be regarded as acceptable (Field, 2017).

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Cronbach alpha</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal amalgamation</td>
<td>0.892</td>
<td>2.6950</td>
<td>0.90004</td>
</tr>
<tr>
<td>Public participation</td>
<td>0.873</td>
<td>2.8256</td>
<td>0.82080</td>
</tr>
<tr>
<td>Legislative mandate</td>
<td>0.880</td>
<td>2.8788</td>
<td>0.82313</td>
</tr>
<tr>
<td>Service delivery</td>
<td>0.950</td>
<td>2.7380</td>
<td>1.05627</td>
</tr>
</tbody>
</table>

Table 4.14: The reliability of the subscales (alpha coefficients)

The test for reliability of the four subscales was subsequently performed as the outcome was conducted and found that all questions within the subscales above can be asked simultaneously, as the outcome reached will be exactly the same as in the instance where questions were asked individually to the groups. Through the test for reliability, the two groups were compared with each other (employees of council and community members) as well as male versus female, in an attempt to establish whether they differ in opinion, or present a united front. The Cronbach alpha indicates the reliability or internal consistency (above 0.5 or above 0.7); the interpretation therefore should be done with caution. The above indicates opinions leaning towards a neutral outcome.

4.4 CORRELATION BETWEEN SUBSCALES (T-TESTS)

T-tests were used to analyse the differences between respondents, taking into consideration the comparative nature of respondents who answered all questions within the categories of the questionnaires. The t-tests conducted looked at the differences in opinions of the respective respondents and were interpreted according to the guideline values (0.2, 0.5 and 0.8). Correlation is significant at the 0.01 level (2-tailed). The guideline p-values indicate practically significant differences between the mean as well as the effect size as follows (Fields: 2017).
- 0.2: Small, no practically significant difference
- 0.5: Medium, practically visible difference
- 0.8: Large, practically significant difference

<table>
<thead>
<tr>
<th>Correlations</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal amalgamation</td>
<td>Pearson</td>
<td>1.292</td>
<td>77.369</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Correlation Sig. (2-tailed)</td>
<td>0.200</td>
<td>100</td>
<td>0.24167</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Public participation</td>
<td>Pearson</td>
<td>0.171</td>
<td>84.256</td>
<td>0.865</td>
</tr>
<tr>
<td></td>
<td>Correlation Sig. (2-tailed)</td>
<td>0.02870</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Legislative mandate</td>
<td>Pearson</td>
<td>0.006</td>
<td>84.785</td>
<td>0.995</td>
</tr>
<tr>
<td></td>
<td>Correlation Sig. (2-tailed)</td>
<td>0.00104</td>
<td>100</td>
<td>100</td>
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<tr>
<td></td>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Service delivery</td>
<td>Pearson</td>
<td>0.456</td>
<td>77.518</td>
<td>0.650</td>
</tr>
<tr>
<td></td>
<td>Correlation Sig. (2-tailed)</td>
<td>0.10083</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.15 reflects the correlations between the four constructs

The results show that there were significant and strong positive correlations between the scales. Correlations were all significant at the 0.01 level of significance. According to Cohen (1988), the following cut-off points in terms of the correlation coefficient are recognised as practically significant (independent of the direction of the relationship):

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>p-value</th>
<th>Effect size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal worker</td>
<td>60</td>
<td>2.75</td>
<td>1.536</td>
<td>0.198</td>
<td>0.65</td>
</tr>
<tr>
<td>Community member</td>
<td>40</td>
<td>1.75</td>
<td>1.127</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.16: T-test analysis – Section B: Category A – Statement 10
From the above t-test conducted on whether or not both groups (employees and community members) present a united front, it is evident that, pertaining to the responses analysed, there exists a practical, visible difference between the mean and effective size. Municipal workers are leaning towards uncertainty, and the community members are leaning towards disagreement with the statement given, meaning that, given the opportunity, they would vote to undo the amalgamation of the JB Marks Municipality.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>p-value</th>
<th>Effect size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal worker</td>
<td>60</td>
<td>2.95</td>
<td>1.096</td>
<td>0.141</td>
<td>0.00</td>
</tr>
<tr>
<td>Community member</td>
<td>40</td>
<td>2.95</td>
<td>1.197</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.17: T-test analysis – Section B: Category B – Statement 7

The t-test conducted on both groups in relation to the above statement indicated that it is evident that there exist no practical differences between both the mean and effective sizes. No practical differences exist, meaning that both groups present a united front, which provides the conclusion that both groups are leaning towards uncertainty with regard to the statement.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>p-value</th>
<th>Effect size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal worker</td>
<td>48</td>
<td>3.15</td>
<td>1.130</td>
<td>0.163</td>
<td>0.01</td>
</tr>
<tr>
<td>Community member</td>
<td>52</td>
<td>3.13</td>
<td>1.155</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.18: T-test analysis – Section B: Category C – Statement 1

The t-test conducted above indicated that the difference identified presents significance at the 0.01 level of significance, leaning towards absolute agreement with the statement. This means that the respondents present a united front, concluding that they all were of the opinion that community members provide the municipal council with valuable input pertaining to service delivery.
<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>p-value</th>
<th>Effect size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal worker</td>
<td>48</td>
<td>2.54</td>
<td>1.254</td>
<td>0.181</td>
<td>0.23</td>
</tr>
<tr>
<td>Community member</td>
<td>52</td>
<td>2.25</td>
<td>1.064</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.19: T-test analysis – Section B: Category D – Statement 9

The above t-test conducted indicates a small, not practically significant difference between the mean and effective size of the above groups, meaning that they remain content and present a neutral opinion.

4.5 SUMMARY

It can be concluded that the perceptions with regard to aspects are interdependent, taking into account all analyses done throughout this chapter. An analysis was conducted and found that both the administrative and political leadership within the newly consolidated JB Marks Municipality are aware of what is expected of them in terms of sustainable service rendering to the communities that perceive value in terms of effective service delivery of essential services. In the next chapter, conclusions and recommendations are outlined, which attempt to suggest tentative solutions to the problems under investigation in this research study.
CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1  INTRODUCTION

The final chapter of this study is devoted to attaining the initial aim of the research as well as providing an overview of the most important findings, which include those that emanate from the literature review as well as the research component of the study. In the preceding chapter, an empirical study was conducted to determine the public’s perceptions with regard to the amalgamation of the Tlokwe- and Ventersdorp Local Municipalities to establish the consolidated JB Marks Local Municipality. In this chapter, recommendations are provided, based on the findings of the study. The theoretical and legislative framework discussed in Chapter 2 lay the foundation for the implementation of change management in the local sphere of government. The limitations of this research study are revisited, followed by the contribution that this research study has made towards the body of knowledge. The purpose of this study was to establish whether or not the amalgamation of the Tlokwe and Ventersdorp municipalities was beneficial to all related stakeholders in terms of sustainability and service delivery of the new consolidated entity.

5.2  SUMMARY OF THE CHAPTERS

Chapter 1 provided an orientation of the problem statement and the research objectives. It provided the reader with background to the South African statutory stipulations and regulatory framework for local government and how municipalities are unable to comply accordingly. The chapter identifies the management and research questions and links them to the research objectives. The responses include the 1998 White Paper on Local Government, which recommended a policy of developmental local government that placed greater emphasis on participative planning. The researcher, therefore, investigated whether municipal amalgamation was in actual fact effective through the promotion of economic development, enhancement of fiscal performance as well as the sustainability and maximisation of effective and efficient service delivery in its own, and not bringing forth any negative implications for the employees and community members of the amalgamated municipal entity. Chapter 2 will outline the statutory requirements and literature review pertaining to municipal amalgamations within the broader context.
Chapter 2 provided a literature review based on existing literature and regulations pertaining to local government management, decisively outlining the legislative framework and regulatory stipulations in relation to effective and efficient service delivery, revenue collection and government expenditure exercised by local government.

For municipalities in South Africa to succeed in sustainable service delivery, officials in this local sphere of government should be development-oriented. They should ensure that services are delivered impartially, fairly and equitably. It is therefore imperative that local government employees have acquired the desirable educational background to effectively manage the municipal entity, adhering to existing regulatory stipulations and striving to achieve organisational objectives. Chapter 3 will follow with the research methodology and data collection design for this study to be utilised throughout the study.

Chapter 3 outlined the research methodology and data collection design used to obtain the data from participants, the sampling method, aspects of reliability and validity, research ethics, and the research assumptions pertaining to the research study. These methodologies used resulted in raw data collected that was analysed and interpreted in Chapter 4. Therefore, Chapter 4 covered the data analysis and interpretation of the captured results from the respondents aligned with the service delivery deficiencies experienced at the JB Marks Local Municipality.

Chapter 4 indicated that the theoretical framework provided in Chapters 2 and 3, respectively, were assessed by means of empirical research conducted, through which results were obtained by means of two self-administered questionnaires used as data collection method. One questionnaire was designed for the employees of the municipal council and the other for the community members of the amalgamated municipality. The aim of the empirical investigation was to conclude whether the shortcomings identified within the research problem are in actual fact present within the JB Marks Municipality, with the intention of making valuable recommendations as to how best the situation can be improved.

It can be inferred that the perceptions with regard to aspects are interdependent, taking into account all analyses done throughout this chapter. An analysis was conducted, and
found that both the administrative and political leadership within the newly consolidated JB Marks Municipality are aware of what is expected of them in terms of sustainable service rendering to the communities that perceive value in terms of effective service delivery of essential services. The next section outlines conclusions and recommendations, which attempt to suggest tentative solutions to the problems under investigation in this research study.

5.3 CONCLUSIONS AND RECOMMENDATIONS

The findings of the study revealed that local government is currently operating near a threshold of instability and within constantly changing conditions. It is evident that the JB Marks Municipality is still facing the post-amalgamation effects, while both internal and external factors are affecting the optimal functioning of the consolidated municipal entity upholding service standards. This newly consolidated municipality requires constant adjustment to its founding legislative framework to ensure that it addresses all the anticipated changes accompanied by the amalgamation, and is in urgent need of high-level commitment, skills, capacity and the understanding of local government objectives pertaining to sustainable service delivery. The findings and recommendations for each sub-investigative question follow:

5.3.1 Research question 1 (municipal amalgamation)

The research question that will be answered is: “How are the employees of the JB Marks Municipality affected by the role of politics, corruption and organisational culture within a newly amalgamated entity, and how do the above influences affect their productivity, work satisfaction and turnover intent within this newly developed entity?”

The empirical research revealed that both employees and community members are unhappy about the amalgamation of the two local spheres of government, and if the opportunity to undo the amalgamation would present itself, all will vote in favour of undoing the consolidation. The amalgamation would not bear any benefit for the employees of council and community members, as it will not result in better job opportunities for both current and prospective employees. The existing organisational culture has phased out and left employees derailed, exhausted and depressed, with low morale, post-amalgamation, relating to the placement process, with various positions being
compromised in the process. The amalgamation resulted in a high turnover intent pertaining to personnel composition. Therefore, despite the one employee dismissed and another who was declared medically unfit for work, for the past financial year alone, 66% of contracted employees’ contracts expired without any renewals. Within the financial year that the amalgamation was realised, 26% of the employees who were permanently employed either resigned in the mist of better opportunities or went on early pension due to various reasons.

Recommendation 1

Unfortunately, there is no realisation pertaining to undoing the amalgamation, as the decision has been made on national level and implemented on all local spheres of government in an effort for the presiding political party to exercise better control over voting components. The decision to make it work is vested in the employees of council and community members. Structures had been changed, and personnel have been placed, yet service delivery is still being compromised. Management should implement the necessary change agents to re-establish organisational culture, workplace motivation and uplift the morale of workers within the institution in an effort to maximise productivity to better service delivery quality presented to the community. The personnel placed in positions that they are inadequate to work in, are unproductive and inexperienced, and should be trained and placed within the relevant position matching their capabilities. Proper induction courses should be provided to the previous Ventersdorp employees, now working in the Potchefstroom region. Employee job evaluations should be implemented for a quarterly period, providing the value contributions they have accumulated in relation to the organisational and departmental objectives.

Sectional managers and supervisors should actively form part of the PAAP (Post-audit Action Plan) and be familiarised with the monthly reports subjected to national treasury pertaining to the disclaimer resulted from last years’ audit, as they are the ones implementing the parameters for the preliminary audit, provided adequate skills transfers. It is necessary for department heads to work and elaborate on the reasons for their contribution to the relevant audit outcome, educating themselves in the existing technology and external factors that might assist in solving their current service delivery constraints.

For example, Vesta (the system developers) whose MSCOA system council has purchased, has excellent partnerships with the most adequate, modern technology and
hype companies, who can enable council to profitably minimise input cost and simultaneously maximise revenue.

Through the use of registered e-communication, they should eliminate the paper trail and minimise postage cost by effectively sending barcoded billing accounts electronically to the debtors. While the cost of postage drastically decreases, account holders will receive their monthly accounts within minutes after income has run month end, providing the users with 14 days before accounts are due, on the 10th of each month. This will allow the users to make the necessary arrangements to ensure their electricity is never disconnected, and at the same time ensure council almost 100% turnover in revenue collection.

Complaints pertaining to service delivery can now be lodged electronically and better controls can be kept in terms of record keeping and progress management. Barcoded orders for service providers can provide the order to be settled within 30 days of receipt thereof. An electronic document management system should be implemented, which will reduce the loss of documentation, leading to unsupported transactions within financial statements. An electronic filing system will eliminate the current problems and will reduce the timeframe of the audit period, as auditors can now have direct access to the documentation they request to compile their reports.

5.3.2 Research question 2 (public participation)

The research question that will be answered is: “What is the relationship between political penetration into the administrative duties of employees within the JB Marks Municipality and how does this affect the value perception of community members?”

The findings of the study concluded that although the public is allowed access to council meetings, ward committee meetings and various IDP meetings, their input relating to matters directly affecting them is not even remotely taken into consideration or valued, as these meetings are held inclusive of public attendance only because of legislation regulations. The input and opinions of community members are heard and reports are written, yet no action is taken to resolve these matters. It is only those that council regard as important and relevant who will be included in the five-year IDP planning.
**Recommendation 2**

Ward councillors who do not adhere to government regulations and attend to the constant cry of the community for sustainable service delivery of council and the urgent matters derived therefrom, should be addressed in a public platform. It will be requested from the mayor, being the political head of the institution, to take urgent action against such councillors, who were elected by the very same people he denies to serve. The necessary legislation that regulates such procedures is in place to be addressed (MSA). Public opinion relies on the Office of the Speaker, which is the liaison between the community and council to take an active position in promoting the attendance to the needs and requirements of the community members, and to promote economic development within communities.

Ward councillors should make use of social media to enhance communication between ward committee members and the rest of the residents within the wards to address issues. Complaints should be communicated strictly via e-telecommunications for safe record keeping and process management. Addressing the challenges of transformation, extensive training (not just CPMD courses), for municipal officials, politicians and community-based organisation representatives should be held regularly to allow IDP role players a better understanding of the linkages with financial commitments. Educate both the members of council and ward representatives on the use of of e-government.

**5.3.3 Research question 3 (legislative mandate)**

The research question that will be answered is: “Why are municipalities unable to perform effectively and efficiently, as prescribed by the Constitution (Act No. 108 of 1996) on their organisational performance as required by local government?”

The literature review on the legislative mandate of government revealed that the obligation of local government is encapsulated in the Constitution of South Africa, 1996 (Act 108 of 1996), which provides a framework for local government activities. The Constitution is an overriding component of legislation necessary for informing local government legislation.
While it is widely acknowledged that the Local Government Transition Act, 1996 (Act 97 of 1996) resulted in the deracialisation of local government, it is also widely agreed that it did not bring about fundamental transformation. This posed challenges to local government proponents and practitioners. A series of acts emerged from this framework. These direct municipalities in the new dispensation and form the final phase of the Local Government Transaction. It was revealed by the study that the legislative requirements to effectively govern the JB Marks Municipality are in place, but the implementation thereof appears to be often ignored or neglected.

**Recommendation 3**

Council should ensure that all by-laws and resolutions of council adhere to the legislative mandate that regulates local government operations. Educate both management and sectional heads in terms of legislation, directly affecting their work, and illustrate the impact that non-compatibility might have on the organisation. The appointment of an adequate legal compliance officer is essential, who can review council policies, and existing as well as prospective contracts and advise the council accordingly. Ignorance is no excuse and should not be tolerated; people should be held accountable in a personal capacity, for all wasteful and fruitless expenditure incurred by council due to negligence or incompetency.

Essential and efficient controls should be implemented to adhere to legislative regulations in terms of internal controls, timeous financial reporting and proper record keeping of documentation needed as basis for transactions within financial statements. Instead of relying solely on auditors to identify misstatements during audit periods, the effective training and evaluation of employees in key positions should be institutionalised so that they are equipped to process monthly and daily reconciliations by themselves. Decisive action should be taken to implement accountability for poor financial performance and the root causes should be addressed.

**5.3.4 Research question 4 (service delivery)**

The research question that will be answered is: “What current obstacles, internal and external, prohibit the consolidated JB Marks Municipality from delivering quality service to the communities of Potchefstroom and Ventersdorp?”
The study confirmed that the JB Marks Municipality does not provide sustainable services to the community, neither do they provide the community with a safe and healthy environment. Although free basic services are delivered to indigent households, the community of this local government entity does not perceive any value pertaining to the quality of services that they receive, as the municipality does not enhance local economic development within its community.

**Recommendation 4**

Facilitate the establishment, implementation and review of performance management systems within each department of Council, and monitor and review the performance, outcome and impact of individual and collective performances on departmental basis pertaining to adherence to legislation and service delivery.

- Identify loopholes within the system that are causing the rise in fruitless and wasteful expenditure.
- Ensure that municipalities adhere to the most basic service needs of communities.
- Establish a clean, effective, efficient, responsive and accountable consolidated local government entity, by the people for the people, as this improves sustainability, fiscal performance and professionalism within the amalgamated entity.

**5.4 LIMITATIONS OF THE STUDY REVISITED**

Despite the tension that the amalgamation caused on both political and administrative platforms, the availability of community members as well as councillors and senior management was not as challenging as initially anticipated. The employees participated gradually and without complaints. I personally distributed the questionnaires to keep the interpersonal effect and personally explained why I need the survey information. The majority of the respondents returned the questionnaires within the timeframes initially agreed upon, without prejudice. Some questions pertaining to the legislative mandate were a bit challenging for the community members, and were not answered, and therefore could not be allowed within the study.
5.5 RESEARCH CONTRIBUTION TO THE BODY OF KNOWLEDGE

In Chapter 7 of the Constitution of South Africa, 1996 (Act no 108), the provisions of local government pertaining to the following principles are outlined: Of these principles, the most important are those pertaining to the status of municipalities, objectives of local government, and developmental duties of municipalities, cooperative government, the establishment of municipalities and the powers and functions of municipalities.

Planact (2001:9) states that a local sphere of government should strive, within its financial and administrative capacity, to achieve the following objectives:

- Providing a democratic and accountable government to local communities,
- Ensuring provision of sustainable services to communities,
- Promoting social and economic development,
- Providing a safe and healthy environment, and encouraging the participation of communities in local government affairs.

This study has established that, for municipalities in South Africa to fulfil their constitutional mandate, in particular the JB Marks Municipality, both administrative and political leaders must possess attributes of sound and effective leadership and governance as well as acknowledge the segregation of duties within this sphere of government. Local government is based on the basic delivery of services as its primary purpose. The role of politicians, if they project themselves too deeply into the local administration, often complicates the delivery of services.

5.6 RECOMMENDATIONS FOR FUTURE RESEARCH

There have been fundamental changes to the system guiding local government in South Africa. An amended policy framework, resulting from provisions in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), has led to changes in various facets of local government management. This includes changes in the structures of municipalities as well as changes to the manner in which municipalities have to be managed. In terms of managing municipalities, there has been increased reference to strategic planning in municipalities. A fundamental question is, therefore, whether municipalities are in a state
of improvement resulting from municipal amalgamations and whether municipal managers possess the skills and expertise to develop and implement strategic plans.

Based on the above, the study recommends further research to examine various issues pertaining to the implementation of strategic planning within amalgamated municipal entities, assessing their current functionality and making valuable recommendations pertaining to the enhancement of service delivery and the economic development of the communities that these local spheres of government serve in an effort to maximise the value perception of community members and additionally uplift the face of South African local government.
BIBLIOGRAPHY


Tlokwe City Council (2016), *Annual Report for the 2015/2016 financial year*.

Tlokwe City Council (2016), *Audit Report for the 2015/2016 financial year*.


Dear Participant (Municipal employee)

This research study is investigating the process of amalgamation between the Ventersdorp and Tlokwe municipalities, to establish the new JB Marks Local Municipality. More specifically, this study focuses on the affects that the amalgamation had on service delivery and the financial sustainability of the newly consolidated municipal entity.

The purpose of this survey is to get the municipality’s employees opinions regarding the above research topic, as we hope to improve the effectiveness of existing systems within various departments essential to service delivery.

Your participation in this survey is voluntary and all information collected will be kept strictly confidential. The questionnaire should take approximately 10 – 15 minutes to complete. You are therefore kindly requested to complete and return this questionnaire on or before Friday, 13 October 2017.

PLEASE NOTE:

- There are no right and wrong answers, please answer as you know or feel.
- Do not write your name, you remain anonymous and your answers are kept highly confidential.
- By completing this questionnaire you give consent that the information may be used for research purposes.

Kind regards
Joanne Lavars
Student Number: 20655649
Contact Number: 072 629 4503
PART A: BIOGRAPHIC DATA

1. **Gender**
   - Male
   - Female

2. **Nationality**
   - South African Citizen
   - Other

3. **Department**
   - Mayor’s Office
   - Municipal Manager
   - Finance
   - Housing
   - Infrastructure
   - Sports, Arts & Culture
   - Human Resource
   - LED
   - Other

4. **Age**
   - Younger than 21
   - Aged 21 - 25
   - Aged 26 - 30
   - Aged 31 - 35
   - Aged 36 - 40
   - Aged 41 - 45
   - Aged 46 – 50
   - Older than 50

5. **Home Language**
   - English
   - Afrikaans
   - Tswana
   - Zulu
   - Venda
   - Tsonga
   - Xhosa
   - Siswati
   - Sotho
   - Northern Sotho
   - Ndebele
   - Other
6. **Highest level of education obtained**
- □ Less than Grade 12/ Matric
- □ Grade 12/ Matric
- □ Certificate
- □ Diploma
- □ Bachelor’s Degree
- □ Honour’s Degree
- □ Master’s Degree
- □ Doctoral Degree
- □ Other

7. **Level of employment**
- □ Admin
- □ Support
- □ Workforce
- □ Supervisory
- □ Junior Management
- □ Senior Management
- □ Top Management
- □ Director
- □ Other

**PART B: SURVEY QUESTIONNAIRE DATA**

*For each item below, circle the number that best fits your opinion*

<table>
<thead>
<tr>
<th>Survey Item</th>
<th>Strongly Disagree</th>
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<th>Undecided</th>
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<tbody>
<tr>
<td>1. MUNICIPAL AMALGAMATION</td>
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<tr>
<td>1.1 The amalgamation will provide us with better job opportunities.</td>
<td>1</td>
<td>2</td>
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<td>1.2 My position fits perfectly within my unit’s organogram.</td>
<td>1</td>
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<td>1.3 I am fully conversant with my placement.</td>
<td>1</td>
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<td>1.4 My position will not be compromised by the amalgamation.</td>
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<td>1.5 My competencies will strongly influence my placement with regards to employment equity.</td>
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<tr>
<td>1.6 I can cope with all the changes (resulting from the amalgamation) that directly affect my work.</td>
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<tr>
<td>1.7 Employees need no change intervention to help them cope with the process of amalgamation.</td>
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</table>
1.8 The amalgamation will result in job losses. | 1 | 2 | 3 | 4 | 5
1.9 There exist benefits for us resulting from the amalgamation. | 1 | 2 | 3 | 4 | 5
1.10 If an opportunity arises to undo the amalgamation, I will vote against it. | 1 | 2 | 3 | 4 | 5

<table>
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<tr>
<th>2. PUBLIC PARTICIPATION</th>
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</table>
| 2.1 Council's meetings are open to the public. | 1 | 2 | 3 | 4 | 5
| 2.2 Council's meetings lead to effective decision making. | 1 | 2 | 3 | 4 | 5
| 2.3 The Council provides regular reports to the community (on critical matters affecting the community). | 1 | 2 | 3 | 4 | 5
| 2.4 The Council solves community problems in appropriate leadership forums. | 1 | 2 | 3 | 4 | 5
| 2.5 The performance of councilor's and senior managers is regularly appraised. | 1 | 2 | 3 | 4 | 5
| 2.6 The Public are allowed to give valuable input pertaining to the structuring of the municipal budget. | 1 | 2 | 3 | 4 | 5
| 2.7 The Public are allowed to give valuable input regarding how municipal fees are spent. | 1 | 2 | 3 | 4 | 5
| 2.8 The communities of Potchefstroom and Ventersdorp were well informed about the process of the amalgamation. | 1 | 2 | 3 | 4 | 5
| 2.9 Changes pertaining to the amalgamation of the two communities were publicly communicated. | 1 | 2 | 3 | 4 | 5

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<th>3. LEGISLATIVE MANDATE</th>
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| 3.1 Members of the community give valuable recommendations to the Council regarding the provision of services. | 1 | 2 | 3 | 4 | 5
| 3.2 The recommendations made above are incorporated into daily service rendering. | 1 | 2 | 3 | 4 | 5
| 3.3 The Municipal Budget is done through consultative community meetings. | 1 | 2 | 3 | 4 | 5
| 3.4 The service standards of the municipality are made available to | 1 | 2 | 3 | 4 | 5
| 3.5 The municipality regularly does a survey of public perceptions of service quality. | 1 | 2 | 3 | 4 | 5 |
| 3.6 Community forums within the municipality function effectively. | 1 | 2 | 3 | 4 | 5 |
| 3.7 Municipal services are delivered in cohesion with constitutional regulations. | 1 | 2 | 3 | 4 | 5 |
| 3.8 Municipal service projects are structured in accordance to community needs as prioritized within the IDP (Integrated Development Plan). | 1 | 2 | 3 | 4 | 5 |

**4. SERVICE DELIVERY**

| 4.1 The municipality provides sustainable services to the community. | 1 | 2 | 3 | 4 | 5 |
| 4.2 The consolidated municipality provides a safe environment to the community. | 1 | 2 | 3 | 4 | 5 |
| 4.3 JB Marks provides its community with a healthy environment. | 1 | 2 | 3 | 4 | 5 |
| 4.4 The municipality adopted social development programs. | 1 | 2 | 3 | 4 | 5 |
| 4.5 The municipality has systems in place to ensure that services are delivered to previously disadvantaged communities. | 1 | 2 | 3 | 4 | 5 |
| 4.6 Sufficient controls are being exercised with regards to policies, Acts and by-Laws. | 1 | 2 | 3 | 4 | 5 |
| 4.7 Free basic services are delivered to poor households (in accordance to council policies). | 1 | 2 | 3 | 4 | 5 |
| 4.8 Councilors understand their role of oversight on the affairs of the municipality. | 1 | 2 | 3 | 4 | 5 |
| 4.9 The new JB marks have been successful in dealing with important community matters. | 1 | 2 | 3 | 4 | 5 |
| 4.10 Political functions are clearly separated from the administrative functions pertaining to the daily operations of council. | 1 | 2 | 3 | 4 | 5 |
ANNEXURE 2

Dear Participant (Community member)

This research study is investigating the process of amalgamation between the Ventersdorp and Tlokwe municipalities, to establish the new JB Marks Municipality. More specifically this study focuses on the affects that the amalgamation had on service delivery and the financial sustainability of the newly consolidated municipal entity.

The purpose of this survey is to get the new municipality’s community members opinions regarding the above research topic, as we hope to improve the effectiveness of existing systems within various departments essential to service delivery.

Your participation in this survey is voluntary and all information collected will be kept strictly confidential. The questionnaire should take approximately 10 – 15 minutes to complete. You are therefore kindly requested to complete and return this questionnaire on or before Friday, 13 October 2017.

PLEASE NOTE:
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- Do not write your name, you remain anonymous and your answers are kept highly confidential.
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Kind regards
Joanne Lavars
Student Number: 20655649
Contact Number: 072 629 4503

PART A: BIOGRAPHIC DATA

8. Gender
   □ Male
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9. **Nationality**
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10. **Age**
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12. **Highest level of education obtained**
- Less than 12/ Matric
- Grade 12/ Matric
- Diploma
- Bachelor’s Degree
- Honour’s Degree
- Master’s Degree
- Doctoral Degree
- Other

13. **Level of employment**
- Admin
- Admin Support
- Workforce
- Supervisory
- Junior Management
14. **Settlement type**
- Formal Settlement
- Informal Settlement
- Other

15. **Total number of household members**
- 1 - 3
- 4 - 6
- More than 6

16. **Total number of household members not working**
- 1 - 3
- 4 - 6
- More than 6

**PART B: SURVEY QUESTIONNAIRE DATA**

*For each item below, circle the number that best fits your opinion.*

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<td>2.2 Council's meetings lead to effective decision making.</td>
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<td>2.4 The Council solves</td>
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<td>Community problems in appropriate leadership forums.</td>
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<td>3.3 The Municipal Budget is done through consultative community meetings.</td>
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<td>3.4 The service standards of the municipality are made available to the public.</td>
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<td>3.5 The municipality regularly does a survey of public perceptions of service quality.</td>
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<td>3.7 Municipal services are delivered in cohesion with constitutional regulations.</td>
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<td>3.8 Municipal service projects are structured in accordance to community needs as prioritized within the IDP (Integrated Development Plan).</td>
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8. SERVICE DELIVERY
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<th>4.1 The municipality provides sustainable services to the community.</th>
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<tr>
<td>4.2 The consolidated municipality provides a safe environment to the community.</td>
<td>1</td>
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<tr>
<td>4.3 JB Marks provides its community with a healthy environment.</td>
<td>1</td>
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<td>4.4 The municipality adopted social development programs.</td>
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<td>4.5 The municipality has systems to ensure that services are delivered to previously disadvantaged communities.</td>
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<td>4.8 Councilors understand their role of oversight on the affairs of the municipality.</td>
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<td>3</td>
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<td>5</td>
</tr>
<tr>
<td>4.10 Political functions are clearly separated from the administrative functions pertaining to the daily operations of council.</td>
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29 May 2018

Dear Sir/ Madam

RE: ORGANIZATIONAL PERMISSION TO CONDUCT RESEARCH

The above-mentioned subject matter serves as reference.

The purpose of this letter is to inform you that I have given Joanne Lavars, employee number PB4967, permission to conduct her research titled ‘Analysing the perceptions on the amalgamation of a local government on general service delivery’, in partial fulfillment for the degree, Masters of Business Administration at the North-West business School.

I acknowledge that questionnaires will be distributed amongst employees, and approval is therefore granted to employees to partake in this survey.

Sincerely,

Mr. C.P. Henry

[Signature]

Acting Municipal Manager
Re: Thesis, Ms. J Lavars, student number: 20655649

We hereby confirm that the Statistical Consultation Services of the North-West University analysed the data involved in the study of the above-mentioned student and assisted with the interpretation of the results. However, any opinion, findings or recommendations contained in this document are those of the author, and the Statistical Consultation Services of the NWU (Potchefstroom Campus) do not accept responsibility for the statistical correctness of the data reported.

Kind regards

Dr Erika Fourie

Statistical Consultation Services
To whom it may concern

Cecile van Zyl
Language editing and translation
Cell: 072 389 3450
Email: CecilevanZyl@nwu.ac.za

30 May 2018

Dear Mr / Ms

Re: Language editing of mini-dissertation (Analysing the perceptions on the amalgamation of a local government on general service delivery)

I hereby declare that I language edited the above-mentioned mini-dissertation by Ms Joanne Lavars (student number: 20655649).

Please feel free to contact me should you have any enquiries.

Kind regards


Cecile van Zyl
Language practitioner
BA (PU for CHE), BA honours (NWU), MA (NWU)
SATI number: 1002391