

THE DEVELOPMENTAL ROLE OF LOCAL GOVERNMENT: BLOEMFONTEIN LOCAL AUTHORITY - A CASE STUDY

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1. INTRODUCTION

The purpose of this article is to draw attention to the concept of developmental local government as well as the Bloemfontein Transitional Local Authority's efforts to implement developmental local government through infrastructure development and capital projects to improve the lot of the disadvantaged communities.

The traditional role of local government was largely seen as being the generator of sufficient income to create the necessary infrastructure and providing, at least, the basic services to the community. The environment in which local governments have to function in future, has undergone a dynamic change since the 1994 election and the promulgation of the Local Government Transitional Act, in which greater emphasis is being placed on the concept of Integrated Development Planning, as well as the Development Facilitation Act of 1995, the aim of which it is to create a new policy framework for land development in South Africa. Social and economic development has become one of the goals of local government and is stipulated as such in the Constitution of South Africa, 1996. The importance of the Municipal Demarcation Act of 1998 on developmental planning cannot be overemphasized.

Section B of the White Paper on local government looks at what development means. It describes the kind of leadership which councils must provide and the kind of relationships which municipalities need to build with communities, organisations, businesses and others who can contribute to the development of the area. A description is also provided of the concept of Integrated Development Planning (IDP) which is viewed as the new approach to planning which will assist local authorities to fulfil their developmental role.

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The need for developmental local government to succeed cannot be overemphasized as the financial position of a large number of local authorities throughout South Africa has become very precarious. The following reasons contributed to this state of affairs:

- Government renegeing on its undertakings. On 20 February 1994, Mr Nelson Mandela and the State President FW de Klerk signed an agreement whereby all outstanding amounts owed to local government by residents would be written off as bad debts and the local authorities involved compensated for their loss by the government - this compensations by government through the payment of cash to balance the books never materialized.
- The continued culture of non-payment for services. Seen as a political measure to bring about change, however, through continued usage, resulted in outstanding debts totalling R60 million and still escalating.
- Poor financial management. This state of affairs was brought about as a result of two factors. (i) As a result of an irresponsible spending spree on the part of politicians, many local authorities found their coffers emptied, leaving them with no working capital. Consequently, funds had to be borrowed from financial institutions that are not willing to do this any more. (ii) The large exodus of knowledgeable senior treasury officials has left a void which cannot easily be filled as sound financial management requires a high degree of financial expertise.
- Lack of legal measures to enforce accountability. Politicians who are more often than not responsible for financial mismanagement, cannot be held accountable except for certain highly irregular matters (Zybrands 1998:208-9).

2. DEVELOPMENTAL LOCAL GOVERNMENT

In the past, local government was primarily involved in the provision of services to white communities as well as performing functions such as traffic regulations, the issuance of licenses and the maintenance of parks and recreational facilities. In today's environment, local government has undergone a complete transformation and is now tasked with the following:

- Ensuring that all communities have access to basic services;
- participation in decision-making and planning which is open to all;
- helping with the growth of the local economy;
- bringing about an increase in job opportunities; and

- the intelligent utilisation of local resources to improve the quality of life for everyone, now and in the future.

For local government to achieve the above-mentioned, it has to become developmental to enable it to address the inequalities and backlogs of the past and ensure that everyone has access to basic services and an improved quality of life. Developmental local government is defined in the White Paper on Local Government (1998:17), 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 and improve the quality of their lives".

Sustainable development can be regarded as being development which can be sustained or continued into the future and must be built on solid foundations. Short-term solutions are of no relevance if in the future there is nothing to show for them. New projects must be properly operated and maintained in the future, and funds and the necessary capacity must be available to ensure that these projects are brought to fruition. It is no good if projects are begun for political gain but have little or no impact on the development needs and aspirations of the target community.

2.1 Developmental roles of local government

Local government has four key developmental roles which it must fulfil in order to ensure significant and sustainable economic growth.

(i) Provision of community leadership

The local authority must work with all sections of the community to build up a shared vision and to set goals for development. Once a shared vision and goals exist, the local authority needs to work hand-in-hand with the community to achieve the vision and the goals. In practical terms, local authorities can build social conditions favourable to development through:

- creating and maintaining the type of political leadership which would be able to bring together all the relevant parties within the jurisdiction of the local authority to realize the shared vision;
- responsive problem solving as well as entering into open partnerships with businesses, trade unions and community-based organisations;

- not only acquiring the relevant knowledge and information but also managing it in such a manner that it promotes continuous learning and makes it easily and immediately accessible to everyone;
- the enhancement of local democracy by raising awareness of human rights' issues and promoting the acceptance of constitutional values and principles;
- the creation and building of an awareness of environmental issues as well as making the residents aware of the impact which their behaviour has on the environment and educating citizens to utilise scarce natural resources in a prudent and careful manner;
- investing in youth development as a key resource for the future and building on their creativity and motivation through involvement in civic development programs;
- actively seeking to empower the most marginalised groups in the community but also to find ways for their participation in community matters; and
- the empowerment of ward councillors as community leaders, enabling them to play a pivotal role in building a shared vision and mobilising community resources for development (**White Paper 1998:22**).

(ii) Promoting social and economic well-being

A local authority needs to ensure that all of its plans, policies, programs and actions will lead to economic and social development and a better quality of life for all - particularly the historically disadvantaged groups. It is thus essential that the powers and functions of a local authority be exercised in such a way as to have a maximum impact on the social development of communities and on the growth of the local economy. Seen in conjunction with the above-mentioned, a local authority needs to work in partnership with local businesses to maximise job creation and investment. It is essential to remember that a local authority is not directly responsible for creating jobs; its function is to ensure that the overall economic and social conditions in its area are conducive to the creation of employment opportunities. For example, a local authority could assist with the provision of support services, such as training, to small business or community development organisations. Social development can be promoted through the provision of recreational and community facilities; arts and culture; and the delivery aspects of social welfare services. The empowerment of marginalised and disadvantaged groups is a critical contribution to social development with local authorities also having to provide an accessible environment for disabled people, so as to facilitate their independence (**White Paper 1998:18-9**).

((iii) Co-ordination and integration of all efforts to develop the area

All available resources - human and material - must be utilised to achieve the development goal. The developmental local authority must keep open the channels of communication with other spheres of government and build partnerships with civic, private and public organisations. It is crucial that all efforts and contributions should work together to achieve the common goal of development. It is essential that a local authority should provide co-operation between national and provincial departments, parastatals, trade unions and community and private sector institutions which are committed to achieving local prosperity. Poor co-ordination between service providers could seriously undermine the development effort. A method to ensure achieving greater co-ordination and integration, is through integrated and co-ordinated delivery within its area (White Paper 1998:19-20).

(iv) Promotion and building of local democracy

The council of a local authority represents the interests of the community and as such, the local citizens and groups must be involved in decisions and processes which will affect them. Councillors need to promote the involvement of citizens and community groups in the design and delivery of local programs. Special measures must be taken to ensure that those people who are often left on the sideline - female heads of households, people with disabilities and the youth - are able to participate. Local authorities need to be aware of the divisions within local communities, and undertake to promote the participation of marginalised and excluded groups in community processes. For example, social values and norms, the lack of transport, household responsibilities, personal safety, etc. are but a few of the many obstacles in the way of equal and effective participation of women in community development. It is important to ensure that the participatory process does not become an obstacle to development and that narrow interest groups must not be allowed to derail the development process for own personal gain or benefit (White Paper 1998:20).

A central principle of the Reconstruction and Development Programme (RDP) and repeated again in the Macro Economic Plan for Growth and Development (GEAR) is to bring about the empowerment of poor and marginalised communities and developmental local government is ideally placed to combine empowerment and redistribution in a number of concrete programs:

- Service subsidies are a focused mechanism for the provision of services to the poor at below cost, thereby providing low-income households an opportunity to improve their circumstances. Local authorities will need to plan carefully with regard to the level and amount of subsidies required to ensure that no additional strain is placed on existing resources.
- The ability of the poor to make their needs known and to take control of their own developmental process can only be enhanced if support in the form of finances, technical skills or training is provided to relevant community organisations and other role players.
- Linkage policies aim to directly link profitable growth or investment with redistribution and community development. For example, the imposition of a development levy in fast-growing areas can be used to subsidise housing or other services for the poor.
- The main focus of socio-economic development and community empowerment is directed at poverty eradication. As the majority of the poor are women, it would be effective to focus empowerment strategies on them. It is crucial that local authorities, in order to ensure effective developmental local government, have to understand the diverse needs of women in the community and, once identified, implement planning and delivery processes to enhance their impact on poverty eradication (White Paper 1998:21).

It is clear that the role of local government has to shift from the traditional role of local service delivery and administration to local socio-economic development. Economic development should thus be seen as an important new local government function (Cameron 1999:230).

2.2 What should the developmental processes achieve?

As stated previously, the focus of local government is on the development of the community, not in isolation, but in a partnership between the local authority, business and the community. To be effective, developmental local government needs to impact positively on the lives of the residents concerned if future or continued participation of residents is to be brought about. The most important development aspects that developmental local government has to achieve, are the provision of basic household infrastructure and services; the planning for integrated cities, towns and rural areas; and the promotion of local economic development.

2.2.1 The provision of basic household infrastructure and services

Everyone living within the jurisdiction of a local authority, should have basic, affordable services such as access to clean water and waste removal. Apart from being a constitutional right, these services are essential for enabling people to support family life, find employment, develop their skills or even establish their own small businesses. For example, residents can establish a number of businesses within the area devoted to refuse removal. Such proactive initiatives by local residents should be encouraged and supported. The Consolidated Municipal Infrastructure Program (CMIP) is a national fund designed to assist local authorities in the building of the necessary infrastructure for these services - pipes, reservoirs and sewage treatment plants. The CMIP provides grants for bulk and connector infrastructure up to a basic level for low-income households. Through this equitable share of the national revenue, local authorities will be in a position to subsidise the operating costs encountered by the provision of basic services to poor households. Local authorities must ensure that higher levels of services to residents and businesses are provided on a sustainable basis. This requires long-term infrastructure investment planning and careful assessment of the levels of services which communities can afford (White Paper 1998:23).

2.2.2 The planning for integrated cities, towns and rural areas

During the apartheid era, settlements were divided along racial lines. It is the task of local authorities to develop plans to remove these divisions as through integration, transport and service costs will be reduced and access to job opportunities and recreational facilities will be improved. Not only will this make our cities, towns and rural areas better places to live in but it will also bring the previously divided communities together. Spatial integration is also central to the concept of nation building in addressing the locational disadvantages which apartheid had imposed on the black population as well as building an integrated society and nation. The main challenge facing local authorities concerns the integration of towns and townships which will ensure the following: mobility between work, house and recreation; combating of crime, pollution and congestion; and structuring the built-up environment in such a way that it will facilitate the participation of disadvantaged groups in the social and economic life of the city. To ensure effective local government, certain local authorities should plan and invest to meet current and future land utilisation and infrastructural needs for residential, commercial and industrial development (White Paper 1998:24).

In rural areas, challenges facing local authorities include providing access to land and services for the rural poor in order to address the distortions in ownership

and opportunity that apartheid created between white and black rural dwellers. Rural local authorities are faced with problems of having large communities with no economic base. Many of these settlements are more than 70 kilometers away from the nearest economic opportunity resulting in not only high transport costs but also harsh social and personal costs. For example, Botshabelo in the Bloemfontein area is more than 50 kilometers away from Bloemfontein but as a result of the lack of economic opportunities in Botshabelo, residents are forced to seek employment in Bloemfontein. The creation of sustainable and quality living environments for communities in these settlements, requires innovative strategies and programs. Environmental sustainability is a key challenge in both urban and rural settlements and its planning forms an integral part of the process of developing local integrated development plans (White Paper 1998:24).

2.2.3 The promotion of local economic development

Although local authorities on their own cannot provide jobs or create wealth, they can plan to ensure that the full economic potential of their area is developed. This will help to ensure that there are more jobs, more opportunities and more wealth. The following can serve as examples:

- When goods and services are required, local authorities should purchase them from developing local businesses. As such, preferential treatment should be given to local traders, especially in the informal sector.
- Where possible infrastructure can be built through human labour and not with machines. For example, roads in rural areas can be built with labour from the surrounding areas.
- Local authorities can provide support and information to small businesses or ensure that local businesses have access to organisations and programs which can assist them. Research and technology are important ingredients in an increasingly competitive international economy and local authorities must play their part in assisting development in crucial areas.
- By providing sound leadership and uniting the community around common development goals, local authorities can make their area an attractive place for investment and the promotion of growth (White Paper 1998:25-6).

2.3 How can local authorities become more developmental?

Planning is an essential feature in promoting economic development. To adhere to statutory requirements, local authorities have to prepare integrated development plans which are of a long-term nature in which that development strategies are set out, together with the action plans which are required to achieve

these objectives. Furthermore, local authorities will be required to draw up financial plans which take cognisance of the contents of integrated developments (Ismail 1997:77).

To ensure the integration and co-ordination of the functions of local authorities with the social and developmental programs of the national and provincial spheres of government, parastatals, community groups and the private sector, local authorities can make use of Integrated Development Planning (IDP), Land Development Objectives (LDOs) and Performance Management.

2.3.1 Integrated Development Planning

Integrated Development Planning has been defined as follows in terms of Schedule 2 of the **Local Government Transition Act Second Amendment**, no. 97 of 1996: A metropolitan council shall, taking into account the development needs and priorities as determined by metropolitan local councils -

- (a) formulate and implement a metropolitan integrated development plan incorporating metropolitan land use planning, transport planning, infrastructure planning and the promotion of integrated economic development; and
- (b) co-ordinate and monitor local integrated development plans.

Schedule 6 of the **Local Government Transition Act Second Amendment** No. 97 of 1996, clearly stipulates that a local authority's IDP must address the following:

1. Topographical and physical characteristics of the area concerned.
2. Population distribution within the area concerned.
3. Existing demarcation of areas pertaining to municipal affairs and services, including areas of municipal borders and areas existing before 1991 as areas of such municipal borders (if any) as well as areas of regional services councils and joint services boards.
4. Existing and potential land usage, and town and transport planning, including industrial, business, commercial and residential usage and planning.
5. Economy, functionality, efficiency and financial viability with regard to the administration and rendering of services within the area concerned.
6. Development potential in relation to the availability of sufficient land for a reasonably foreseeable period to meet the spatial needs of the existing and potential residents of the proposed area for their residential business, recreational and amenity use.
7. Interdependence of a community of interest between residents in respect of residency, work, commuting and recreation.

8. The integrated urban economy as dictated by commercial, industrial and residential linkages.
9. The will of the local community.

The function of IDPs is to serve as the framework for mobilizing and prioritizing the use of development resources, and aligning internal capacity and systems with strategic development objectives. They also enable meaningful engagement with stakeholder groups around concrete development priorities.

IDP is a process specially designed to enable local authorities to plan effectively for development in their area and empower local authorities to become strategic thinkers and effective planners for development and involves the following aspects:

- Working with the community to assess community needs.
- Developing a common vision and setting priorities and goals.
- Assessing what resources are available.
- Designing programs and projects.
- Making sure that municipal programs are co-ordinated with those of other local, provincial and national authorities.
- Making sure that plans for different sectors such as water, housing, waste and transport work well together.
- Proper financial planning and budgeting.
- Plans for implementation.
- On-going monitoring and evaluation of programs to ensure that they are on track (**IDP Guide 1997:2**).

Paragraph 3 of the White Paper on Local Government summarizes the entire concept of Integrated Development Planning and Performance Management as follows: Integrated Development Planning should be linked to financial planning. A financial plan involves producing a medium term (5 year) projection of capital and recurrent expenditure. This means incorporating municipal land development objectives and other strategies into the normal medium-term planning for capital and recurrent expenditure. Local authorities should also develop a plan for raising the revenue to support these strategies and make sure their plans are affordable over the long term. The financial plan should show the priorities in the budget change over the five year period in order to achieve the integrated development plans and the land development objectives. On the capital side, local authorities need to develop a coherent infrastructure investment plan which sets out how they will achieve infrastructure targets and mobilize public and private funding sources for this purpose (**White Paper 1998:26-30**).

The medium-term financial plan forms a basis on which annual budgets can be drawn up. The relationship between planning and budgeting is diagrammatically illustrated as follows in par. 3.1.2 of the White Paper on Local Government:

	PLANNING	BUDGETING
Long term (Up to 25 years)	Vision	
Medium term (Up to 5 years)	Integrated Development Plan (including LDOs)	Financial plan (including infrastructure Investment plan on capital side)
Short term (1 year)	Key projects (Annual Action Plan)	Annual budget

The following benefits will accrue to a local authority when making use of IDP: It -

- helps local authorities in the allocation of scarce resources in the most effective way so as to meet priorities;
- ensures sustainable development on a long-term basis;
- gives assistance to councillors and officials to be effective leaders and managers of development;
- enables the local authority to establish genuine credibility in the eyes of local residents and stakeholders;
- helps the local authority to gain access to development resources;
- encourages outside investment; and
- builds broad public support for development projects (IDP Guide 1997:8).

Integrated development planning will have a big effect on how the budgets of local authorities are allocated.

The **Local Government Transition Act**, No. 97 of 1996, requires that the budget of local authorities should be based on the municipal IDP. Thus, if a local authority approaches national or provincial government for assistance or funds, it should be able to show that its budget is linked to an approved IDP.

Integrated development planning is an important way in which local authorities can develop a strategic policy capacity, mobilize resources as well as forge their own activities. A useful starting point for any local authority beginning a

planning process, is to apply the principles contained in the **Development Facilitation Act, No. 67 of 1995**, which forms the basis for most of the IDP planning. The **Development Facilitation Act, 1995**, provides specific principles for:

- land development and conflict resolutions;
- controls on land occupation; and
- recognition of informal land development practices.

Critical in the entire process are the Land Development Objectives (LDOs) as they provide a means of developing a strategic framework for development in the area. The LDO components are critical because they have to be submitted to the Provincial Government for approval; on approval, they have legal status and become powerful instruments for guiding and managing development in the area (White Paper 1998:29).

2.3.2 Land Development Objectives (LDOs)

LDOs cover most of the requirements of an integrated development plan and must be submitted to the provincial MEC for approval. It is crucial that the objectives required for LDOs must form part of the goals, the integrated development framework, detailed strategies, action plans and budgets of a local authority.

The **Development Facilitation Act** divides the subject matter of LDOs into four main areas:

(i) Objectives subject to services

Here, a local authority must set out in its LDO what sort of services it will provide, the standards of these services and the level at which they will be provided.

(ii) Objectives relating to urban and rural growth and form

These relate to a number of issues which are traditionally part of the planning process of a town and region:

- The way in which low-income communities will be integrated into the local authorities' area as a whole;
- the way in which the local authority will impact on the environment and make use of its natural resources;

- the planning of transportation and the provision of bulk infrastructure;
- the way in which land development is co-ordinated by the local authority; and
- the local authority's approach to the control of land usage.

(iii) Objectives relating to development strategies

A local authority must set objectives which will show how it will achieve the objectives contained in the previous two categories. These include

- the way in which the local authority will encourage the involvement of all sectors of the economy in land development;
- the way in which people will have access to money for land development; and
- the way in which it will make sure that it has enough administrative capacity to manage proposed development.

(iv) Objectives relating to targets

In order to provide figures against which a local authority's performance can be measured, it must set targets for delivery in its area which must show the following:

- The number of housing units, sites or other facilities that the local authority plans to deliver;
- whether this delivery will be new development or the upgrading of existing settlements or infrastructure; and
- the time periods within which the targets must be set (**IDP Guide 1997: 34-5**).

These objectives will provide a broad strategic framework for development. An integrated development plan can now be drawn up which addresses how these development strategies, including the LDOs, will be carried out, managed, monitored and sustained.

2.3.3 Performance management

The implementation of each IDP should be carefully monitored so as to ensure that the results are achieved. A performance management system is therefore required to measure the success of IDPs. In order to do this, local authorities need to set key performance indicators (KPIs). These are targets which they can use

to check that programs are on track and that resources are being used efficiently. Community groups should be involved in setting KPIs as this will help to build commitment throughout the community to common goals. In time, a national performance management system can be developed, based on the experiences of local authorities. This will help to identify problems and address them before they become crises (**White Paper 1998:31-5**).

To conclude, integrated development planning, budgeting and performance management are powerful tools which can assist local authorities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocation and institutional systems to a new set of development objectives (**White Paper 1998:32**).

2.3.4 Municipal Demarcation Act, No. 27 of 1998

This Act can be regarded as one of the most important pieces of legislation which has a bearing on the transformation of local government as well as the implementation of the White Paper in local government. The object of the Act is to provide criteria and procedures for the determination of municipal boundaries by the municipal demarcation board as required by the Constitution. Objectives which the demarcation process must attain include the provision of democratic and accountable government for local communities, the provision of services to the communities in a sustainable manner, the promotion of social and economic development and of a safe and healthy environment. The public will be involved in this entire process through formal investigations as well as public meetings (Reddy 1999:214).

3. DEVELOPMENTAL ROLE OF THE BLOEMFONTEIN LOCAL AUTHORITY

The vision of the Greater Bloemfontein Transitional Local Council is to:

- render efficient and affordable services;
- create adequate infrastructure;
- support growth and development through good governance; and
- have an effective organizational structure (Budget Speech 1997:1).

As the preamble of the Constitution states that the quality of life of all citizens should be improved, the Greater Bloemfontein Transitional Local Council is committed to fulfilling this role and, as such, compiled an infrastructure developmental

capital budget. Mr Mogamise, Chairperson of the Executive Committee of the Bloemfontein Transitional Local Council, stated that budgetary expenditure had been reprioritised to promote development in areas most in need. The major challenge was to meet the needs and requirements of the previously disadvantaged areas while at the same time ensuring that the investment in infrastructure in the established areas was not neglected (TLC News June 1998:1).

3.1 Statutory considerations

The composition of a local government's budget is influenced by the following requirements:

3.1.1 The Local Government Transition Second Amendment Act, No. 97 of 1996

This Act contains the following provision in regard to the approval of the budget of a local authority:

Section 10(G)(3)

"(a) A municipality shall annually on or before the date determined by law, compile and by two-thirds majority of all members of its council, approve a budget for -

- (i) operating income and expenditure; and
- (ii) capital expenditure which must reflect the source of finance, future capital charges, operating and maintenance cost as well as the consequential influence thereof on levies, rates and service charges.

(b) A municipality shall -

- (i) not budget for a year a deficit on its operating account; and ensure that the budget is in accordance with its integrated development plan."

3.1.2 Control over the expenditure of local authorities

In terms of the above-mentioned act, the Minister of Finance may determine maximum expenditure limits for the budgets of local authorities for a financial year, which for the 1998/99 financial year has been set at 6 % (Mogamise 1998:3).

3.2 Spending on capital projects/infrastructure development by the local authority since 1994

From 1994-1997, the Bloemfontein Local Authority spent R216,19 million on the improvement and extension of infrastructure in the Greater Bloemfontein area. For the 1998 financial year, an amount of R70 million has been allocated for capital projects. Altogether, R87,07 million was spent in the last four years on roads and storm water drainage; R76,96 million on sewerage; and R52,26 million on waterworks and water projects. Of these projects, 75 % constituted RDP projects (**Die Volksblad** 16 October 1998:6).

The following projects worth more than R1 million were undertaken by the Bloemfontein Local Council for 1994-1997:

- (1) The development of erven in Bloemanda
- (2) The re-building of a section of Andries Pretorius Street
- (3) Exit roads from Freedom Square
- (4) A connection to Vereeniging Drive
- (5) The changing of Church Street into a double road
- (6) Roads in Turflaagte
- (7) A roof for the Taxi Rank at Russell Square
- (8) The provision of storm water drainage in Freedom Square
- (9) The changing of Harvey Road into a double road
- (10) The development of erven in Mangaung
- (11) Repair work to Voortrekker and Zastron Streets
- (12) The improvement of roads in Mangaung
- (13) Road maintenance at Maselspoort
- (14) The building of Seeiso Street
- (15) Improvement of the sewerage system in Mangaung
- (16) Water provision to Meriting
- (17) Improvement to the water supply in Mangaung
- (18) The creation of a water provision network in the eastern areas
- (16) Improvements to Maselspoort's waterworks (**Die Volksblad** 16 October 1998:6).

3.3 The budget of the Bloemfontein Local Authority for 1998

The budget for the financial year 1998/1999 shows an increase of 5,93 % for basic expenditure and 17,14 % for ad hoc expenditure compared to the approved budget for 1997/1998. The 1998/99 budget consisted of capital estimates of R143,3 million and operating estimates of R592 million. In total, the 1998/99 budget

showed an increase of 9,32 %. General assessment and sanitation rates had been increased by 6,7 % whilst tariffs - excluding assessment rates, sanitary fees and water and electricity tariffs - showed an average increase of 8,5 %, effective from 1 July 1998 (TLC News 1998:1; Mogamisa 1998:4).

3.3.1 Capital items on the 1998/99 budget are classified as follows:

Classification	%	TOTAL	BASIC	AD HOC
BUILDINGS AND STRUCTURES	10,21	14 634 800	11 634 800	3 000 00
SITE DEVELOPMENT	0,02	30 000	30 000	0
TRAFFIC LIGHTS AND PARKING METERS	0,65	933 100	933 100	0
PURCHASE OF LAND	0,35	508 390	0	0
URBAN PLANNING	2,34	3 355 000	880 000	2 475 000
EQUIPMENT	5,40	7 738 555	7 738 555	0
MACHINERY	1,50	2 145 900	2 145 900	0
ELECTRICITY	22,29	31 949 000	21 899 000	10 050 000
SEWERAGE	17,56	25 168 740	8 067 940	17 100 800
WATER	9,22	13 212 160	10 739 500	2 472 660
ROADS	10,50	15 046 000	13 546 000	1 500 000
STORMWATER	9,29	13 309 000	3 912 000	9 397 000
PARKS OTHER	0,86	1 231 000	1 231 000	0
PARKS - SPORT FACILITIES	0,17	250 000	250	0
VEHICLES	9,63	13 804 650	13 804 650	0
	100,00	143 316 295	98 812 445	46 503 850

As had been the case in the 1997/98 budget, the capital budget for 1998/99 would again concentrate on infrastructural development as indicated as follows:

Electricity	:	22,29 %
Water	:	9,22 %
Sewerage	:	17,56 %
Roads and storm water	:	19,79 %
Total	:	68,86 %

3.3.2 Funds on the capital budget directed towards the RDP

AREA	DIRECT RDP	INDIRECT RDP	OTHER
GENERAL	4 170 900	8 833 300	25 502 455
CITY	8 535 000	383 600	11 402 850
MANGAUNG	65 849 190	746 100	5 596 200
HEIDEDAL	1 093 000	1 143 000	556 000
BAINSVLEI	3 923 000	0	4 205 100
BLOEMSPRUIT	500 000	0	360 000
PERI-URBAN	0	0	517 000
TOTAL	84 071 090	11 105 000	48 140 205
PERCENTAGE	58,6	7,75	33,59

The RDP in Mangaung area received R65,8 million with 78 % of the RDP being spent in the areas where the need is the greatest. Some of the main items for infrastructural development and sundry projects are the following:

Electricity

- Urban connections R6,3 million
- Upgrade of transformer for Universitas area - R3 million
- Residential electrification in Mangaung - R4 million
- Electrical connections - R2 million

Water

- Water points for erven development in Mangaung - R8 million

Sewerage

- Sewerage system in Bainsvlei - R2 million
- Mangaung sundry erven development - R20 million
- Sewerage system for erven development in Hamilton - R1 million

Roads and storm water

- Upgrading roads in suburban areas - R5 million
- Upgrading Mangaung storm water Phase 3 - R4,5 million
- Rehabilitation of Andries Pretorius Street - R1 million
- Road improvements: First Avenue Extension - R1 million

Sundry Projects

- Upgrading of hostels 1, 2 and 3 in Mangaung - R2 million
- Replacement of buses - R2,6 million

- Upgrading of Seisa Ramabodu Stadium in Mangaung - R2 million
- New swimming-bath in Mangaung - R2 million
- Improvements to the Phahameng graveyard - R300 000
- Building of a new graveyard in Mangaung - R300 000
- Improvement to crèches in Mangaung - R1 million (Ons Stad 24 June 1998:10; TLC News 1998:1-2).

Other projects include the following:

- (1) Main roads in the Hamilton residential area
- (2) Roads in Turflaagte and Namibia suburbs
- (3) An access road to Bloem Park and storm water canals
- (4) Improvements to storm water canals in Luna Road
- (5) A sewerage rehabilitation area for the western suburbs
- (6) Improvements to the Bloemspruit sewerage rehabilitation network
- (7) The development of a sewerage rehabilitation network for the south eastern suburbs (Die Volksblad 16 October 1998:6) (See also Appendix A).

3.3.3 Financing the capital budget

The financing of the total amount of the 1998/9 capital budget is as follows:

	AMOUNT	PERCENTAGE
LOANS	108 982 450	76,04
REVENUE	1 280 155	0,89
RESERVE FUND	6 946 100	4,85
REPLACEMENT FUND	1 942 800	1,36
ERVEN TRUST FUND	1 630 000	1,14
CONTRIBUTION BY PUBLIC	5 129 400	3,58
SUBSIDY GOVERNMENT	8 312 000	5,80
ERVEN IMPROVEMENT ACCOUNT	9 093 390	6,34
	143 316 295	100,00

(Mogamise 1998:7)

The projected 82,34 % of the total income of the Budget is generated from basic services with Mr Mogamise stating that "the restoration of services in Mangaung and Heidedal areas is a high priority and if the community supports the Council by paying for services, milestones through accelerated service delivery addressing the imbalances of the past can be achieved within a number of years" (TLC News 1998:2). However, at the present time, the Bloemfontein Local Authority's outstanding debt is more than R130 million, increasing by R3 million

per month (Ons Stad 24 June 1998:10). The budgeted amount for interest on arrears accounts increased from R4 million to R7,9 million (Mogamise 1998:20). The Mayor of Bloemfontein, Mr Jani Mohapi, stated during Masakhane Focus Week, that investment in infrastructure development was one of the largest in the last four years: "Efforts had been made to involve the community in the planning and implementation of the projects; thereby the responsibility of ownership is placed on the community. Through the Department of the City Engineer, the Town Council will strive for continuous improvement and maintenance of infrastructure as well as providing acceptable service for the Bloemfontein community. However, all this development costs money and as such, it is imperative, in the spirit of Masakhane, that every resident needs to pay for services delivered. Without sufficient income, it will become impossible to provide acceptable service to those communities who still have to do without it. Non-payment can lead to the total collapse of the Council and the city" (Die Volksblad 16 October 1998:6).

4. CONCLUSION

It is clear that local government has undergone a radical transformation process whereby unilateral decision-making on the part of a local authority on behalf of its community is something of the past. In future, a local authority has to involve the community and other stakeholders in planning for short, medium and long-term projects which it wishes to undertake. Local authorities have a duty and obligation to involve local citizens in municipal affairs and to build local democracy. Citizens should be involved in planning and policy-making and as partners in development programs.

Developmental local government means strong leadership, clear vision, maximum participation by the community, the private sector and all stakeholders to meet the basic needs of all and build solid foundations for growth and lasting prosperity. To help local authorities integrate and co-ordinate their developmental activities, Integrated Development Planning (IDP) was developed to ensure that they are constructively engaged in the process of enhancing the quality of life for their community. Performance management systems with its concomitant key performance indicators, would ensure that the entire IDP process is clearly monitored and that the targets set out by a local authority, are on track and resources used efficiently.

The Council of the Bloemfontein Local Authority is well aware of the important role which development plays in the community and as such has allocated more than 68 % of its capital budget towards infrastructure development in the previously disadvantaged areas. Plans are also well underway to draw up an

integrated development plan for the Greater Bloemfontein Local Authority as future budgets will have to be developed and approved around an IDP. However, the Bloemfontein Local Authority is also suffering from the non-payment of services and whilst its outstanding debt keeps rising, it will soon be in a position where it will no longer be able to provide for infrastructure development let alone the running of existing services.

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