

# Shared Services for enhancing municipal planning efficiency in KwaZulu-Natal

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## Abstract

The past five years have seen a growing trend towards the notion of a Shared Services approach to enhancing municipal efficiency in the local government sector in South Africa. In KwaZulu-Natal (KZN), this approach is receiving more focused attention. In this regard, the Department of Co-operative Governance and Traditional Affairs (COGTA) is playing a pivotal role in supporting municipalities in KZN with regards to capacity-building and financial resources. The thrust of municipal service delivery is premised on its Integrated Development Plan (IDP), and the concept of Shared Services is being used as a conduit for municipalities to work towards ensuring that their organizational and developmental objectives are achieved in the short-, medium- and long-term. The article therefore examines the efficacy of municipal planning within the context of Shared Services.

## DIE INSTELLING VAN GEDEELDE DIENSTE OM MUNISIPALE EFFEKTIWITEIT TE BEVORDER

In die afgelope vyf jaar was daar 'n toenemende neiging in plaaslike regering in Suid-Afrika tot die instelling van Gedeelde Dienste om munisipale effektiwiteit te bevorder. In KwaZulu-Natal (KZN) veral het dié benadering baie klem gekry. In die verband speel die Department van Samewerkende Regering en Tradisionele Sake (DSRTS) 'n deurslaggewende rol met die ondersteuning van munisipaliteite in KZN ten opsigte van kapasiteitsbou en hulpbronne soos finansies. Die basis van munisipale dienslewering is die geïntegreerde ontwikkelingsplan (GOP). Die Gedeelde Dienste-konsep is die instrument waardeur munisipaliteite hul organisatoriese en ontwikkelingsdoelwitte op die kort-, medium- en langtermyn bereik. Die artikel ondersoek die effektiwiteit van munisipale beplanning binne die verband van Gedeelde Dienste.

## KUKAMASIPALA EKULETHENI INTUTHUKO KOHULUMENI BASEKHAYA ENINGIZIMU AFRIKA, KWAZULU NATALI

Sekuphele iminyaka emihlanu sibona ukukhula kwe kombono woku sebenzisa iqhinga lentuthuko ehlanganyelwe phecelezi i-Shared Services ukwenza kangcono ukusebenza kukamasipala ekuletheni intuthuko kohulumeni basekhaya eNingizimu Afrika. KwaZulu Natali loluhlelo luthola ukunakwa ngokwengeziwe. Ngalo khoko ke *i-Department of Co-operative Governance and Traditional Affairs* ibamba iqhaza elikhulu ekusekeleni omasipala baKwaZulu Natal ekukhuliseni amandla nangemithombo yezimali. Umnyombo wokulethwa kwentuthuko omasipala kulele kumqingo wohlelo lwentuthuko oludidiyeliwe obizwa phecelezi nge *Integrated Development Plan* futhi uhlelo lokwabelana ngentuthuko lusentshenziswa njenge thuluzi ngoMasipala ekufezeni izinjongozabo kanye nezentuthuko yomphakathi esikhathini esifushanyana, esibuqamama kanye nesikude. Lesi isihloko sivivinya noma siqikelela ukuthi indlela ebekiwe yokusebenza kwamamasipala ilandela ngendlela imigomo ebekiwe ye Shared Services.

## 1. OVERALL PERSPECTIVE ON SHARED SERVICES

Tracing the growth of literature on municipal governance and development planning in the South African perspective on local government, one is able to locate the discussion on various kinds of planning strategies and approaches to address capacity constraints within municipalities. Intervention for improving governance within municipalities has indeed evolved within the South African context. The Report on the State of Local Government in South Africa, published in 2009 by COGTA, provides an intriguing comparison in relation to varying capacities of municipalities, and thus notes that some municipal administrations are relatively stable and well-resourced while others face huge infrastructure backlogs, the negative impacts of demographic change and prevailing apartheid-based socio-economic legacies (Koma, 2010: 115). Furthermore, South African municipalities, as part of the restructuring process, have experienced several structural transformations that have broadened their scope of functioning. Therefore, the trend is to invent, invest and regulate development towards enhancing municipal service delivery (Theron & Subban, 2010: 1).

Arising from the above perspective, it is asserted in the State of Local Government Overview Report (South Africa, 2009: 10) that the provincial capacity assessments exposed reasons for distress in municipal governance which includes the following:

- Tensions between political and administrative interface;
- Limited ability of councillors to deal with the demands of local government;
- Insufficient separation of powers between political parties and municipal councils;
- Lack of clear separation between legislative and executive;
- Inadequate accountability measures, support systems and resources for local democracy, and
- Poor compliance of municipalities with legislative and regulatory frameworks.

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In this regard, Reddy & Subban (2010: 5) submit that areas of concern included municipal leadership and governance challenges, as well as weak responsiveness and accountability to communities. The financial capacity of many municipalities is a matter of concern, as well as the inability to deliver basic services or even grow their local economies. Scarcity of skills is a major contributory factor in several municipalities and the inability to attract skilled professionals to critical jobs continues to pose challenges. Provincial municipal assessments reflect poor performance and dysfunctionality. There is some expectation that the 'Turnaround Strategy for Local Government' would be an approach to address some of these anomalies.

Of particular interest at national level was a PriceWaterhouseCoopers (PWC: 2006) report entitled the *National Financial Sustainability Study of Local Government*, commissioned by the Australian Local Government Association (ALGA), which considered Shared Services as a fruitful avenue of improving municipal efficiency. It identified three methods of approach in the area of 'bulk purchase or procurement of goods and services'; development of a 'specialised lead service provider' in groups of councils, and specialisation in selected services provision by certain local authorities which, in turn, contract out these services to other member municipalities. The third concept was that of 'shared corporate services' with joint 'back-office' services, including human resources, finances, information technology, and administration. All these approaches had the potential to generate cost savings, productivity improvements and better training of staff'. Dollery, Akimov & Byrnes (2009: 208-219), share that widespread enthusiasm for structural reform in local government in Australia seems to have dissipated as the outcomes of council amalgamation did not meet initial expectations. The researchers point to a century of structural reform in local government in Australia for enhancing operational efficiency. However, there was general disillusionment that municipal amalgamation and mergers had failed because of poor policy directives, and a move away from municipal consolidation to Shared Services as a more viable means of improving local government service delivery.

## 2. WHY CONSIDER SHARED SERVICES?

Mogale (2003: 229) states that, in order to assist municipalities to meet developmental requirements and speed up service delivery to the poor, extensive resource acquisition in terms of funding, human resources, appropriate and most importantly, the adoption of key and enabling legislative measures became essential to realise the developmental local government objectives.

Malefane & Khalo (2010: 134-135) assert that communities are financially distressed by economic recession. Furthermore, the recession places new and unique pressures on municipalities to which they will soon have to respond. It is on this premise that the discussion on Shared Services and municipalities' readiness to address diverse impacts of the recession is given priority. This discussion should not be concentrated on political debates that unfolded during the 2011 local government elections. The loss of jobs has made a profound impact on the economy. The strategic intent of municipalities and their entities to circumvent these impacts on local communities, and to plan strategically for consolidation of resources in providing enhanced service delivery, is of necessity.

In this regard, Grunskovnjak (in Theron & Subban, 2010: 3) maintain that there are four overarching principles for successful sharing of services, which are listed as follows:

- Citizens at the centre of all programmes, solutions and initiatives;
- Connecting people and organisations that are flatter and less monolithic 'silos';
- Empowering citizens, and
- Ensuring delivery of public value.

It follows then that the benefit of Shared Services far outweighs the ill-effects of such collaboration. Furthermore, the performance of numerous municipalities across the country has thus far clearly demonstrated huge deficiencies in as far the fulfilment of both their constitutional and legislative obligations are concerned (Koma, 2010: 112).

Some of the most pertinent benefits are established in the discussion that follows.

## 3. THE BENEFIT OF SHARED SERVICES

Authors Chappie & Venter (undated); Heyneke & Matthee (2006), and Mwasandube (2007) highlighted the following beneficiation aspects of Shared Services:

- Anticipated savings between 15-20% through standardisation, automation and consolidation of routine tasks;
- Economies of scale and lower transaction costs;
- One enterprise approach;
- Enhanced customer services available to citizens at all times;
- Opportunity for redistribution or reduction of resources;
- New access for data which improves monitoring and accountability;
- Staff are empowered to deliver services at a lower cost with reduction in staffing;
- Pooling of resources ensures fewer errors and faster turnaround time for processing;
- Auditing of processes becoming more refined, and
- Improved efficiency, effectiveness and general quality of customer services.

Literature reviews on international experiences and practices is available on the subject of Shared Services. Some focus on the international experience is captured in the following discussion.

## 4. INTERNATIONAL EXPERIENCE IN SHARED SERVICES

The experience of international studies according to Dollery *et al.* (2009: 12) reveal the following perspectives: negative perception and scepticism (service will never be as good) by officials has to be overcome; negative perception of sharing resources among municipalities tends to be a problem; implementing Shared Services tends to be a costly change process; 'vision' and compatibility of the partner organisations has had to be right; problem with new technology systems slow the pace of change; movement for staff as they merged services; potential for staff to be relocated elsewhere; functions such as training often disbanded and/or changed to support services are often fragmented across the business with

each site responsible for and providing its own support service; overlap of responsibilities and low spans of control. Furthermore, it is inherently difficult to co-ordinate and to differentiate between policy and guidelines with execution responsibilities; imbalance in the levels of support enjoyed by each site. Site managers are operating as 'silos' being responsible for the entire spectrum of business operations and support leading to lack of focus and/or undue pressure; the duplication of processes and high costs of doing business; repeated services with no standards set or value added to the services provided. A fundamental lack of awareness/skills in managing change to Shared Services; lack of committed leadership support; lack of co-operation/consensus between departments; the tendency of the workforce unions pressure to retain jobs coupled with insufficient funds to implement necessary changes, and the fear of change, loss of control/territorial issues were amongst the key aspects.

In summary, it is clear from the foregoing discussion that the introduction of Shared Services is therefore geared towards ensuring that municipalities are able to manage their planning and development initiatives through this approach.

A brief discussion of Gauteng's Shared Services Centre as a case in point is highlighted in the article.

## 5. GAUTENG SHARED SERVICES CASE STUDY

The Gauteng Shared Services Centre remains a standout in respect of its support services to the Provincial Government. A functional audit in the late 1990s found that many of the Gauteng Provincial Government Support Services were duplicated across departments, leading to less than optimal service delivery. The solution was to create the Gauteng Support Services Centre, a single support service centre that would provide centralised services such as finance, procurement, internal auditing and technological support services, as captured by Reddy & Subban (2010: 5).

The migration of Shared Services to the public sector and, in particular, to local government and best practices worldwide could provide a lifeline to municipalities in South Africa faced with huge backlogs, dwindling revenue and a high dependency on central government grants. Furthermore, some

municipalities have inadequate financial management capacity. The result is that budgeting, accounting, credit control and financial reporting systems are weak. Thus, approximately 60% of the 283 municipalities cannot give evidence to account for the revenue they have received, alerts Nombembe (in Koma, 2010: 116). This situation presents anomalies that contribute to municipal inefficiency.

## 6. OTHER LOCAL CASE STUDIES

Initiatives at local government level in both the Central Karoo District Municipality and the Overberg District Municipality provide ample proof that Shared Services Centre has the potential to reduce costs substantially. There are also instances of informal sharing of services in several other municipalities in KZN including the Abaqulusi, Ulundi, Edumbe, Umphongola and Nongoma Municipalities to jointly implement the *Municipal Property Rates Act* (Reddy & Subban, 2010: 5).

Reddy (2011: 10) draws attention to the move towards a Shared Services model as mooted by the South African Local Government Association in October 2011. This move was regarded as part of the response of organised local government, and re-informed by the African National Congress (ANC) Report of the 3<sup>rd</sup> National General Council that signalled the party's intention to consider this model as part of the policy process for local government (ANC, 2010: 54).

To contextualise the discussion, the following is the experience of KZN in Shared Services.

## 7. THE KWAZULU-NATAL DEVELOPMENT PLANNING SHARED SERVICES (DPSS) EXPERIENCE

A brief background to the Development Planning Shared Services is provided in locating the discussion within KZN. The KZN experience is based on a context-specific analysis, a perspective described by Dale (2004: 9).

### 7.1 What gave birth to the DPSS?

In 2001, the Department of Local Government and Traditional Affairs (DLGTA), in partnership with the former KwaZulu-Natal Local Government Association (Kwanaloga), developed a generic capacity-building model,

which illustrated a preferred institutional arrangement for undertaking development planning functions within a municipality (DLGTA, 2006: 2), thereby developing a management system that would achieve integrated and sustainable integrated development planning.

While this model has been implemented effectively in some municipalities, particularly in district municipalities, there are still serious capacity constraints in most local municipalities. This is the case particularly in the smaller and rural-based municipalities. High staff turnover, as well as a scarcity of requisite skills to perform development planning functions, has resulted in a situation where municipalities are not able to retain or even recruit suitably qualified and experienced staff to perform these functions. It has, therefore, become clear that the approach of implementing the Capacity-Building Model in each individual municipality has not yielded the anticipated results.

While the basic principles of the 2001 model are still applicable, the level at which it is to be implemented, as well as specific measures to enhance the sustainability of these development planning units should be reviewed. It is for this reason that the concept of Shared Services has been pursued as an option that has the potential to achieve greater economies of scale and improve the sustainability of the department's development planning capacity-building programme.

Reddy (2011: 5) argues that a municipal Shared Services Centre at a central point at the level of a district municipality should provide a family of local municipalities with the consolidation of infrastructure, reduction in costs and governance across the enterprise. According to Davis (2011), for effectiveness and efficiency KZN resolved to base the Shared Services model on four guiding principles, namely the sharing of skilled personnel resources among participating municipalities on a time-cost basis; the Shared Services was not established as an institution (stand alone) in municipalities; the Shared Services was implemented on a voluntary basis in municipalities, and co-funding by COGTA and participating municipalities over 3 years after which municipalities assumed responsibility for continued funding and operation.

## 7.2 Core functions of the generic Shared Services Model

The following development planning functions are typically performed by the KZN, Uthungulu Family of Municipalities (2009: 4-13).

### 7.2.1 Spatial planning

The spatial planning functions include the preparation of spatial planning guidelines; the preparation of spatial development frameworks; the preparation of land-use management systems; processing statutory spatial planning applications in terms of the new planning and development legislation in KZN, and the implementation of development control measures (or statutory functions).

### 7.2.2 Strategic planning

Municipalities are required to prepare and annually review Integrated Development Plans (IDP) and associated sector plans with full community participation in the planning process. Cilliers & Drewes (2010: 3) highlight that the IDP aims to assist in the management and allocation of scarce resources between different sectors and geographical areas in a sustainable manner, and it is not enforced by the *Municipal Systems Act* of 2000. Provincial Departments and Para-state bodies need to actively participate in the IDP process and these plans also need to be aligned to the Provincial Growth and Development Strategy and National Spatial Development Perspective. IDPs and the associated sector plans need to be co-ordinated within and between a District Family of Municipalities to ensure alignment.

### 7.2.3 Development administration

Based on the new planning and development legislation in KZN, local government will assume responsibility for processing land development applications in terms of the following legislation, including *Development Facilitation Act*, 1995 (Act No. 67 of 1995), the *Town Planning Ordinance*, 1949 (Act No 27 of 1949), the *KwaZulu Land Affairs Act*, 1992 (Act No 11 of 1992) and numerous other statutes.

### 7.2.4 Organisational performance management

The focus of the component of the development planning function is to facilitate the establishment and operation of organisational performance

management systems, based on the IDPs, within all municipalities. The purpose is to establish a functional monitoring, evaluation and reporting framework that will facilitate effective oversight and the production of the Annual Municipal Performance Report.

While the final responsibility for Performance Management remains with municipalities, the DPSS provides the opportunity for additional capacity where it is required.

### 7.2.5 Information management and systems development

Effective planning is dependent upon readily available up-to-date information and information in digital (spreadsheets and digital maps) and hard copy format (maps and reports) were to be provided through the Shared Services plan.

Families of Municipalities have had the following choices on how the Shared Services could be structured, namely:

- It could be a completely separate 'stand alone' structure operating independently from any of the participating municipalities but wholly owned by a member of the participating municipalities;
- It could be suitable in its entirety in one of the participating municipalities, and
- The different functions of the DPSS could be split between participating municipalities depending upon development pressure, geographic location and their capacity to provide the necessary services.

The uThungulu District Family elected to follow the 3<sup>rd</sup> Option for the planning function, as illustrated in Figure 1.

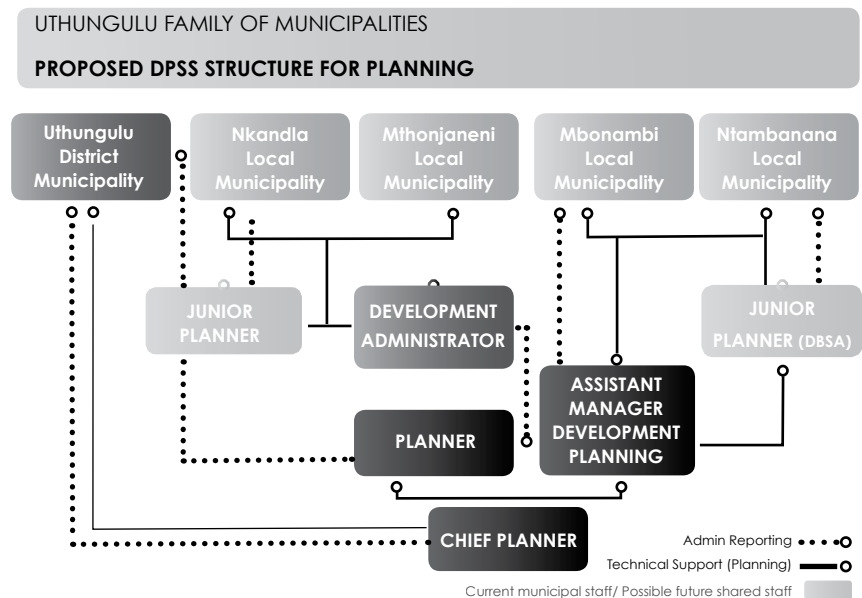


Figure 1: UThungulu Family of Municipalities: Proposed DPSS structure for planning  
Source: Isikhungusethu (Pty) Ltd., 2009: online

## 8. DEVELOPMENT PLANNING SHARED SERVICES IN THE CONTEXT OF UTHUNGULU DISTRICT MUNICIPALITY

### 8.1 Proposed structure

As noted under Section 8.1, the generic model selected for application in KZN involved the sharing of skilled personnel among different municipalities on a time cost basis. This generic model has been adapted to suit local conditions in each of the 10 Families of Municipalities in which it has been implemented.

In the application of the generic model,

### 8.2 Roles of participating municipalities

Based on the discussions held with the Municipal Managers of the participating municipalities, the following was decided upon:

#### 8.2.1 uThungulu District Municipality

As noted in Figure 1, the Chief Planner located in the DPSS would provide technical support and guidance to the Planner to be shared by Nkandla and Mthonjaneni and the Manager Development Planning to

be shared by Mbonambi (Mfolozi) and Ntambanana Municipalities (Smit, 2011: written comments on draft article), respectively. It was established that the Chief Planner would deal with spatial, strategic, development administration and Performance Management System functions in all participating municipalities.

The DPSS staff would be located in the office of the Municipal Manager accounting to the new Director Development and Planning in the uThungulu District Municipality.

### 8.2.2 Local municipalities

In terms of the proposed DPSS, Mbonambi (Mfolozi), Ntambanana, Nkandla, and Mthonjaneni Local Municipalities will assume responsibility for the following Shared Services Planning functions:

#### 8.2.2(i) Spatial planning

Updating and maintaining the Town Planning Scheme in terms of the Town Planning Ordinance (TPO); preparing, implementing and maintaining the land-use management system (LUMS) throughout the municipal area; preparing and maintaining spatial development framework (SDF); alignment with Local and District spatial plans, and preparing comments on development applications on the Ingonyama Trust Traditional Authority land.

#### 8.2.2(ii) Development administration

Establishment and maintenance of a development administration system; processing of development and planning applications; establishment of digital archive of applications, and establishment of a tracking system for applications.

#### 8.2.2(iii) Information management and Geographic Information Systems (GIS)

Digital archiving of documents; establishment of spatial database and maintenance of data, and indication of location of all development applications. Integrated Development Plans (IDPs) and Organisational Performance Management Systems (OPMS) would be undertaken by all municipalities in the District and would not be a Shared Services function.

### 8.2.3 Staff requirements

The Manager: Development and Planning is located at District level to provide high-level co-ordination and planning support. The Chief Planner is situated at District level to provide support and mentorship to Planners and Junior Planners at Local level. A Junior Planner may be required in future.

The GIS operations are performed by the Planner with support from the GIS Specialist.

### 8.2.4 Operational issues

Location of the DPSS planner was an important factor operationally.

#### 8.2.4.(i) Location of levels of DPSS staff

The DPSS Chief Planner was located in the uThungulu District Planning Section located in the Municipal Manager's Office. The registered planner identified for Nkandla and Mthonjaneni was located at the offices of the Nkandla Municipality. The Manager: Planning identified for Mbonambi (Mfolozi)-Ntambanana should also be registered with the South African Council of Planners (SACPLAN). The Development Administrator will be located in the offices of the Mthonjaneni Municipality.

#### 8.2.4.(ii) Logistics

Some of the pertinent logistical arrangements are discussed briefly as follows:

- Offices and equipment required must be supplied by the Municipality that will accommodate the DPSS staff. Where specialist equipment is required to ensure connectivity between Municipalities and accessibility to data information, provision should be made for this in DLGTA's Development Information System (DIS) allocations and other grant allocations (e.g. Development Bank of Southern Africa).
- Transportation - the DPSS will involve travelling for officials in the course of performing their duties. Consequently, provision will have to be made for transportation in the salary packages included in the budget:
  - ♦ The District Municipality bears the costs of the Chief Planner;
  - ♦ The District Municipality bears the costs of the GIS Specialist;
  - ♦ Each pair of local Municipalities shares equally in the costs of

the Planners and Development Administrators, and

- ♦ Each Local Municipality appoints its own Junior Planner, if required; alternatively this could be a shared resource.

## 9. LESSONS LEARNT DURING THE PLANNING PHASE

Valuable lessons were learnt during the planning phase of the DPSS, and some are documented by DLGTA, cited in the lessons arising from the district-wide development planning Shared Services project in KwaZulu-Natal and prepared by Isikhungusethu (2009: online), which is reflected in discussion in the online document.

In accordance with the KwaZulu-Natal TPO of 1947 and the DFA of 1998, among others, COGTA and its predecessors were responsible for managing and approving town planning applications until the end of 2008 with the promulgation of the *KZN Planning and Development Act (PDA)*. As a consequence and to a large degree, municipalities in KZN were not given the full planning function and responsibility as required by the Constitution. The PDA changed the situation and municipalities are now the responsible planning authorities, including the review and approval of development application. Municipalities had to be made aware of their new and changing planning role, workloads and budgetary implications, as these were not fully recognized by municipal planning staff and management structures.

The PDA requires that municipalities appoint or have access to the SACPLAN as registered professional planners to sign off on applications, and town planners with experience can process and draft planning memorandums for Councils. The new planning responsibilities of municipalities had the direct effect that municipalities did not have sufficient funding to employ or retain high-level planning staff. They were forced to employ recent graduates with lack of planning experience. In addition, the delays in the registration of qualified planners at the SACPLAN led to frustration among planners and to a degree a movement to other professional disciplines. This meant that registered planners were no longer available for appointment at municipalities which put further pressure on the planning and capacity of municipalities (authors' perspective).

Further problems include that some municipalities view Geographic Information Services (GIS) and information management in planning and service provision as a low priority 'map-making' service. This undermines the efficiency of service delivery in municipalities as information stored on GIS databases is not fully utilised or trusted, and it is not used to support planning and development decisions, as well as monitoring functions. This is an integral aspect for the efficiency of municipal planning (authors' perspective).

As autonomous bodies, municipalities find it, for various reasons, difficult to work together. They were initially uncertain about sharing planning resources. It took substantial efforts from the KZN COGTA to convince some municipalities within a District Family of Municipalities to participate in the Shared Services. It was finally accepted that there are substantial benefits for all in terms of cost savings and acquisition of skills which are funded from a combined source (authors' perspective).

As noted, numerous models could be pursued by DPSSs in KZN. In order to accommodate local conditions, municipalities preferred that no predetermined structure be imposed upon them. Instead, the municipalities favoured a flexible approach that enabled them to make the acceptable DPSS model choice. Some municipalities would group municipalities within the District Family differently in order to suit budgets and geographic accessibility.

### 9.1 Challenges experienced during the planning phase

Various challenges were experienced during the planning phase of the Shared Services, which are reflected in the lessons arising from the district-wide development planning Shared Services project prepared by Isikhungusethu (2009: online).

Municipalities within District Families of Municipalities expressed concern regarding the equitable time allocation between them for staff to be able to undertake their planning functions. Municipalities did not want to be short-changed on time as this would impact on their ability to consider development applications.

The allocation of accountability for work undertaken by the various municipalities participating in the DPSS also proved to be a challenge. A planner will be appointed by and situated in

one municipality, while s/he will also be working for another municipality. In-depth discussions were undertaken to determine these locations, and the development of communication and reporting lines to the Municipal Managers involved and Chief Town Planner in the District.

Municipalities and KZN COGTA had to agree on the basis for the apportionment of costs among them. Eventually, the following funding was agreed upon: Year 1 - COGTA 75%, Municipality 25%; Year 2 - COGTA 50%, Municipality 50%; Year 3 - COGTA 25%, Municipality 75%. From Year 4, the Municipality would fund the DPSS entirely from its own coffers. In order to ensure that the Shared Services is sustainable, municipalities could not withdraw from it within six years, and thereafter the DPSS would be incorporated into the municipality.

Municipalities within the District family of Municipalities had to reach agreement on the location of functions within the various individual municipalities. Funding and logistical support such as office space and equipment, and the availability and cost of computer equipment played a pivotal role in this regard.

## 10. LESSONS LEARNT DURING THE IMPLEMENTATION PHASE

Several lessons were learnt during the Shared Services implementation phase thus far, as cited by Theron & Subban, (SAPI September 2010).

There is a lack of communication between Mayors, Municipal Managers, Chief Financial Officers, Human Resource Practitioners and Planners on DPSS. In this regard, COGTA still needed to emphasise that all components in Municipalities have to embrace and support the Shared Services, for example to budget for travel and accommodation allowances and provide office space and equipment for DPSS staff. Some staff had left their Shared Services' position because of this lack of internal support by municipalities.

The unprofessional act of poaching of staff between municipalities occurred because of the variance in salaries. In one instance, a planner was appointed in a District Municipality and within a month he was appointed in another one, and within another month, he started off where he was appointed at the beginning. It became a vicious cycle that was not viewed in a professional manner.

KZN COGTA's support has to be on-going to ensure sustainability of the Shared Services. Beyond financial support, COGTA has had to undertake conflict resolution to make municipalities that form part of the agreement work together, or participate in accordance with the agreement. COGTA also played a role in monitoring the effectiveness of the DPSS by requesting regular progress reports, and to undertake audit of the DPSS expenditure to ensure financial accountability.

The concept of DPSS is considered a means to augment the traditional sources of support regarding development of planning proposals for economic, social, community and spatial planning initiatives towards sustainable livelihoods, which is one of the cornerstones of local government within the current context in the South African landscape, as emphasised by Bunker (2009: 241).

Reddy (2011: 14) holds the view that the Shared Services model at the local government sphere is still in its infancy, but it has potential cost benefits as a result of savings from bulk procurement, reduced administration costs and reduced duplication of functions. Chambers (2005: 72) upholds that it is through a synergy of reducing demands on the vulnerable and fiscally unsustainable municipalities, levelling power relations and taking responsible action through Shared Services, that capacity can be most effectively enhanced.

### 10.1 Community participation in Shared Services

Fourie & Schoeman (2010: 158) indicate that the disparity that exists between communities means that there is no single best way to organise communities or to elicit their participation. Rather, community participation forms a central part of development. The outcomes achieved within Shared Services are closely tied to how a community is defined, as this influences the manner in which the concept of Shared Services can be addressed.

Bekker (in Subban, Reddy & Pillay 2011: 127-128) highlights the rationale for community participation, and that the public should partake in the development planning initiatives. Bekker further highlights the following key aspects:

- providing information to citizens;
- obtaining information from and about citizens;

- improving public decisions, programmes and projects;
- enhancing acceptable public decisions;
- altering political patterns and resource allocations, and
- delaying or avoiding complicated political decisions.

Ultimately, the critical success factor will depend on the cogent relationship between local government and the community. Through Shared Services, infrastructure-based development and the provision of municipal services can be accessed by local communities in realising their full potential and improving their quality of life (Subban, Reddy & Pillay, 2011: 127-128).

One of the outcomes identified by the current State of the Nation Address is a responsive, accountable, effective and efficient local government system which is expected to improve service delivery. The lack of service delivery through several protests over the past year has become a common feature of many South African municipalities, and reflects the expectations of communities not being met. Hence, a new developmental mandate assigned to municipalities in South Africa is under review, and Shared Services is but one of the agendas to address this anomaly. The new developmental mandate is the need for enhanced community consultation and participation strategies. It is hoped that local participatory governance will be improved through the notion of Shared Services (Raga, Taylor & Albrecht, 2011: 152).

According to Moodley (2004: 80), community participation is regarded as one of the critical stakeholder interactions. The author views contemporary tests in the fields of public administration, planning and governance as having to provide the necessary arguments and perspectives for and against active community participation in municipal planning and local governance. The view that citizens themselves can best articulate their own needs, help improve ownership of processes and improve the legitimacy of government projects are cited as some of the most important reasons for active community participation. He also believes that delays, increased costs and the energy required to determine who is involved and the extent of involvement within the complexities of local community dynamics are frequently cited as some of the factors that mitigate against their

active participation.

The issue of community participation in Shared Services is not without problems or challenges in that the literacy levels of the communities must be given due consideration in local matters. The extent to which the municipality, on the other hand, can achieve meaningful community involvement must also be given due attention.

Ultimately, the capacity of municipalities to meet financial and delivery commitments lies beyond political will, and rests among others, on the willingness to invoke community participation in the affairs of local government for sustaining more effective local governance, adds Smith (2000: 8).

## 11. CONCLUSION

Shared Services in developmental local government in South Africa is a response to the shortage of critical skills in key sectors of the economy, on the one hand, and to the fact that there are too many government structures at local level resulting in serious duplication, on the other. The Shared Services model provides a clear indication of the need for rationalization in local government, and the type of model that is likely to sustain it in future programmes.

The finding of the Shared Services experience in KZN is that of purpose and co-operation. The implementation of Shared Services is to reduce the vulnerability experienced by municipalities through several capacity constraints, and to increase their governing capacity overall. The concept of Shared Services enhances local government management and development, thus improving public value through adaptive leadership. It also acts as a catalyst for action to address poor or non-delivery through monitoring activities. It is hoped that the Shared Services approach will assist municipalities in overcoming their challenges, and a move towards obtaining clean audit opinions focusing on three pertinent aspects that are central to taking municipalities forward in the next era: leadership, financial management and governance (Van der Walddt, 2010: 8). With these aspects at the core of municipal planning, ultimately there are cost and performance gains to be achieved through Shared Services, which emerged as a recurring theme in this paper. There is also the net effect of savings. Furthermore, the issue of financial sustainability is a matter that

needs to be viewed holistically and within a municipal context.

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