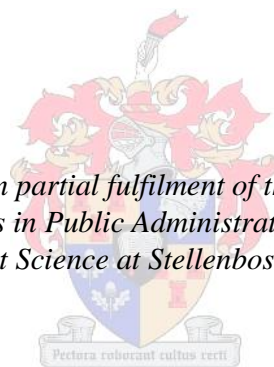


Alternative Service Delivery Mechanisms: The Use of Collaborative Partnerships

by
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the degree Masters in Public Administration in the faculty of
Management Science at Stellenbosch University*



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Declaration

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (safe to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

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Abstract

Collaborative partnerships, such as public-private partnerships (PPPs), outsourcing, public-voluntary sector partnerships (PVSPs), and shared services are all partnerships that are implemented to enable improvement in service delivery. Local government is the sphere that is the closest to communities in terms of service provision. It is their responsibility to provide services that are efficient, effective, economical, and sustainable; however, municipalities in the Republic of South Africa (RSA) face numerous challenges in a complex environment. The challenges are mainly attributed to a lack of finance and capacity. A prominent and viable option for local government is therefore to engage in collaborative partnerships to fill the resource gap dominating the public sector in the RSA.

The aim of the study is therefore to explore collaborative partnerships in terms of service delivery, assess their viability, as well as explore constraints. As such, it follows a highly qualitative approach and provides an explorative discussion of service delivery and especially collaborative partnerships in South African municipalities. It presents findings on the status and viability of collaborative partnerships, as well as the pros and cons of each selected collaborative partnership.

The study commences by providing an overview of the study and a brief background of the local government environment and the need for the study. It provides the bases for the two key themes present throughout the study, namely, service delivery and collaborative partnerships. The literature review and the legal framework are divided into these two themes, displaying the shift within the public sector that is forcing innovative and alternative mechanisms to optimally use public sector resources. The South African policy and legislative framework respond to the needs of its communities and the external forces driving the country to transform service delivery mechanisms. The researcher explores collaborative partnerships in the sphere of local government and explores the environment by conducting expert interviews. In culmination, the explorative study provides findings on the viability and status of collaborative partnerships. It contributes to and aims to improve the conditions and challenges in the

local government environment as the study provides an in-depth understanding of current realities.

Opsomming

Vennootskappe, soos openbare - en privatevennootskappe, uitkontraktering, openbare – en vrywilliger – sektorvennootskappe, en gedeelde dienste, is vennootskappe wat geïmplementeer word om 'n verbetering in dienslewering teweeg te bring. Plaaslike regering is die vlak van regering wat die naaste aan gemeenskappe is ten opsigte van dienslewering. Dit is dus hulle verantwoordelikheid om doeltreffende, effektiewe, ekonomiese en volhoubare dienste te lewer. Plaaslike regering ondervind egter baie uitdagings in 'n komplekse samelewing soos Suid-Afrika. Die uitdagings word hoofsaaklik toegeskryf aan 'n gebrek aan voldoende finansiering en operasionele kapasiteit. 'n Gunstige en lewensvatbare oplossing vir plaaslike regering is dus om met verskillende rolspelers in vennootskappe saam te werk om die hulpbrongaping wat die openbare sektor in SA oorheers, te verklein.

Die hoofdoel van dié studie is om bogenoemde vennootskappe in terme van die effektiewe lewering van dienste te bespreek en te ondersoek, hul lewensvatbaarheid te evalueer, asook beperkinge te identifiseer. Die studie sal dus gebruik maak van 'n hoogs-kwalitatiewe benadering en bied 'n ondersoekende bespreking van dienslewering en veral vennootskappe soos privatevennootskappe en sektorvennootskappe in Suid-Afrikaanse plaaslike regering konteks. Dit bied bevindinge oor die huidige stand en lewensvatbaarheid van sulke vennootskappe, sowel as die voor- en nadele van elke gekose en geïdentifiseerde vennootskap.

Eerstens, word 'n oorsig van die studie voorgelê, daarna 'n kort opsomming van die agtergrond van die plaaslike regering konteks, asook 'n beskrywing van die behoefte wat so 'n studie noodsaak. Dit bied die fondasie vir die twee sleutel temas wat deur die studie aangebied word, naamlik: dienslewering en vennootskappe. Die literatuuroorsig en beskrywing van die wette wat plaaslike regering beïnvloed word verdeel in die twee bogenoemde temas. Dit toon duidelik die verskuiwing in die openbare sektor wat plaaslike regerings dwing om met innoverende en alternatiewe strategieë vorendag te kom om beskikbare hulpbronne meer effektief te benut. Ooglopend reageer Suid-Afrikaanse openbarebeleid en wette op die behoeftes van gemeenskappe, asook die eksterne magte wat die verandering in diensleweringstrategieë af dwing of moontlik maak. Die navorser ondersoek sulke vennootskappe op die gebied van plaaslike

regering en ondersoek ook die omgewing wat sulke vennootskappe moontlik maak, deur opinies in te vorder van kundiges op die gebied. In gevolgtrekking, bied dié ondersoekende studie bevindings oor die lewensvatbaarheid en huidige stand van sulke vennootskappe. Dit dra tot die verbetering van die toestande en vermindering van die uitdagings in die plaaslike regering konteks by, aangesien die studie 'n in-diepte begrip van die huidige gebeure weergee.

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Chapter 1: Introduction

1.1 Introduction to Study

Governments are tasked to govern and provide services to the people residing in their country. The sphere closest to communities that should ensure the provision of services is local government. Since local government is mandated to provide services efficiently, effectively, and economically, it must ensure that these services are provided using the most viable option available. Local governments, like all spheres of government, have the option to engage in alternative service delivery mechanisms as a means to deliver services instead of self-provision. A prominent alternative service delivery mechanism that has become a constant and expected form of engagement is the use of collaborative partnerships. However, there are various alternative collaborative partnerships to engage in, and it can become a challenge for local governments to know when to engage in a collaborative partnership and to know which partnership is the most viable for a particular service. The focus of this study will therefore be twofold, focusing on service delivery and collaborative partnerships.

This study aims to explore collaborative partnerships in terms of service delivery in local government, assess the viability of collaborative partnerships, and explore the constraints of collaborative partnerships. This chapter is focused on introducing the study and briefly discussing how the study will be conducted. It will firstly provide a background to the study, followed by a discussion of the local government environment, and thereafter provide the problem statement and objectives. Once the need for the study has been introduced, the research design and methodology will be discussed to demonstrate how the research will be explored. The concluding section of this chapter provides a brief explanation of each chapter.

1.2 Background to the Study

The good governance community has grown in the last twenty years, and a significant shift has transpired to ensure the overall improvement of governance, as good governance can be challenging to define (Andrews, 2008:381). For governments, improving service delivery efficiently and effectively reflects a form of improving governance. De Graaf and Paanakker (2015:636) describe this as the performance values of effectiveness and efficiency. Fundamentally, effectiveness and efficiency constitute two core values of public governance legitimacy. Effective and efficient governance, therefore, leads to numerous accomplishments that are valued by the public. If the government does not deliver valued goods and services, public governance will have no point, as nothing will be accomplished (De Graaf & Paanakker, 2015:636).

The core mandate of the public sector is aimed at service delivery and in the last few decades notable reforms have occurred (Public Sector Research Centre, 2007:3). Providing a service that is up to standard is important, and as customer expectations are increasing, so does the need to improve service delivery (Berry, Parasuramant & Zeithaml, 1990:30). The community plays a significant role in the efficiency and effectiveness of service delivery. They have the right to be assured that programmes and projects have a clear purpose and are being run efficiently and effectively (Cameron, 2004:63). Service standards are therefore customer expectations that are aligned in such a way that is meaningful to employees (Berry, et al., 1990:30).

Global trends have been a key driving force behind the considerable focus on service delivery and its improvement (Public Sector Research Centre, 2007:3). Governments have generally been forced to move beyond traditional state boundaries and establish transactional, as well as global solutions to external pressures (Devaney, 2016:2). Global trends brought about an influence that expected change - a change that required transformation as customer expectations, budgetary constraints, global competitiveness, public sector reform programmes, as well as changing demographics created numerous constraints. The constraints in turn created, and are continuously creating, governments that are focused on creating new opportunities and mechanisms to improve service delivery (Public Sector Research Centre, 2007:3).

Currently, the public sector engages in partnerships to strike a balance between conformance and performance, overcome the challenges they are faced with, and improve their capacity and ability to deliver services (Bayne, Schepis & Purchase, 2017:135). Improving the delivery of services is essential to adapt to the changing environment that governments are confronted with (Besancon, 2003:2). The public sector is focused on delivering on the customer promise (Public Sector Research Centre, 2007:41). It is therefore important to use the correct public service delivery strategy to ensure quality services and save cost (Public Sector Research Centre, 2007:10).

At the forefront of many debates is the need to combine efforts from the public, private, and voluntary sector to solve challenges experienced by the public sector. To address these challenges the sectors have taken advantage of the opportunity to reduce and remove threats through new organisational arrangements and commitment from all sectors (Brinkerhoff & Brinkerhoff, 2011:2). Over the past few decades, the practice of government has therefore changed from a more unitary policy setting to a policy setting that is horizontally influenced. A noticeable trend in governance and government can be characterised as the use of collaborative partnerships (Doberstein, 2016:820). Collaborative partnerships provide significant value as implementers are enhancing the quality of service delivery (Public Sector Research Centre, 2007:44).

It is important to focus on a collaborative partnership that adds value to the domain of collaborative governance. Collaborative advantage cannot only be achieved by working with various stakeholders, it is about better implementation and management of a policy issue by engaging across all boundaries to achieve transformative possibilities in the collaborative governance domain (Doberstein, 2016:822). Collaborative governance is therefore not only a simplified decision for the public sector, but also a means to engage differently to successfully maintain continuous processes and systems of problem-solving (Doberstein, 2016:823).

The cross-boundary setting of governance has proved to be an evolving and positive aspect of collaborative governance, but it is also challenging. Governments are faced with the dynamism and uncertainties associated with governmental change (Emerson & Gerlak, 2014:768). Public sector institutions are therefore increasingly forced to adapt to the changes to retain their relevance, efficiency, and effectiveness (Emerson &

Gerlak, 2014:769). Additionally, government must improve its delivery of services to adapt to its changing environment (Besancon, 2003:2).

The importance of this study is to inform the public sector departments, municipalities, and researchers on the use of alternative service delivery mechanisms using collaborative partnerships. It will specifically enable the public sector to know the viability of collaborative partnerships and which partnership to engage in for a particular service and under what conditions. The selection of the collaborative partnership should be driven by the core reason to improve service delivery under the most suitable conditions. The study will therefore increasingly create a sophisticated understanding of the use of collaborative partnerships, to ensure effective and efficient governing and delivery of services.

1.3 The Local Government Environment

Local government can be regarded as the leading role player in providing essential or basic services. Commitment is required from the local government sphere to ensure that services are delivered, whilst aiming to be “an efficient and dynamic team that enables well-governed municipalities to deliver services to communities in a responsive, sustainable and integrated manner” (Western Cape Government, 2017:2). Against this backdrop, local government needs to prioritise improving municipal capacity and service delivery.

When focusing on communities and the level of success within them, it can be found that municipalities do face challenges greater than what they can overcome on their own. It is key to improve the services rendered to ensure that the well-being of citizens, especially those who are vulnerable, can significantly improve. The public sector must build on its current success and constantly work towards improving its performance. The argument following internal improvement will thus lead to improvement within communities (Western Cape Government, 2017:5).

The environment in which local government institutions find themselves is one with a weak economy and constrained resources. The local government, must therefore ensure

that they place tremendous emphasis on improving the efficiency of services. In addition, funds are scarce for government institutions and require reprioritisation to ensure that the deliverables and services aimed at are achieved. The size of the baseline budgets has not really increased, yet challenges, expectations, and responsibilities constantly increase (Western Cape Government, 2017:7).

The Western Cape Provincial Department of Local Government is a key role player within the provincial sphere of government, which supports and enables communities to deliver services. It is evident through the alignment of the Department's projects and the Provincial Strategic Plan, that the gaps are within local government. Focusing on the improvement mechanisms for the local government, the Western Cape Provincial Strategic Goal 5 is focused on "embed good governance and integrated service delivery through partnerships and spatial alignment" (Western Cape Government, 2017:12). As shown in Table 1 below, the improvement mechanisms of Provincial Strategic Goal 5 reflect the needs of local government. These needs are in turn a reflection of the status of local government.

Table 1: Provincial Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment

Outcome	Output	DLG Projects
Enhanced Governance	Efficient, effective & responsive local governance	Development and implementation of: 1. Stakeholder Governance Capability Maturity Model; 2. Corporate Governance Capability Maturity Model; 3. Financial Governance Framework assessment tool and a maturity Capability Maturity Model; 4. Infrastructure Governance Capability Maturity Model; and 5. ICT Governance Capability Maturity Model.
Inclusive Society	Service interface to enhance integrated service delivery	6. Increase physical service and mobile facilities in rural areas.
Integrated Management	Policy alignment, integrated planning, budgeting & Implementation	7. IDP Assessment Reports determining alignment of planning and budget allocation

Source: Western Cape Government (2017:12).

The enhancement of governance, an inclusive society, and the integration of management, are integral to the transformation of local government. These integral

areas of transformation are included in policies and legislation to reduce the current risk and weaknesses found within local government and the government itself.

These areas of risk and weakness are also found in the finances of local government. For municipalities to not have a solid cash flow and to have the ability to comply with the management procedures relating to cash flow, they will inevitably experience financial distress. Experiencing financial distress is a strong indication that the quality of services is not delivered efficiently. Based on various assessments, the State of Local Government and Financial Management Report (2017) states the following regarding the health and status of the finances of local government in RSA:

- As at 30 June 2017, 64 out of the 257 municipalities had a negative cash flow balance;
- 33 municipalities overspent on their operational budgets; and
- 122 municipalities underspent on their capital budget (RSA, 2017:3).

Municipalities that have negative cash flow balances and that overspend on their operational budgets and underspend on their capital budget experience instability in their municipality, which then overflows into the efficiency of service delivery (RSA, 2017:3). Furthermore, the management of municipalities has a significant impact on the quality of service delivery to communities. Contributing to instability in municipalities is the manner in which municipalities are managed. There has been an ongoing increase in the number of acting Municipal Manager (MM) positions and acting Chief Financial Officers (CFO). The Auditor-General (AG) highlights that between these two positions there has been an increase from 18 percent to 20 percent. The total percentage of acting MMs and CFOs has a negative impact on service delivery (RSA, 2017:3).

Evidently, the health of municipalities is a reflection of the health of communities. The key to better service delivery is to revitalise and strengthen the performance of local government. To be informed about the local government environment, it is important to understand the progress and challenges currently being experienced by municipalities. A useful assessment was completed by the Department of Cooperative Governance (DoCG), which assessed the state of local government. Using twenty-five

indicators, the report focused on issues of “service delivery, governance, legislative compliance, implementation challenges, as well as support initiatives and their impact” (RSA, 2017:06).

According to the AG, the financial health of municipalities is steadily declining. Out of 257 municipalities, only 93 are financially healthy. The health of municipalities and the lack of service delivery are also reflected in the number of protests recorded. In the period of June 2015 to June 2016, 2 135 protests were recorded by municipalities (RSA, 2017:7). Having to experience challenges with regards to the management of municipalities, the financial health of municipalities, and dissatisfied citizens, it is probable that the organisation itself will be weak. Some of the root causes of challenges experienced across local government and the development of municipalities are weak institutional capacity and shortage of skills (RSA, 2017:7). This hinders the operations and maintenance of municipalities and municipal services.

Many municipalities therefore run the risk of receiving poor audit findings. During the audit process, the AG found that the four most persistent challenges contributing to poor audit findings are:

- “Ineffective political and administrative leadership;
- slow response in improving internal controls and addressing key risk areas;
- instability or vacancies in key positions or key officials lacking appropriate competencies; and
- inadequate consequences for poor performance and transgression” (RSA, 2017:34).

The failure of municipalities is a reality and the complexity and challenges they face are further detrimental towards their performance. The failures of government are evident; however, it is important to identify the root causes of these failures and challenges experienced within the sphere of local government. These are identified in the Local Government Turnaround Strategy (LGTAS) (RSA, 2009) as follows:

- Provincial and national government policies, practices and onerous requirements are not appropriate for municipalities, especially not in their current condition;
- Socio-economic issues that have not been adequately addressed within municipalities and are still prevailing. The inadequacy lies within the macro, micro-economic and the industrial policies and plans of RSA;
- Dominant political parties are undermining the integrity and the functioning of the municipal councils. Municipal councils experience inappropriate interference, intra- and inter-conflicts from political parties, both in councils and administration;
- At a societal level, there is a breakdown of values that creates behaviour that is unethical, an increase in corruption, a culture of non-payment, and lack of accountability;
- Protests have become more destructive, and the number of protests is increasing. This also includes the withholding of payment for local taxes and services;
- Many municipalities are not equipped to deliver basic services and lack the required responsiveness and accountability towards their communities. This includes the failure to involve their communities in developments that occur in the municipal area; and
- There is an absence of communication resources, including people, technology, and equipment processes. Additionally, there is no accountability for municipalities on how and when to communicate to their communities (RSA, 2009:18-19).

The above instability experienced by municipalities places them in a challenging position as it has a negative impact on service delivery. These challenges manifest in such a manner that managers are unable to make critical yet basic decisions, such as the

appointment of service providers, as well as decisions that ensure the financial sustainability of their municipality. Making decisions regarding service providers and the financial sustainability of municipalities is not only vital for the development of municipalities but are interconnected (GGLN, 2017:3).

Since the democratic transition in the RSA, the context of many partnerships has changed. In early years, organisations took a stance on collaboration and supported the development path pursued by the government of the RSA. Over time, collaboration changed to a more critical mode of engagement (GGLN, 2017:5). Within this drive to support alternatives, lies the need and deep concern to recognise challenges in the sphere of local government. In the RSA, the current state of affairs is worrisome. There is a deep concern for the quality of service delivery. Local community members are displaying their dissatisfaction with the quality of service delivery by consistently protesting “against the poor service delivery, corruption, and mal-expenditure” (GGLN, 2017:10), which regularly make the news. South Africans need to acknowledge the urgency of improving and promoting collaboration, to activate the efficiency and effectiveness of service delivery.

The current development context of the RSA permits collaborative partnerships to influence organisations, systems, and processes to become more “inclusive, integrated and sustainable” (GGLN, 2017:33). In theory, the RSA is governed by legislative frameworks that are innovative (GGLN, 2017:41). However, two-thirds of these municipalities are in state of distress, whilst many are also dysfunctional. The distress is displayed in the inadequate provision of services, service delivery protests, declining fiscal health, poor audit outcomes, irresponsible financial reporting, and the decline of public trust in local government (GGLN, 2017:42).

Local government is confronted with a high level of complexity and has many challenges that must be addressed, as well as needs to be met. The need for creative and collaborative planning and practice is important to support the required standard of performance. Currently, there is a poor understanding by several municipalities on how best to engage with other stakeholders around service delivery. Many municipalities have a limited understanding of how to work with other private or public sector organisations. Those who are well-informed about such partnerships have achieved

greater efficiency and development within their municipality. Inadequate knowledge, experience and information within municipalities necessitates more engagement across networks and institutions. The stimulation of public, private and voluntary sector partnerships result in meeting the needs of both municipalities and community members (GGLN, 2017:11). It is imperative to act as a collective through processes and practices that are implemented and utilised by the public, private and voluntary sectors (GGLN, 2017:13-14). Collaboration enables local government to improve their effectivity (GGLN, 2017:14).

Municipalities in the RSA are faced with a multiplicity of challenges and complexities throughout their endeavours to deliver services. Whilst presented with many challenges, they are also faced with many opportunities to improve on the delivery of services. Not all municipalities have the required capacity and skills to equal the quality of services that other municipalities can deliver. However, these municipalities that deliver a high quality of service also engage in collaborative partnerships to develop and enhance this quality. The necessity of collaborative partnerships is clear and, as supported by legislature and the forces experienced in the public sector, do require a greater alignment of organisational culture and systems within municipalities (GGLN, 2017:14).

1.4 Problem Statement and Objectives

Since self-provision of a service is not always the most viable option for institutions, alternative mechanisms have become prominent in the provision of services. It has become inevitable for governments to deliver services through alternative service delivery mechanisms. The global environment has created a viable option for the public sector to delivery services in partnership with the private sector and public-voluntary sector. Government now has the option to decide which method they want to use to deliver services in the most optimal manner.

The importance of service delivery requires continuous and effective improvement mechanisms, as well as knowing what works under what conditions. Government needs to be informed as to which collaborative partnership will work to ensure that a service

is delivered in the most optimal manner. The selection of a collaborative partnership should therefore be entered into for a specific need within the municipality. It is essential for government to recognise if they can or cannot deliver a particular service and how they then need to go about delivering the service. It must also be taken into consideration that a collaborative partnership is entered into because government understands that the selected collaborative partnership will allow for a more effective and efficient service that government could not deliver on its own.

Before developing the problem statement, various preliminary interviews were conducted with public sector officials and experts that have engaged in collaborative partnerships to gain knowledge on which collaborative partnerships they engage in most frequently. Four partnerships were frequently referenced, namely PPPs, outsourcing, PVSPs and shared services. The problem statement can be defined as the need to understand the viability of collaborative partnerships in local government, because they are presented with high complexity and challenges that require them to engage in alternative delivery mechanisms to improve on their service delivery. The study will therefore focus on these four collaborative partnerships and provide an in-depth understanding of each. For government to select the collaborative partnership that is the most suitable for a particular service, the study focuses on the extent to which each partnership is suitable and the circumstances surrounding collaborative partnerships.

This study aims to provide an in-depth understanding of the current status of PPPs, outsourcing, PVSPs and shared services by exploring each collaborative partnership to ensure that government selects the most viable option for optimal service delivery. The aim will be accomplished by fulfilling the following research objectives:

- review literature that focuses on service delivery and alternative collaborative partnerships;
- review the extent to which the legislative and policy environment encourages the use of alternative collaborative mechanisms and partnerships for the provision of services;

- explore and describe the four key options of alternative collaborative partnerships in local government; and
- offer findings in response to the current status of alternative collaborative partnerships in local government.

1.5 Research Design and Methodology

This section describes the research design and methodology. The aim of the research design is to clearly define the kind of study that is planned and the kind of end-results that are being aimed at (Babbie & Mouton, 2015:75). It provides a framework for the research methodology as it reflects the decisions taken in the research process (Bryman, 2012:46). Research methodology “focuses on the research process and the kind of tools and procedures to be used” (Babbie & Mouton, 2015:75). An appropriate selection of the research design and methodology will therefore be able to achieve the objectives and aim of the study.

For local government to be able to select the most viable option in terms of alternative collaborative partnerships it is important to explore the current status of local government in terms of service delivery and the use of collaborative mechanisms to ensure the provision of services. The study is explorative and aims to understand the current status of local government, explore the current status of alternative collaborative mechanisms and to identify the most viable option for the provision of services. Babbie and Mouton (2015:79) define exploration as a social research study that is conducted to explore a topic. This approach unpacks and provides an in-depth understanding of the study by exploring the topics of service delivery and collaborative partnerships, while focusing on the sphere of local government as the unit of analysis. Following a rigorous qualitative approach, the study is both empirical and non-empirical in nature.

1.6 Chapter Outline

The research was guided and informed by literature and interviews with experts that have professional knowledge of local government. The exploratory nature of this

research provides a more in-depth understanding of collaborative partnerships in local government. The content of each chapter will briefly be outlined below.

Chapter 1 introduces the context and background of the study. It discusses the local government environment to further elaborate on the need for the study. Thereafter, it briefly explores the problem statement and objectives. Lastly, the chapter presents a summarised outline of the various chapters of the study. Due to the study not focusing on a particular organisation or institution, the structure of the study is presented differently as the researcher focused on the sphere of local government. Consequently, Chapter 1 therefore fills the gap by discussing the local government environment, providing the needed context required for the study.

Chapter 2 explores the literature pertaining to service delivery and collaborative partnerships in the public sector. Evidently, the two main themes of service delivery and collaborative partnerships provide an in-depth and comprehensive understanding of the environment and evolution of how collaborative partnerships has become inevitable and a necessity to deliver services. It furthermore discusses the complex environment of the public sector and how to navigate the delivery of services in such an environment. The 'how' is answered through the exploration of alternative service delivery mechanisms, which explores the use of four key collaborative partnerships used within the sphere of local government.

Chapter 3 provides a review of the South African policy and legislative framework to inform the study of the required knowledge surrounding service delivery and collaborative partnerships. It informs municipalities of their mandate and the core legislation that should guide the way in which they deliver services through partnerships. This chapter includes guidelines that reflect good practices, principles and objectives for the public sector, specifically local government.

Chapter 4 briefly discusses the research design and methodology that will be used to successfully complete the study. This chapter is divided into the following sections: research design and methodology, sampling method, data-collection method, data analysis, ethical considerations, and the limitations to the study.

Chapter 5 presents the research findings and the analysis thereof, which was collected by conducting eight semi-structured expert interviews. The findings provide a more in-depth and practical understanding of the current context of service delivery and the use of collaborative partnerships in local government.

Chapter 6 concludes the research by providing the key findings discussed throughout the study. The researcher draws from the applicable chapter and addresses how each objective has been successfully completed throughout the study.

1.7 Summary

This chapter provides a brief introduction to the study by discussing the overarching reason to conduct the study, which is led by the need for local government to provide services effectively, efficiently, and economically. Evidently, local government is confronted with many complex challenges. Whilst overcoming and addressing these challenges they must deliver services and deal with the increasing demand for improved services. Heightened expectations from government are forcing government to redefine their role and provide more efficient and effective services. Local government is constrained in terms of resources and experiences many failures that is detrimental to their performance. Ultimately, their health is affected, and this affects the quality of their services. Municipalities are now placed in a challenging position and require a mechanism that will assist their poor service delivery.

Furthermore, municipalities are facing challenges that they are unable to overcome on their own. They are placed in a position of needing to work towards improving performance with the assistance of service providers. The option of collaborative partnerships is not only viable but needed. Since collaborative partnerships have become a prominent mechanism to deliver services, the problem statement identifies the need for and importance of exploring the use of collaborative partnerships. The study aims to conduct research to comprehensively understand the current status of collaborative partnerships in local government through empirical and non-empirical research and, more specifically, expert interviews.

Chapter 2: Understanding Service Delivery and Collaborative Partnerships

2.1 Introduction

Governments are faced with increasing pressure to improve service delivery. In their pursuit to improve on public administration, governance, and management, government has found themselves in a period of needing to collaborate (Kernaghan, 2009:241). Governments are evolving and this involves being able to effectively exercise their power, authority, and influence. Public sector organisations are required to broaden their service delivery arrangement, extending their boundaries across sectors (Kernaghan, 2009:242). The public sector is presented with influences that require them to deliver services on time, within budget, whilst delivering on high customer satisfaction (Rivera & Kashiwagi, 2016:1379).

Reforms in the public sector have placed tremendous focus on improving service delivery. There are several reform methods, one effective service delivery mechanism is to collaborate, which has become the norm instead of the exception (Crooks, Exter-Corstens, Siebold, Moore, Grassgreen, Owen, Rausch & Rosier, 2018:94). Collaborative partnerships have become crucial for service delivery. It is therefore critical to understand the workings of collaborative partnerships and the environment within which it finds itself. This chapter will therefore unpack the two key themes of this study: service delivery and collaborative partnerships. This is to gain an understanding of the various dimensions that are crucial in understanding the provision of services and how government delivers services.

2.2 Public Service Delivery

The focus on service delivery and the improvement thereof emphasizes expected changes in the economic status of a country, methods of funding and the management and delivery of services (Public Sector Research Centre, 2007:3). The heightened

expectation from government requires redefining their role and service delivery mechanisms to enable efficient and effective service delivery. The redefinition of government means government processes are re-engineered. Accordingly, the re-engineering of government processes emphasizes processes aimed at improved, value-for-money services to reduce waste and duplication (Public Sector Research Centre, 2007:3).

The need for value-for-money services is a result of budget constraints experienced by the public sector. The public sector is experiencing reduced budget investment for the delivery of services. The tightening of the budget is caused by a range of factors, such as higher budgetary allocation for health, education, pensions, and grants, as well as the increasing of taxes leading to governments being unable to provide the public sector with sufficient funding (Public Sector Research Centre, 2007:9). Accordingly, many governments have undergone changes focused on two key areas: (1) quality of service, and (2) cost of service (Public Sector Research Centre, 2007:10).

The reformation of government requires processes and mechanisms that encompass all requisites needed from the public sector. Kernaghan (2009) highlights the increasing thinking and practice of public sector organisations concerning the concept of single-window service delivery. The arrangement of the single-window service or as Kernaghan (2009:240) describes it, “one-stop shopping”, combines all needs and wants into one single and seamless experience through collaborative innovation within government’s service delivery processes. An emphasis on how government implements services has thus become a central focus of the public sector.

2.2.1 The shift from New Public Management (NPM) towards New Public Governance (NPG)

The period of 1980 to 2000 marked a widespread interest in new public management (NPM). Consequently, certain themes have become prominent over the past few decades, such as the development of integrated services. The integration of services applies to both policies and the delivery of services. In addition to the integration of services, the integration of various sectors is evident. Most governments or

governmental institutions are entering into more partnerships and becoming accustomed to the idea of networking with other stakeholders. There is an emphasis on the promotion of e-government to solve many challenges and to act as a facilitator of the integration of services. Additionally, as transparency has become a key theme sought after especially in terms of democracy, a more open government with improved transparency is a key theme that became prominent after the rise of NPM (Bouckaert & Pollitt, 2011:212).

In certain instances when government monopolies lead to overproduction, ineffectiveness, and inefficiency, jointly working together in a cooperative agreement is the alternative means to deliver the service. This view suggests that partnerships may not only be good for the organisation but also for economic growth. The various forms of partnerships and the belief that governments are not equipped to delivery service without collaboration has bolstered the philosophy and managerial approach of NPM. According to NPM, government officials and managers need to have an entrepreneurial approach to service production. On the one hand, production decisions focused on the technical aspects of service delivery will function within the private sector. On the other hand, the public sector will focus on which services to delivery and the payment thereof. Through this approach, alternative service delivery options have rapidly increased (Deller & Mohr, 2010:895).

Previously, governments have been urged to adopt many private sector practices. Government bureaucracies have turned into strategic business units, similar to the private sector that are competing against one another with citizens identified as customers. However, instead of maximising the budget to deliver services, governments are transforming into cost-conscious, as well as revenue-hungry entrepreneurs (Bovaird & Loeffler, 2016:111). Governments are driven by performance and results. Therefore, governments do not only carry services within their specific jurisdiction, but they also follow rules of the market. In turn, the public sectors' focus on performance and results placed emphasis on the economy and efficiency. Outcomes and outputs should therefore be measurable and comparable to the stated targets of governments (Bovaird & Loeffler, 2016:112).

There has been an impressive growth in governance and governance networks. The substantial growth has resulted in the rise of the new paradigm of New Public Governance (NPG). As a result of the improved form of governance by NPG, the public sector environment is able to better address the complexities, interdependencies, and dynamics of problem solving and service delivery (Klijn & Koppenjan, 2012:188). One of the greatest risks associated with today's complex, globalised, and networked society is the challenges it places on government and governance structures. In addition, governments are challenged as they are unable to address risks or only react and acknowledgement the risk after they arise. Government must behave strategically and capitalise on their changes and risk; however, they are more reactive than proactive (Klijn & Koppenjan, 2012:197).

NPM is not a concept of the past, and the practices and institutional changes that have occurred will likely persist under NPG. Practitioners under NPM recognise the need to repair the drawbacks of the one-sided focus on efficiency. The focus has now shifted towards efficiency and effectiveness. Governments are taking on initiatives that are introducing new arrangements to compensate for the lack of trust they are experiencing, the increasing use of strategic behaviour and the increasing need to coordinate and collaborate through joint-up initiatives (Klijn & Koppenjan, 2012:198). NPG steers towards improving on quality, building commitment and the development of governance, which are all aimed at the re-establishment of public values (Klijn & Koppenjan, 2012:199).

NPG will not result in the replacement of NPM, "it will rather result in the proliferation of hybrid institutional assemblages that combines NPM-like arrangements" (Klijn & Koppenjan, 2012:199). These arrangements are aimed at efficiency and transparency, with the provision of network governance which enhances the interaction and commitment of governance and the stakeholders collaborating with them (Klijn & Koppenjan, 2012:199). As stated by Koppenjan (2012:32), it enables and motivates the service providers working with government to balance effectiveness, transparency, quality, and integration.

2.2.2 Improving service delivery

Service standards are aligned to customer expectations and are important for employees. If the service standards are aligned correctly, the standards will be able to guide and energise employees. The service standards clarify the task, convey priorities, and provide employees with benchmarks against which they and the managers can measure and judge their own, as well as the organisations, performance. Service standards thus bring the needs of the people of the country into the day-to-day running of employees and the organisation. However, if employees are not sure which services to deliver or they do not care about the delivery of services, they are highly unlikely to deliver excellent services (Berry, et al., 1990:30).

An organisation's role is to effectively define their service role. This starts with formally researching the needs and expectations of the people to which they deliver services. This type of research is a win-win scenario for communities and the organisation, as it helps the manager to list service standards that are crucial (Berry, et al., 1990:30). Once the service standards are established, it is the duty of the organisation to make use of opportunities to communicate and reinforce these standards within the organisation (Berry, et al., 1990:31). Whilst it is important to reinforce the service standards within the organisation, it is also important to focus on all stakeholders involved in the delivery of services. Quality collaboration is a principal factor in the delivery of quality services (Berry, et al., 1990:33).

2.2.3 Good governance

Governance embodies the values, traditions, and institutions, in a country where authority is exercised by means of processes, government, accountability, the rights, and respect of citizens, as well as the capacity of government to formulate and implement policies. Although governance is a broad concept and is highly debated, it is evident that a good form of governance is to collectively respond to the problems of citizens and to be able to fulfil their needs in an appropriate and acceptable manner (Ellahi, Ihsant & Yausaf, 2016:201). If governance is measured and there is a focus on the improvement of specific indicators, the standard of service/s can be improved.

Measuring governance thus increases the efficiency and effectiveness of service (Besancon, 2003:2).

This framework reflects a commitment towards good governance. The term ‘good governance’ became prominent in the 1990s with the World Bank taking the lead (Nanda, 2006:269). The World Bank was the first to pursue the concept of good governance as a policy strategy. The recipient governments of the development aid were prescribed a list by the World Bank that stipulated a normative criterion to be fulfilled by them. The list consisted of four dimensions of good governance, namely an accountable administration, a reliable judicial system, an efficient public service, and a balance between the government and the governed (Van Doeveren, 2011:304). Today, there is no definite criteria for good governance, as government and governing are found within a complex and ever-changing environment.

The World Bank intended to ensure that organisations receiving development assistance used the assistance effectively (Nanda, 2006:270). As a condition for lending the development assistance, it was required that the recipient governments show the World Bank effective performance and the promotion of further reforms (Nanda, 2006:272). Economic dimensions of good governance and a state’s capacity to effectively and efficiency utilise development assistance has been an emphasis of the World Bank (Nanda, 2006:276). The World Bank’s rationale behind the condition was to ensure that with good governance the recipient governments would effectively, and efficiency achieve the objective of reducing poverty (Nanda, 2006:272). There is not a universal model for good governance that can be applied to every country. From a citizen perspective it is merely the improvement of service delivery and the structure of public service and administration (Ellahi, et al., 2016:201).

2.2.4 Understanding efficiency and effectiveness

Citizens plays a crucial role in the efficiency and effectiveness of service delivery. They have the right to be assured that programmes and projects have a clear purpose and that these are being run efficiently and effectively. The services must ensure value-for-money and that the highest standards are being maintained. Organisational departments

are therefore held accountable in two broad areas, namely the quality of processes and the quality of outcomes. The challenges are for organisations to create an appropriate balance between conformance and performance (Cameron, 2004:63).

The collaborative performance of the public sector is aligned with efficiency and effectiveness. Efficiency and effectiveness are basic indicators and conditions for the existence of networks. There are two key focuses discussed by Bayne, et al. (2017:135) concerning efficiency and effectiveness, namely strategic network efficiency and strategic network effectiveness. Strategic network efficiency is aimed at reducing operational and/or transactional cost of an organisation. The reduction of cost is aimed at the coordination of activities and resources, in other words the same resources must be used to get more out of it. This can be conceptualised transactional costs that are reduced, network resources that are used effectively, the integration of components and the coordination of organisational activities and measuring the inputs and outputs of networks. These factors, if correctly implemented, increase the efficiency within an organisation. The increase in efficiency is considered to be one of the main advantages of collaboration (Bayne, et al., 2017:135).

A key description of strategic network governance is based on the level of attainment and degree of the positive network outcomes, a relative measure of the desired ends of stakeholders achieving the desired ends, and the capabilities of the organisation and stakeholders to generate value. In acknowledgement of the multiple approaches, there is no definite consensus to measuring effectiveness, but these approaches are highly successful (Bayne, et al., 2017:135). In recognising these approaches, Bayne, et al. (2017:135) considers the attainment of network goals to be essential, whilst recognising goals that are adaptive as well as emergent. A greater emphasis has been placed on the allocation of resources rather than the achievement of goals and objectives. Consequently, organisations are more orientated towards efficiency rather than effectiveness (Cameron, 2004:62).

2.2.5 Value-for-money

In recent years, the overall objective of government for the delivery of services has been to secure value-for-money. In principle, value-for-money is a means for government to balance the two essential concepts of cost and quality. For government to deliver services in the most cost-effective and best quality possible, they must be well-informed about the nature of the contract, the aspirations of the stakeholders involved in the contract, and the resources that are available within the contract (Bovaird & Loeffler, 2016:100).

Since value-for-money is a widespread and prominent theme within the public sector, it has become highly debated. There are opposing views, giving rise to how value-for-money is achieved within the public sector. Some researchers have argued that reduced cost and improved quality of economic efficiency is achieved through competitiveness. However, others have argued that reduced cost and improved quality is not directly due to competitiveness. It is argued that it is mainly attributed to the reality of governments focusing on the quality of services through the monitoring of, precise inspection of, as well as placing emphasis on, the services delivered. It is, however, important to note that whilst emphasis is placed on competitiveness, governments have moved away from purely a competitive approach towards a more collaborative approach. Government's strategy is to combine co-operation and competition to optimally deliver services, although in recent years the shift has been more towards collaboration (Bovaird & Loeffler, 2016:100).

2.2.6 Public value

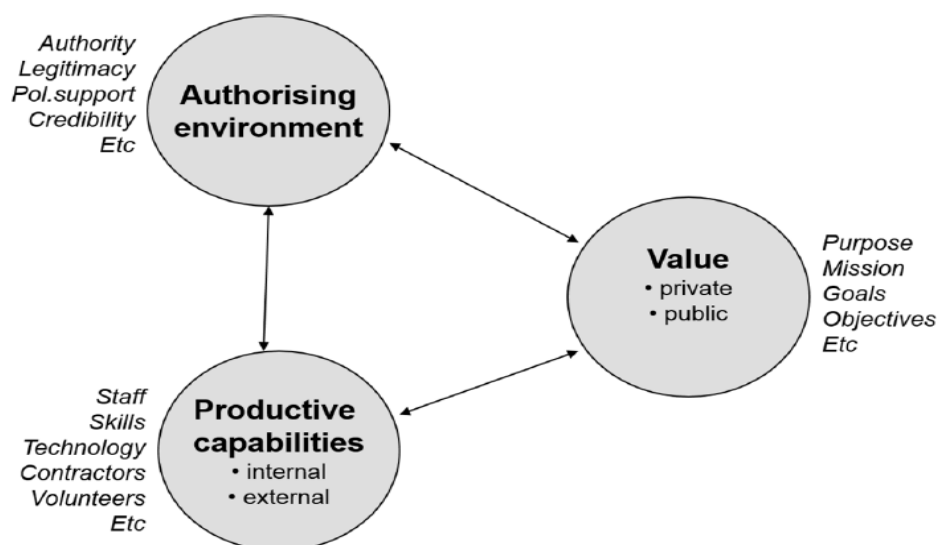
Creating public value goes beyond being efficient and effective. According to Bozeman (2007:17), "A society's public values are those providing normative consensus about: (1) the rights, benefits, and prerogatives to which citizens should (and should not) be entitled; (2) the obligations of citizens to society, the state, and one another; and (3) the principles on which governments and policies should be based". The political processes and social cohesion should therefore be adequate to ensure that the communication and processes of public values are effective, and there should be sufficient transparency for

citizens to make informed judgements (Bloomberg, Bryson & Crosby, 2014:449). Whilst Bozeman (2007) focuses on the policy and the societal aspects of public value, Moore (1995) focuses on public managers. According to Moore (1995:52), citizens want their government to be high-performing and service-orientated public bureaucracies, efficient and effective in achieving the desired outcomes of citizens, and to be fair and just.

The public value framework is acknowledged by many practitioners and scholars and is better suited for the realities facing the public sector. It is imperative for government organisations as the framework acknowledges both the public and the business aspects within the environment. The framework recognises that there are key issues, such as the type of value that should be produced that affects public sector organisations, aspects in the public sector environment that should receive the most weighting, or whether a particular service should be delivered internally or externally.

Alford and Greve (2017:6) discuss Moore's (1995) conception of placing public managers as explorers of public value, viewing them as constantly in search of new ways of creating public value. Moore (1995) captured his views in a "strategic triangle", which consist of "the value to be produced, the authorising environment and the productive capabilities", as seen in Figure 1 below.

Figure 1: Strategic factors in the public sector



Source: Alford & Greve (2017:6).

Firstly, the public manager is responsible for ensuring the production of the public and private value. Secondly, the authorising environment, which is the environment surrounding a government institution, is made up of various stakeholders who have the authority to provide the needed permission, resources and capacity needed from the organisation to carry out the work (Alford & Greve, 2017:6-7). Thirdly, the manner in which governmental institutions deliver services. Service delivery does include various external providers, which ranges from contractors or co-producers to volunteers (Alford & Greve, 2017:7).

2.2.7 Co-production

In recent decades, the public sector has seen a movement towards co-production as a key driving force to improve on outcomes that are publicly valued (Bovaird & Loeffler, 2012:1119). Instead of services merely viewed as activities rendered by professionals for members of the public to achieve public interest results, the focus is now on outcomes. Citizens and the officials are not only placing emphasis on monitoring results, they are now focusing on services which brings about outcomes. The outcomes should not only correspond with the values of politicians, service managers and professionals value, but it should also correspond with the values of service users and citizens (Bovaird & Loeffler, 2012:1220). Public value largely involves many stakeholders and has revolutionised from “public services for the public” towards “public services by the public” (Bovaird & Loeffler, 2012:1121).

The revolution has still not been satisfactory for most revolutionaries and the beneficiaries of this process. The increasing expectations of the public are therefore creating dissatisfaction towards current public services. This is the important phase of co-production wherein the government partly recognises their limits. There is a growing consensus that various stakeholders must work together to achieve the outcomes associated with and identified within a good society. Although there are many visions of what co-production should be, it is clear that co-production is a joint activity between public officials and citizens. The citizens in this instance are more concerned than just the typical service users. The public sector and their relationship with citizens should

be focused on making use of each other's assets and resources, with the aim of achieving improved outcomes or efficiency. Instead of merely focusing on the delivery of a particular service, there is a shift in government's focus that emphasizes improved outcomes and lower cost for a particular service (Bovaird & Loeffler, 2012:1121).

2.2.8 Implementation options

The circumstances under which government implements services drive the continuous need to improve service delivery. The enabling channels of implementation align with the type of service being delivered and to whom it should be delivered. The preferred approach of implementation will thus differ when taking into account all the particular elements of service delivery (Public Sector Research Centre, 2007:15).

It is important to achieve two fundamental goals when using the correct public service delivery mechanism: (1) quality of service; and (2) cost of the service. Designing an effective and efficient service delivery mechanism thus requires the recognition of these two goals. This will allow the public sector to focus on core functions according to the specific environment, whilst collaborating with third parties (Public Sector Research Centre, 2007:41). For current and future generations of service delivery, collaboration is key, and partnerships should begin with a sound service design that is carried throughout the service delivery cycle (Public Sector Research Centre, 2007:40).

The recognition of the public sector undergoing a transformation brings about a need to recognise the start of challenges as service delivery mechanisms are redefined. The Public Sector Research Centre (2007:42) identifies three key challenges, namely (1) efficiency versus tailored personal service; (2) consistency of delivery versus modifications needed for a specific circumstance; and (3) functionality of delivery versus relevant and engaging services. Having the public sector face these challenges requires enabling factors that improve the implementation of services. It is a matter of adopting the right mechanism for the specific service. When designing or selecting a service delivery mechanism, public sector organisations should thus ensure that the mechanisms enable efficiency and effectiveness.

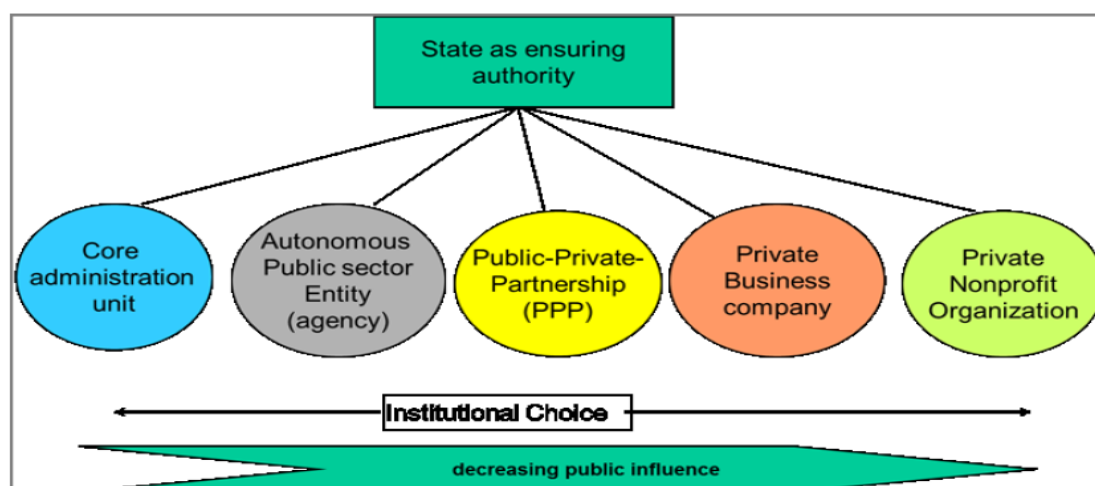
2.3 Collaborative Governance

To define collaborative governance, is it essential to understand the term ‘governance’. Generally, governance refers to the act of governing. Balogh, Emerson and Nabatachi (2011:2) further define the term governance within the context of collaborative action by focusing the understanding of governance. Balogh, et al. (2011:2) emphasize that governance should be conducted in a manner where norms and rules are formulated jointly to regulate both individual and group behaviour. Balogh, et al. (2011:2) note that governance is the ability to steer processes that influence decisions and actions across the public, private, and civic sectors. More specifically, Balogh, et al. (2011:2) emphasize that governance is a set of activities that are highly coordinated and monitored as an enabling factor for a collaborative partnership or institution to survive.

Considering the above definitions of governance, Balogh, et al. (2011:2) define collaborative governance “as the processes and structures of public policy decision making and management”. These processes and structures are to engage constructively across all boundaries, namely public agencies, private, public, and civic spheres, as well as across all levels of government (Balogh, et al., 2011:2). Bradford (2016:660) describes collaborative governance as a response to the interconnectedness and complex environment with which government is confronted.

Doberstein (2016:820) highlights Huxham’s (1993) description of the collaborative process and engaging means of governance as a “collaborative advantage”. Doberstein (2016:820) describes this collaborative advantage as a means to resolve policy and coordination challenges that cannot be solved by a government organisation or department alone. Balogh, et al. (2011:2) implicitly argue for the collaborative advantage experienced by the public sector, as he describes the engagement across all boundaries that allows for certain services to be carried out by the public sector that cannot be accomplished without collaboration.

Collaborative innovation within government has been created by the need to seek alternative mechanisms to deliver services instead of self-provision. Figure 2 below sets out government’s institutional choices for service delivery (Burger, 2018:7).

Figure 2: Institutional choices for service delivery

Source: Burger (2018:8).

Figure 2 demonstrates the various institutional choices governmental institutions face when delivering services. The primary method for institutions to deliver services is through their core administration. Public institutions first assess if they are capacitated to deliver the services internally. Public institutions may partner with other public institutions, or the public entity may provide the services themselves (Burger, 2018:7). Furthermore, PPPs is an example of an institutional choice for effective service delivery and has received prominence in South African legislature and policy. Shared services are another partnership involving the private, as well as other municipalities in need of the same service as another neighbouring municipality. Additionally, public institutions may outsource a whole service to a private company or non-profit organisation (NGO) (Burger, 2018:8). However, many NGOs are not capacitated and do not have the required funding to carry out a project, programme, or service on their own, and so partner with a public institution.

The use of collaborative partnerships enables efficiency and effectiveness. The selection of collaborative partnerships for this particular study includes PPPs, outsourcing, PVSPs and shared services.

2.3.1 Defining public-private partnerships

Brinkerhoff and Brinkerhoff (2011:3) define PPPs as an arrangement whereby private organisations provide support or participate in the delivery of services. Brinkerhoff and Brinkerhoff (2011:3) further highlight that PPPs are working arrangements whereby both the public and private organisation are mutually committed to the particular project. Not only does the definition embody cross-sectional engagement, it also underlines that shared commitment is key from both the private and public organisation to reach a particular outcome (Brinkerhoff & Brinkerhoff, 2011:3).

Achieving the desired outcome through commitment and competence does not only require mutuality, the organisational identity is essential for a successful PPP. On the one hand, mutuality emphasizes the commitment of a shared goal between the two organisations and the extent of responsibility, as well as shared control (Brinkerhoff & Brinkerhoff, 2011:3). On the other hand, organisational identity emphasizes the rationality behind the selection of a private sector organisation as a partner by the public sector organisation. The rationality in this instance should be focused on competencies of the private sector organisation, and capitalising on the organisation adding value to the public sector organisation (Brinkerhoff & Brinkerhoff, 2011:4). The enhancement of efficiency and effectiveness is thus key in any partnership to simply improve a service.

In the past few decades, the public sector has experienced a re-definition in the way in which it delivers services. Due to the fiscal and social realities placing pressure on the public sector, governments are left with no choice but to redefine the way they respond to challenges (Musawa, Ismail & Ahmad, 2017:147). From a public sector perspective, being involved in a partnership is a means of ensuring the provision of public facilities and services. The rationale behind a PPP is that resources are limited within the public sector to meet all their responsibilities. Private sector organisations fill the gap of providing technical expertise and the financial resources. For the private sector, their expertise and resources are a means for them to yield a profit whilst assisting the public sector in provision of services (Musawa, et al., 2017:148).

2.3.1.1 Requirements of a public-private partnership

Across the globe, the public sector is placed in a position where they must recognise the importance of good governance, whilst being efficient when delivering services. The PPP environment has become more demanding. Good governance has immediate implications on how private and public sector organisations perceive their role, objectives, and performance within the partnership. In a partnership, all parties should be prepared to take on necessary responsibilities in order to achieve their objectives and overcome the challenges and problems that led the parties to enter into the partnership. Each partner should account for their contribution and recognise the key principles to ensure a successful partnership that is suitable for the environment within which PPPs find themselves. In Table 2 below, Bovaird (2004) identifies ten principles that are essential from a governance and collaborative perspective.

Table 2: Governance principles

Governance Principles	Collaborative Partnerships
Citizen Engagement	Citizens and stakeholders should participate in decision-making.
Transparency	All parties (including user and citizen representatives) should openly work together to build the critical element of trust.
Accountability	The partners should be prepared to be accountable and account for each other in terms of each partner's performance and actions. In terms of partners' overall performance, they should account to all stakeholders involved in the partnership.
Equalities and social inclusion	As a core value, for a partnership to work it is important for partners to actively seek ways to innovatively improve their performance against this principle.
Ethical and honest behaviour	As a core value, for a partnership to work it is important for partners to actively seek ways to innovatively improve their performance against this principle.
Equity (fair procedures and due process)	As a core value, for a partnership to work it is important for partners to actively seek ways to innovatively improve their performance against this principle.
Willingness and ability to collaborate	It is critical for the success of the partnership for all partners to be willing to collaborate and have the ability to collaborate.
Ability to compete	It is critical for the success of the partnership to have the ability to compete.
Leadership	It is necessary at all levels of the partnership to have clear and capable leaders. This ensures effective leadership for each of the constituent organisations and in the communities.
Sustainability	All partners must actively and continuously seek ways to improve the sustainability of policies and activities.

Source: Bovaird (2004:210-211)

From a good governance perspective, Bovaird (2004:211) highlights criteria that have been selected by means of the “lowest common denominator”. It is important to comply with the criteria for each PPP entered into. However, each partner should recognise that the criteria must be genuinely appropriate to the context of PPP for it to work (Bovaird, 2004:214).

2.3.1.2 Partnership life cycle of a public-private partnership

PPPs are considered an important instrument for the public sector. PPPs are able to address complex problems in the sector whilst improving implementation and enhancing development. Different sectors working together allows for sector-specific resources, expertise, and capabilities. PPPs therefore have the potential to realise collaborative advantage and assist in reducing unintended consequences and challenges during the partnership (Stadtler & Probst, 2011:34).

The first phase of a PPP life cycle is the problem-setting phase. During this phase, the initiators of the PPP identify the potential stakeholders and the resources that they need in order to address the problem in question. Thereafter, partners convene to discuss and agree on a problem definition. At the start of a partnership, it is often found that stakeholders enter the partnership with scepticism, since they are not aware of their responsibilities. To gather the relevant stakeholders, the convener may either follow a proactive or a responsive approach by using different forms of authority (Stadtler & Probst, 2011:24).

The second phase of the PPP life cycle is the direct-setting phase. The selected partners establish ground rules amongst themselves. Once ground rules are established, partners draw up an agenda, design the partnership and try to reach a partnership agreement. For all partners to agree on a common approach going forward, they must move from diverging towards common goals. The assignment of roles and responsibilities is also an important aspect of this phase and can become a lengthy process. An effective mechanism to overcome challenges related to roles and responsibilities is to get a mediator to facilitate the negotiation process. The mediator will be able to assist in exchanging ideas between partners and minimise the dynamics of quick and reactive decision-making. Furthermore, the mediator can induce partners to reveal information, establish a problem-solving environment and act as an educator and relationship-builder (Stadtler & Probst, 2011:24).

The third phase of the PPP life cycle is the implementation phase. During this phase partners coordinate their commitment in the partnership and carry out their roles and

responsibilities. For this phase and partnership to be successful, a shared working culture is important (Stadtler & Probst, 2011:24).

The fourth phase of the PPP life cycle is the review phase. During this phase, the partners reflect on the progress of the partnership and decide if it should continue or end. This phase is not considered the final phase, it is rather considered to be the phase where partners regularly review their activities in terms of their milestone planning. The review phase is an important phase to reveal any changes that have occurred in the partnership constellation or environmental changes that require adaptation from the partners. This leads towards a cyclic process that either calls for redefining the problem or reworking specific issues in the direction-setting phase (Stadtler & Probst, 2011:24).

2.3.1.3 Financial aspects within a public-private partnership

Engaging in a PPP has often been viewed as a partnership entered into to close the funding gap. The selected organisation to enter a partnership with might not be the ideal organisation to deliver the particular service. The public sector organisation does, however, provide the needed funding and shifts the financial risks to the private sector organisation involved. Buso, Marty and Tran (2017:57) explain PPPs as “bundled projects where some or all of the conception, financing, construction, and operation stages are assigned to private actors using a special purpose vehicle (SPV)”. There are reasons why organisations enter into a PPP and the SPV is an indication of it (Buso, et al., 2017:57). The reasons for entering into a PPP are known from an early stage in a long-term contract. It is therefore evident that private financing is a part of the project from the very start and partners are aware of the investments involved.

As a financing tool, PPPs present two potential advantages for public sector decision-makers. Firstly, it is generally perceived that PPPs are a more viable option when compared to other procurement projects, since they have no or few cost overruns and delays. PPPs are furthermore advantageous as they encourage cost-reducing innovations. Society as whole benefits from and the partnerships are able to better address the criticisms of traditional public procurements. Secondly, PPPs allow for deferred payments for a particular project. Additionally, they permit an “off-balanced-

sheet treatment” of debt that is associated with the partnership. For public sector organisations it is a viable option, as the high level of debt within many organisations will tempt them to use PPPs to reduce their public debt (Buso, et al., 2017:58).

Engaging in PPPs is beneficial for both private and public sector organisations. Each sector has specific qualities that add value in a combined manner to the end results of projects. In many instances, the PPP arrangement is entered into because public sector organisations are in need of long-lived and capital-intensive partnerships (Rossi & Civitillo, 2014:142). Involving the private sector in the provision of services has allowed the public sector to fully make use of the private sector’s management, commercial and creative skills (Nisar, 2012:629). It can therefore be argued that involving the private sector in the delivery of services has become a natural outcome of the circumstances being faced by the public sector, as funds and capacity to delivery certain services are not always available (Nisar, 2012:230).

2.3.2 Outsourcing

Outsourcing is a means of transferring an organisational function or complete service to a third-party provider. Utilising their own resources, the service provider performs the required activities that were previously handled by the organisation (Public Sector Research Centre, 2007:45). Outsourcing can, however, present challenges, including the need for public sector organisations to measure the performance of the delivery of services, administering of contracts, managing relationships with the service provider, and determining levels of accountability. For public sector organisations, these challenges translate into high costs (Public Sector Research Centre, 2007:46).

Outsourcing and other reforms are engineered to produce goods and services. They are designed and built on the bases of the performance required. It is important for any organisation to reach its outcomes and to understand how they go about selecting outsourcing to deliver services. It is a governance decision based on internal performance and adequacy to reach the desired outcomes (Murthy, Karim & Ahmadi, 2015:100).

Before engaging in an outsourcing relationship, there is a checklist to address, which includes the following questions:

- Is the set of achieved business objectives well-defined?
- Does it make sense to outsource?
- Is the organisation ready to outsource?
- Are there alternatives instead of outsourcing?
- What are the set of activities that should be outsourced?
- How should the service provider be selected?
- What are the negotiation tactics for the formation of the contract?
- How will the organisation decide on the fee?
- How will the organisation decide on the incentives and/or the penalties in the contract?
- To effectively monitor the process, what systems are needed?
- What are the potential risks? (Murthy, et al., 2015:101).

2.3.2.1 The logic of outsourcing

The use of outsourcing created a trend whereby providers compete to ensure that citizens receive greater value for their money. However, it is typical for distance to become increasingly present between service delivery, production, and political decision-makers. The horizontal nature of outsourcing as a form of reform and governance creates an additional challenge concerning traditional accountability measures and performance of public sector officials. The intention of increased performance in terms of proficiency in achieving outcomes does in many instances overshadow the challenge of accountability (Lieberherr & Leiren, 2017:681).

Challenges will always exist but the key to tackling these is to ensure that any form of governance be aligned with the objectives of the public sector (Lieberherr & Leiren, 2017:682). The key is for service providers to operationalise public sector indicators and objectives by combining all the sector's needs. Public sector indicators and objectives mandate a particular level of performance, specifically to define objectives in terms of the quality of accessibility and affordability of the service. The public sector objectives therefore become translated into public service obligations (Lieberherr & Leiren, 2017:684). The same applies to the organisational mechanisms, if mechanisms are clearly defined service providers are clear as to how much time and resources they have to spend and how to manage the priorities of both organisations. The influence of objectives and mechanisms is essential, as it can be used to improve productivity and cost efficiency (Kaipia & Turkulainen, 2016:116).

The logic of outsourcing reforms is that each intervention will lead to efficiency whilst improving the quality of services for citizens. A great responsibility is shifted onto the service provider by public sector officials. This requires service providers to be professional, operationally equipped and be able to adapt to the changing and demanding environment of the public sector. In theory, outsourcing contributes to improvement of quality and cost efficiency (Lieberherr & Leiren, 2017:682).

2.3.2.2 Integrative outsourcing

The transfer of responsibility is evident; however, the integrative nature of the public sector does present itself in outsourcing, as the outsourcing relationship follows an integrative approach. Kaipia and Turkulainen (2016:115) define integration as “the sharing and processing of information between organisations”. Outsourcing relationships incorporate the integration approach from the point of information-processing. The information process is a distinct approach. Kaipia and Turkulainen (2016:116) clearly distinguish three modes of integration, presented in Table 3 below.

Table 3: Modes of integration

Mode	Description
Impersonal Mode	During this process, formal procedures and rules are defined. The team defines how they will accomplish set tasks, and how they will monitor, coordinate, and control all activities.
Personal Mode	During this process, the sharing of information is completed through direct interaction and communication. Mutual adjustments guide the process through either vertical or horizontal forms of communication.
Group Mode	During this process, lateral integration is created by means of scheduled and unscheduled meetings to mutually develop plans. This is completed by a group of organisational members.

Source: Kaipia and Turkulainen (2016:116).

This approach shifts the notion of completely transferring the responsibility to the service provider. It aims to treat the service provider as an extension of the buyer's own production, which in this instance refers to the public sector departments (Kaipia & Turkulainen, 2016:115). The integrative approach thus suggests an improvement in performance as it allows for the exchange of information to be efficient. Furthermore, it permits for communication and integration between the two organisations to be effective (Kaipia & Turkulainen, 2016:116).

2.3.2.3 The management and costs of outsourcing

Outsourcing is an important and effective mechanism used to improve efficiency. The public and private sectors are both competitive and complex environments, and it essential to focus on overcoming inevitable challenges. Engaging in an outsourcing relationship is a method used to focus on core competencies, reduce cost and increase profit, whilst potentially increasing the quality of work. The three key factors to manage outsourcing are cost, quality, and time. Outsourcing is deemed as one the best mechanisms, especially for departments and organisations that do not have the skills or expertise to deliver a particular good and/or service. The three key factors of “cost

saving, market time reduction, and quality assurance” must be addressed simultaneously in order to manage outsourcing. The management team should therefore be cost-, time- and quality-sensitive (Zhu, 2015:121). The increasing complexity demands managers to be able to perform a variety of activities and be aware of a variety of influences. By simultaneously addressing the three key factors, service providers are able to prioritise their tasks, save costs and provide quality goods and services (Giertl, Potkany & Gejdos, 2015:1080).

In order to be cost-, time- and quality-sensitive, there is one factor that needs to be isolated in order to simultaneously perform well in all three areas. When engaging in an outsourcing relationship it is expected that the cost incurred with outsourcing is less than the cost incurred if the company would deliver the goods and/or service internally. It is therefore important to identify and quantify the cost of outsourcing. The identification and quantification of outsourcing can be divided into three areas, as seen in Table 4 below.

Table 4: Areas of outsourcing cost

Cost	Description
Production Costs	Includes costs that are invoiced by providers for the delivery of services.
Transaction Costs	Includes the cost used for creating the contract, checking its implementation, communication and coordination between the organisation and provider, and cost incurred for other consulting services.
Hidden Costs	Includes the costs that coincide with the transactional costs. The costs are incurred as additional costs as they either relate to process implementation, redundancies and/or the termination of the outsourcing relationship.

Source: Giertl, et al. (2015:1082).

To effectively manage cost, is it evident that the relationship between the organisation and the service provider must be well managed, since organisations spend costs to manage and maintain the relationship. The following principles are important to effectively manage and maintain the relationship:

- organisations should avoid transferring their strategic decisions to the provider;
- multiple organisational links should be created between the provider and the sponsor;
- regular meetings should be arranged between the organisation and the provider;
- all available technology should be utilised to manage the relationship;
- the eventual growth process should clearly be defined;
- use the balance score card for an evaluation;
- make use of motivations and sanctions;
- reward the employees of the service provider;
- be prepared for change; and
- the organisation and the service provider should value the relationship as a strategic business asset (Giertl, et al., 2015:1083).

Deciding to engage in an outsourcing relationship and knowing how to manage and maintain the relationship is a critical process. Correctly managing outsourcing has the potential to save costs and deliver quality services.

2.3.3 Public-Voluntary Sector Partnerships

A partnership between a public sector organisation and a voluntary sector organisation permits profits to be reinvested in service delivery, increasing the value-for-money within the service. Since profit is not distributed to the shareholders involved and rather into the community, PVSPs are becoming increasingly prevalent (Public Sector Research Centre, 2007:47).

2.3.4 Non-governmental organisations (NGOs) and community-based organisations (CBOs)

The voluntary sector has become prominent in the last few decades concerning service delivery needs. The two prominent types of organisations are NGOs and CBOs. NGOs are independent and registered non-profit organisations, usually founded by professionals and altruists. Professionals and altruists provide funding to contribute to the collective welfare of a community or country (Otiso, 2003:223).

The role of NGOs is extremely dynamic it is three-fold. Firstly, NGOs mobilise the local community members into CBOs. The CBO's role then becomes either to supplement a particular state service or to entirely provide a service that is not available within the community. Additionally, many NGOs provide CBOs with technical, financial, and material assistance. Secondly, NGOs identify the particular needs of poor people to the government and other agencies that are able to provide and answer to the needs of the poor. Furthermore, NGOs simultaneously seek to promote government policies that are favourable for marginalised groups. Thirdly, NGOs create communication links that benefit all parties involved by acting as intermediaries between government, businesses, donors, as well as the poor. The success of NGOs has led to many initiatives being spearheaded with the aim of meeting the needs and requirements of the poor (Otiso, 2003:224).

As part of the voluntary sector, CBOs are usually “unregistered, informal, local, or grassroot organisations that obtain their finances primarily from members or NGOs” (Otiso, 2003:224). In some instances, CBOs obtain direct support from the state if an intermediary is available to initiate communication. It is often found that CBOs lack the capacity to implement initiatives; however, their contribution towards any form of labour and the money they receive for projects from other agencies does allow for sustainable projects that are suitable for the community. CBOs and NGOs can work together to discuss the needs of the community with government and donor agencies. CBOs often lack expertise to communicate with institutions, whereas NGOs lack knowledge on the challenges facing the local communities, their needs, and issues. Such a relationship is therefore mutually beneficial (Otiso, 2003:224).

2.3.4.1 The changing nature of the voluntary sector

It is probable that there will be a greater divide between voluntary sector organisations that do provide public services to citizens and those that do not. This is due to the increasingly important role of funding provided by government towards the voluntary sector. Evidently, other forms of income are decreasing, such as corporate and individual donations, retail sales, and investment incomes (Davies, 2011:645).

The voluntary sector is also finding itself in a competitive environment, as the public sector increasingly engages in other forms of partnerships, such as outsourcing, shared services and PPPs. The voluntary sector is facing competition and could be overshadowed by the private sector. The public sector is making income more attractive since they do not provide all services, evidently opening up interest to partner in the provision of services. Previously, voluntary sector organisations relied on grants; however, they are finding themselves engaging in more contracts as they are obligated to enter the bidding process. This is inevitably changing the nature and behaviour of voluntary sector organisations, forcing them to internally restructure to create and improve their capacity to compete for contracts. The pressure on government to provide efficient and effective services is resulting in larger contracts. For voluntary sector organisations it is challenging and almost impossible to successfully bid for these large contracts since they are competing with large private sector organisations (Davies, 2011:645). The contract-based service provision is changing the nature of how services are delivered (Davies, 2011:646).

The voluntary sector is threatened with the idea of not being distinguishable. The sector has become extremely close to the market and resembles several features of the private sector. Due to the increasingly competitive environment for resources, the voluntary sector needs to anticipate change and identify opportunities. To become and remain competitive, the voluntary sector is forced to adopt “entrepreneurial practices, language, behaviour and mindset” (Hogg & Baines, 2011:346), which are characteristics of the private sector.

2.3.5 Shared services

The need to centralise services has increased and instead of various public sector departments implementing a particular service, the service or services are implemented through shared service centres. Shared service centres allow for public sector organisations to centralise and standardise services. The centres thus allow for the consolidation and simplification of implementation processes that are delivered as efficiently as possible. Through centralisation, standardisation and simplification, shared service centres assist in ensuring that services requiring high volumes are delivered in a competitive manner. The services being delivered competitively allows cost to be reduced, quality to be ensured and services to be delivered in a timely manner (Public Sector Research Centre, 2007:44). The growing pressures experienced by the public sector has forced the public, private and voluntary sectors to work together to deliver services as efficiently and effectively as possible.

2.3.5.1 Defining shared services

In the early 1990s, shared services entered large organisations as they wanted to shift from a more decentralised organisation to combining basic processes. For these organisations it became increasingly uneconomical to maintain duplication of their operations (Cacciaguidi-Fahy, Currie & Fahy, 2002:8). The initial objective of shared services was to better organise huge volumes of work. Shared services were later implemented to align organisational mechanisms, as well as financial and administrative processes, and to reduce headcount through process improvement initiatives (Cacciaguidi-Fahy, et al., 2002:10).

Shared services create a balance between a decentralised and centralised approach. Both decentralisation and centralisation lead to challenges within organisations. On the one hand, decentralisation can lead to a high level of responsiveness from departments. However, concerns can formulate, as policies, fairness and equity are not always consistently applied, which translates into organisational risks. Furthermore, decentralisation can cause duplication of services as departments act independently of one another. The duplication of services can increase the overall cost of administration,

which takes capital away from the delivery of other services. On the other hand, centralisation has been criticised for focusing more on enforcing rules than meeting the real needs of departments and providing high-quality services. Although shared services are more centralised in design, it provides government with the opportunity to resolve the issues of decentralisation and centralisation by reframing the issues. The shared services model provides a win-win scenario by ensuring consistency and standardisation whilst focusing on the needs of the organisation and adapting to external changes affecting the public sector environment in which government has to deliver services (Kinney & Kreklow, 2007:61).

Today, shared services can be defined as a unit used by an organisation for services that are specialised and that adds value (Brown, Grant, McKnight & Uruthirapathy, 2006:522). Shared services are an organisational structure that consolidates the delivery of one or more support functions. The design of shared services is to achieve cost reduction, improved services, and economies of scale. These factors are important as the need to build greater efficiency and productivity are key drivers in the public sector, hence the rapid implementation of shared services (Derven, 2011:59).

A key goal of shared services is to enable the revenue production of an organisation to become more efficient and focus on core business issues. Delivering valuable services and managing cost in a holistic way through shared services enables organisations to focus on the entire organisation and look for opportunities to optimise their work and services (Derven, 2011:59). The centralised nature of a shared services model offers a high degree of control, which permits greater response towards citizens and their needs. Shared services position the government closer to their people and provides people with a degree of ownership over service delivery (Janssen & Joha, 2006:106).

2.3.5.2 Implement a shared services model or centre

The public sector, whether at a local, provincial, or national sphere, is faced with numerous challenges. These challenges vary, emphasizing the importance of developing mechanisms that are innovative and focused on the needs of the people. The development of a shared services model therefore places the needs of the people at the

forefront of designing and implementation. A shared service model helps balance the needs of the people through standardisation to achieve the economies of scales. The model also responds to the needs of the people through a tailored approach that responds to different needs (Barnes, 2012).

To implement shared services, it is often required that organisations undergo large-scale cultural and process transformation. The goals are to increase innovation, reduce inefficiencies and promote collaboration for improved service delivery. To successfully implement services, organisational change is required. Organisations implementing shared services must assist all stakeholders involved in the implementation process to understand the changes. The approach taken should be transparent, especially during the implementation process, focus on organisational goals and keep the level of productivity and engagement high (Derven, 2011:60).

Further preconditions for organisations to successfully implement shared services are: a focus on leadership, trust and reciprocity, and clear goals and measurable results. Concerning leadership, it is important for top management and elected officials to support the implementation of shared services. Through advanced dialogue and agreements, an opportunity for cooperation is identified by the teams of participants across public, private, and civic organisations. Furthermore, it is important to develop a track record of cooperation with partners – it enables the development of trust to develop, which is a huge asset when building new shared services efforts. Additionally, if shared services projects have specific goals, these can ensure the success of shared services whilst confirming the value of all efforts throughout the implementation process. It is also required that officials regularly assess the standard of service delivery through cooperation and quality of partnerships (IBM Center for the Business of Government, 2015:29).

In addition to the preconditions, the IBM Center for the Business of Government (2015:30) makes five recommendations for planning and implementing shared services. The first is to create a shared services assessment team. This recommendation is focused on ensuring that the right participants are brought together to discuss the concept of shared services. Communication should be maintained with these partners to continuously gain momentum within the partnership. The second recommendation

is to identify the strengths of those participating in the implementation of the shared services model. Here, the areas of strengths can create opportunities to be innovative in service delivery mechanisms. The third recommendation is for organisations to take pilot projects into consideration. Through pilot projects, small successes can assist in building strong relationships and trust, as well as expand cooperation in the future. The fourth recommendation is focused on continuously discussing and documenting responsibilities of all partners involved in implementation. The reporting will guide the cooperation of the partners with clearly documented terms. The fifth and final recommendation is focused on making appropriate changes when needed. This refers to the public needs and budgets that change over time. Relationships that are beneficial now may change over time and can prove unbeneficial in the future. Consequently, cooperative projects must be crafted with flexibility (IBM Center for the Business of Government, 2015:30).

The precondition and recommendations will improve the working of shared services and the core mandate of government, which is to deliver services. The successful implementation of shared services requires patience and careful maintenance over a long period. Through cooperation and collaboration, governments can find innovative ways to not only deliver services, but to ensure quality services are made available to the public.

2.3.5.3 Financial aspect of shared services

Shared services centres provide enormous opportunities both strategically and financially (Kokko, 2010:1). The financial function of the shared services initiative places an organisation in a unique position. The function takes on a leading role within the organisation, as it touches on every point in the value chain. For the function to become a more effective change agent within an organisation, it has to refine its role (Cacciaguidi-Fahy, et al., 2002:14).

The financial function should be refined and viewed as a value-added strategy. Essentially, the capital used to implement shared services should be viewed as an investment for an organisation. Cacciaguidi-Fahy, et al. (2002:21-22) discuss seven key

characteristics of investing in shared services. First, when investing in shared services, funds are redirected which frees up capital for core business operations. Second, shared services allow for operating efficiencies to be maximised to reduce overall costs, standardise, and maintain services. Third, by streamlining processes and location, the processes are accelerated and renewed. Organisations therefore reduce internal risks. Fourth, the delivery of services and products are sped up. Fifth, through standardisation and connectivity, knowledge is increased all along the value chain. The quality of data provides numerous possibilities to enhance customer and supplier relationships, as well as interdependencies. Fundamentally, information flows are therefore improved, and the knowledge asset is increased. Sixth, it enables senior staff to focus on analytical and strategic functions of the organisation. Lastly, shared services are economically driven, saving organisations capital as they only pay for core competencies that the organisation needs (Cacciaguidi-Fahy, et al., 2002: 22).

The re-engineering of processes through shared services is a key decision for organisations. The financial function in particular, if carefully managed, provides organisations with the ability to improve service delivery. The degree of standardisation and cost-saving determines various opportunities for challenges to not hinder the quality of service delivery. To focus and refine the financial function through shared services is key for successful implementation of shared services.

2.4 Summary

A prominent feature of government reform has been the development of integrated services. Under NPM, government faced challenges that required them to change and expand the ways in which they deliver services. Governments had to shift their way of thinking and focus on improving the quality of their services. Evidently, the need to satisfy citizens became the framework for governments. This has led to the measuring of governance efficiency and effectiveness. Under the guidance of good governance, the capacity of government to become efficient and effective became a universal mode of practice. Governments experienced and are still experiencing heightened expectations to redefine and improve service delivery. The emphasis on how

governments implement and improve on their service delivery has thus become an important focus in any nation. Governmental organisations have to effectively define the service roles and commit to the growing opportunities they are presented.

In response to growing interconnectedness between sectors, collaborative governance has been at the forefront of responding to the complexity and integrated nature with which governments and other sectors are presented. The enabling forces of collaboration created a fundamental means of service delivery: the use of alternative implementation mechanisms. Having the public sector undergo reforms and challenges, the use of collaborative partnerships has become a key method to ensure that the provision of services is implemented in the most efficient and effective manner.

Chapter 3: Policy and Legislative Framework for Service Delivery and Collaborative Partnerships in South African Local Government

3.1 Introduction

The previous chapter provided the theoretical background to explore and inform the topic of alternative service delivery mechanisms and collaborative partnerships. Evidently, there is a clear linkage between alternative service delivery mechanisms and the use of collaborative partnerships. The use of collaborative partnerships will remain and only increase as a model to deliver services in the public sector. It is apparent that the RSA has adapted to the use of collaborative partnerships, and this is reflected in South African legislature.

This chapter provides a review of South African legislature to inform the study of the required legislative knowledge that surrounds service delivery and collaborative partnerships. The following pieces of legislation are included in this chapter: The Constitution of the Republic of South Africa 1996; the White Paper on Transforming Public Service Delivery (Batho Pele White Paper) 1997; the Local Government: Municipal Structures Act 117 of 1998; the Public Finance Management Act (PFMA) 1 of 1999; the White Paper on Municipal Service Partnerships (MSPs) 2000; the Local Government: Municipal Systems Act 32 of 2000; the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003; the Local Government Turnaround Strategy (LGTAS), 2009; the National Development Plan (NDP), 2011; the Medium-Term Strategic Framework (MTSF) 2014-2019 (RSA, 2014); and the Public Administration Management Act 11 of 2014.

3.2 The Constitution of South Africa and Service Delivery

The Constitution (RSA, 1996) is the supreme law of South Africa, and it governs the way in which each sphere of government executes the tasks which they are mandated

to perform. Each sphere has responsibilities and duties towards the citizens of the country. A significant responsibility that government has towards their citizens is to ensure the provision of services. Local government plays a fundamental role in ensuring that service delivery is executed in the most optimal manner. Local government is accountable and responsible to local communities, not only for delivering services, it must ensure the provision of services in a manner that is sustainable whilst promoting social and economic development. Local government, with assistance from provincial and national government, has a tremendous responsibility to be financially and administratively capacitated to govern and deliver on services (RSA, 1996).

Prescribed in Chapter 10, Section 195(1) of the Constitution (RSA, 1996) are basic values and principles that highlight several key principles relating to service delivery in terms of public administration. These key principles are as follows:

- use resources in a manner that is efficient, effective, and economical;
- ensure that public administration is development-orientated;
- the provision of services must be done in a manner that is impartial, fair, equitable and without bias;
- the needs of citizens must be responded to; and
- public administration must be accountable (RSA, 1996).

Evidently, government has to be administratively capacitated to provide services that satisfy the citizens, and which are aligned with the Constitution (RSA, 1996). In addition to the government needing to be administratively capacitated, government must also be financially capacitated. As stated in Chapter 13, 214(2) and 215(1) of the Constitution, in terms of allocating money, it is important to take into account that provinces and municipalities need to ensure that basic services are provided and must ensure that they are able to perform the functions allocated to them. As previously mentioned, local government plays a fundamental role in service delivery and directly provides basic services and other services to local communities. It is vital for

municipalities to have fiscal capacity and efficiency. In Chapter 13, Section 217(1) of the Constitution when concerned with procurement, it is essential to act in a cost-effective and efficient manner especially when a large sum of money is used by municipalities when contracting for goods and services. This is important to note as internal capacity is as important as external capacity. The goal of being capacitated and efficient still remains important within the public sector (RSA, 1996).

3.2.1 Batho Pele White Paper

The Constitution (RSA, 1996), as the supreme law, does not only provide the basis for how government should govern but transforms government and allows for development to take place. This is evident in the White Paper on Transforming Public Service Delivery (Batho Pele White Paper) of 1997.

The Constitution (RSA, 1996) lays a foundation for the public sector, stipulating the laws, duties, and responsibilities. To promote and support these laws, duties and responsibilities, transformation is needed. The Batho Pele White Paper is key in this transformation and provides the “policy framework and a practical implementation mechanism for the transformation of Public Service Delivery” (RSA, 1997).

Improving service delivery is a challenge and the expectation from citizens to overcome these challenges is rising. As previously discussed in Chapter 2, citizens are viewed as customers and the Batho Pele White Paper embraces the term by stating the implications of viewing citizens as customers as the following:

- listening to their views and allow them to influence decisions based on the provision of services; and
- ensuring the promised level and quality of service is provided in the most optimal manner (RSA, 1997: section 1.1.3).

For government to take on the task of meeting the expectations of their customers and essentially developing a service-orientated culture, they require the assistance of the broader community, which includes the private and voluntary sectors. Accordingly, government seeks to establish partnerships throughout the broader community in order to deliver services (RSA, 1997: section 6.1). In the instance of service delivery, it is vital for local government to be structurally functional to ensure that services are efficient and effective, and for the transformation aimed at by the Batho Pele White Paper to be achieved.

3.2.2 Local Government: Municipal Structures Act

All officials within municipalities must be dedicated to the needs of the municipality. It is therefore important to know what these needs are in order to know how to go about meeting them. As stated in Chapter 4, Section 44(2) of the Local Government: Municipal Structures Act 117 of 1998:

- the needs of the municipality must be identified;
- the needs identified must be reviewed and evaluated in order of priority;
- officials must recommend strategies, programmes and services to the municipal council that addresses the priority needs; and
- “recommend or determine the best methods, which includes partnerships and other approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community” (RSA, 1998).

The above functions of officials place an emphasis on their ability to identify and meet the needs of municipalities as seen in Chapter 4, Section 56(2) of the Local Government: Municipal Structures Act (RSA, 1998). In terms of officials performing their duties, they must identify and develop criteria that focuses on mechanisms, programmes and services that can be evaluated. Progress of the mechanisms,

programmes and services must be evaluated against key performance indicators of municipalities. It is important to be informed about the municipality's performance, but in order to progress and move forward, municipalities must regularly review their performance. The aim of this is to ensure that a clear emphasis is placed on improving the economy, efficiency, and effectiveness of the municipality, whilst delivering services in a sustainable manner (RSA, 1998).

3.2.3 Public Finance Management Act

Improving the economy, efficiency, effectiveness, and sustainability of government requires sound financial management. The PFMA provides the needed regulations to support the acts discussed above. It aims “to regulate financial management in the national government and provincial government and local government; to ensure that all revenue, expenditure, assets and liabilities of governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith” (RSA, 1999).

Four key aspects that can be identified in the PFMA are, firstly, as stated in Chapter 1, Section 1 of the PFMA (RSA, 1999) the need for “fruitless and wasteful expenditure” to be indicated on financial statements. This depicts money that was spent in vain and should have been used in a manner that is reasonable to avoid fruitless and wasteful expenditure. It is important to disclose this to ensure that it can be avoided in the next financial year and that all finances be used in an efficient and effective manner.

Secondly, the objective of this Act, which is stated in Chapter 1, Section 2 of the PFMA (RSA, 1999) focuses on the security of finances by clearly stating that the main objective of this act is to “secure transparency, accountability, and sound management of the revenue, expenditure, assets and liabilities” (RSA, 1999). If the objective of this Act is evident in each financial decision taken in a public institution, then the entity will certainly be conditioned to properly manage their finances. A great responsibility is placed on public officials to ensure that the objective of the Act, their duties and

responsibilities are met for the success of the entity and the people of the country receiving the goods and services (RSA, 1999).

Thirdly, prescribed in Chapter 6, Section 57(c) of the PFMA (RSA, 1999) there is a strong emphasis to statements disclosing fruitless and wasteful expenditure, a key responsibility of public officials is to follow steps that are effective and appropriate to prevent any irregular usage of expenditure. Public officials have to actively prevent the wasteful expenditure.

Finally, prescribed in Chapter 6, Section 57(b) of the PFMA (RSA, 1999) public officials are responsible for the effective, efficient, economical, and transparent use of their entities' finances and other resources. It further states that public administration must be held accountable to citizens. Evidently, the Constitution (RSA, 1996) provides the bases as to how public officials should fulfil their duties and responsibilities. The laws in the Constitution (1996) remain applicable to the financial management of public institutions.

3.2.4 Municipal Finance Management Act

The objective of the PFMA (RSA, 1999) serves as a clear standard for national and provincial government. For municipalities, the MFMA provides specific duties and responsibilities “to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government” (RSA, 2003). As stated in Chapter 8, Sections 61(1) and 62(1) of the MFMA (RSA, 2003) All financial affairs of municipalities should therefore be in the best interest of the municipality by ensuring that all decisions are aligned to their service delivery goals, and that their resources are used in a manner that is efficient, effective, and economical.

3.2.5 Local Government Turnaround Strategy

The LGTAS (RSA, 2009) aim was to counteract the risks experienced within the environment that undermined the progress and the successes that local government

achieved. It assisted government in understanding the root causes of municipalities experiencing poor performance, distress, or dysfunction (RSA, 2009:4). In recognition of the current challenges and progress of local government, the LGTAS was premised on three key assumptions:

- Assumption 1: “Local Government is everyone’s business” (RSA, 2009:5). This assumption is based on the premise that the LGTAS extends beyond government and should be carried out and owned across society. The objective is for municipalities to work better with the assistance of all possible stakeholders.
- Assumption 2: “The structure of local government system remains” (RSA, 2009:5). LGTAS recognises the natural effects of certain changes within the local government environment; however, the overall architecture of the system is still good.

Assumption 3: “The local government system is still new and is evolving” (RSA, 2009:5). The implementation of a system takes times to learn from and to correct. Although the LGTAS is a decade old, government should still recognise that the system is fairly new, and the intention of the new local government system is to phase it in over time. The problems experienced thus far should become lessons to learn and correct over time. LGTAS emphasized that it is essential to assist municipalities based on their specific strengths and weaknesses to implement the appropriate interventions (RSA, 2009:11). The LGTAS seeks to improve the performance of municipalities, both organisationally and politically. Over time the aim was to meet and improve the social, economic, and material needs of citizens (RSA, 2009:25). To meet these needs, the following focus areas were identified as priority domains:

- service delivery;
- governance;
- local economic development;
- labour relations; and

- an intergovernmental fiscal system (RSA, 2009:29-39).

As stated in the LGTAS, effective monitoring and reporting of municipalities is essential in order for them to be informed about the above focus areas. The following must also be taken into consideration: the extent to which municipalities are delivering services, optimising their revenue base, meeting their developmental mandate, complying with legislation, reflecting good governance and that are municipalities recruiting and retaining the needed capacity (RSA, 2009:46-47).

3.2.6 Medium-Term Strategic Framework

Reflective of the NDP, the MTSF is a five-year strategic plan spanning 2014-2019 implementing the NDP. As stated in the MTSF (RSA, 2014:5), it aims to “ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes”. The MTSF is a result of an intensive planning process involving all three spheres of government, creating the needed stability for local government by allowing for greater alignment within government. Two key focus areas within the MSTF that relate to this paper are “improving service delivery” and “responsive, accountable, effective and efficient local government” (RSA, 2014:27), which are briefly elaborated on below.

Improving service delivery will remain the key driving force of government. Although the RSA has experienced tremendous growth over the past two decades, the quality of services throughout the country remains uneven. It is a challenge for government to improve on the quality of services whilst providing consistent services for all citizens. The public service, municipality and service providers thus require improved performance. As highlighted in the NDP, capacity and development commitment are a high priority for the MTSF (RSA, 2014:11). The key priorities are therefore aimed at improving the following, “institutionalising long-term planning; forcing a disciplined, people-centred and professional public service; empowering citizens to play a greater role in development; and building an ethical public service” (RSA, 2014:11-12).

Furthermore, the MTSF (RSA, 2014:12) highlights that contract management must be improved to ensure effective relations with non-governmental and private sector service providers. Local government therefore requires a well-considered and informed balance between accountability and proactive centralised support measures (RSA, 2014:12).

Additionally, a “responsive, accountable, effective and efficient local government” (RSA, 2014:27) is one of the most important focus areas highlighted in the MTSF. Municipalities are in a favourable position as they are governed by a robust legislative and regulatory framework. Municipalities have considerably improved their performance, especially in terms of providing basic services; however, their overall performance is far from where it needs to be. The lack of effective and efficient use of resources has led to ineffective platforms for development within the sphere of local government. The MTSF recognises the demand from citizens for quality services, value-for-money, and social justice. Local government thus requires a proactive form of governance to address the numerous weaknesses, assisting in the fulfilment of the central focus of the MTSF, which is to ensure sustainable and reliable access to basic services (RSA, 2014:28).

3.3 Collaborative Partnerships

This section provides a review of South African policy and legislature that informs the study about collaborative partnerships. The following pieces of policies and legislature are included in this chapter: the Municipal Systems Act; the White Paper on MSPs; the MFMA; and the NDP.

3.3.1 Local Government: Municipal Systems Act

The Local Government: Municipal Systems Act 32 of 2000 is one of the core acts in local government as it provides the “core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential

services that are affordable to all”. In Chapter 2, Section 4(2) of the Municipal Systems Act (RSA, 2000) states that for municipalities to direct each of their actions and decision-making towards the principles, mechanisms, and processes, they must exercise their executive and legislative authority to make sure that the municipalities’ resources are used in the best interest of local community members (RSA, 2000).

All actions of a municipality are done with consideration for the municipality’s financial and administrative capacity. Taking this into account, it is prescribed in Chapter 8, Section 73(2) of the Municipal Systems Act (RSA, 2000), municipalities must strive towards ensuring that the municipal services are provided in a manner that is financially and environmentally sustainable for the municipality. To be able to respond to the needs of a municipality means to establish methods of knowing how to constantly improve on service delivery. Municipal services must therefore improve the quality of their services over time. The same applies with financial sustainability, as finance should be regularly reviewed with the intension of upgrading, extending, or improving the finances of the municipality (RSA, 2000).

3.3.1.1 External mechanisms

The provision of municipal services must be done in the best interest of the municipalities’ needs. As stated in Chapter 8, Section 76 of the Municipal Systems Act (RSA, 2000) there are two mechanisms with which to provide services: internal and external. The provision of services through internal mechanisms refers to services either being delivered by a department, administrative unity or a business unit that has been devised by the municipality. By entering into a service delivery agreement, the provision of services through external mechanisms can be done with a municipal entity, another municipality, an organ of the state, a CBO or NGO that are legally competent or “any other institution, entity or person competent to operate a business activity” (RSA, 2000).

Prescribed in Chapter 8, Section 78(3) of the Municipal Systems Act, when a municipality decides to explore the use of external mechanisms to deliver services it must “give notice to the local community of its intention to explore the provision of the

municipal service through an external mechanism” (RSA, 2000). Furthermore, the municipality must assess the following delivery options by taking into account the following:

- The direct and indirect costs, as well as benefits associated with the project.
This includes any expected effects of service delivery mechanisms on the environment, health of the community members and community members’ well-being and safety;
- The potential future capacity and the current capacity of the prospective service providers to offer the needed skills, expertise and resources that are necessary for the provision of services;
- The local community members’ views;
- Possible impacts on development, job creation and employment patterns in the municipality; and
- The views of organised labour (RSA, 2000).

Additionally, when municipalities explore the possibility of using external mechanisms in the provision of services they have to conduct or commission a feasibility study. As stated in Chapter 8, Section 78(3) of the Municipal Systems Act (RSA, 2000), there are eight key aspects that need to be taken into account when conducting a feasibility study. First, the feasibility study must include “a clear identification of the municipal service for which the municipality intends to consider an external mechanism” (RSA, 2000). Second, the study must indicate the number of years during which the municipality intends to use the external mechanism to assist in the provision of services. Third, the projected outputs that are expected through the use of the external mechanism in the provision of service. Fourth, an assessment must be completed that reflects the extent to which the external mechanisms in the provision of services are able to provide value-for-money, address the needs of poor community members, assist in affordable services

for both the municipality and the residents within the municipality, and be able to transfer the appropriate technical, operational, and financial risk. Fifth, the feasibility study must assess the projected impact on the staff, assets, and liabilities of the municipality. Sixth, the study must project the impact that the service will have with the assistance of external mechanisms on the integrated development plans (IDP) of the municipality. Seventh, the projected impact that the service (during the period of using the external mechanism) will have on the municipality's budget. The project impact includes impact on the "revenue, expenditure, borrowing, debt and tariffs" (RSA, 2000). Finally, the feasibility study may include any other matter that may be prescribed by the municipality (RSA, 2000).

As prescribed in Chapter 8, Section 80(2) of the Municipal Systems Act (RSA, 2000), if the municipality decides to enter into an agreement with external mechanisms for the provision of services, they must establish a programme that is focused on how they will go about consulting with the community. Regarding the appointment of the external service provider, information must be distributed and contain the contents of the service delivery agreement. The content of the service delivery agreement must then be communicated to community members through the media (RSA, 2000).

To effectively manage the service delivery agreement with external mechanisms, it is the responsibility of the municipality to remain the responsible body in terms of ensuring that services are provided to their local municipality. As prescribed in Chapter 8, Section 81(2) of the Municipal Systems Act (RSA, 2000), the municipality can however assign certain responsibilities to the service provider. Through the service delivery agreement, the service provider may be required to develop and implement a detailed service delivery plan that is within the framework of the municipality's IDP. The service may also be responsible for the "operational planning, management and provision of the municipal service" (RSA, 2000).

In addition, the service provider may also be asked to undertake responsibility for social and economic development within the municipality if it is directly related to their role in the provision of services. Furthermore, service providers may be assigned a role wherein they are responsible for customer management, managing their own "accounting, financial management, budgeting, investment and borrowing activities"

(RSA, 2000). Evidently, a service provider can play a large role in the service delivery agreement. It is therefore important to clearly specify the responsibilities of each organisation or institution in the service delivery agreement.

3.3.2 White Paper on Municipal Service Partnerships

The RSA is a nation that has faced numerous and daunting challenges in terms of municipal service delivery. As discussed above, engaging in a service delivery partnership is an option that is noticeably viable for the RSA. To assist and rectify service delivery challenges, municipalities should enter into partnerships with the public sector, private sector and the public-voluntary (RSA, 2000). Supporting the viable option of entering into partnerships is the White Paper on Municipal Service Partnerships (MSPs) (RSA, 2000).

As stipulated above, municipalities must ensure that municipal services are delivered in a sustainable manner. For municipalities, this can be challenging and requires them to find innovative ways to deliver services. To provide services and improve on these, the MSPs provide guidelines to enter into partnerships with the purpose of working towards the overall objectives and duties of municipalities. Partnerships can “improve, expand and accelerate service delivery” (RSA, 2000: section 1.1). The MSPs aim to create a more conducive environment for functional service delivery. Working towards increasing efficiency and effectiveness through partnerships can lead to improved and greater flexibility in addressing the needs of municipalities. This means that municipalities can expand on the provision of services within the financial limitations that they face (RSA, 2000: sections 1.1-1.2).

When municipalities develop MSPs arrangements, their decision to enter into the partnership with a public institution, private institution or a voluntary sector organisation should be based on the needs of the specific municipality. Municipalities must consider the resources the partners in question would be able to provide them with and if the partners have the capacity to provide the service (RSA, 2000: section 2.1).

3.3.3 Local Government: Municipal Finance Management Act

The private sector has been a key partner for the public sector in the provision of services. In the MFMA (RSA, 2003), it stipulates in Chapter 11, Section 120(1) that a municipality may enter into a PPP only if the agreement demonstrates that it will:

- “Provide value for money for the municipality;
- Be affordable for the municipality; and
- Transfer appropriate technical, operational and financial risk to the private party” (RSA, 2003).

The above criteria ensures that each PPP entered into is done in the best interest of the municipality. Whilst the value of the partnership is understood before being entering into, it is important to understand the value of the partnership before its conclusion. Prescribed in Chapter 11, Section 120(4) of the MFMA (RSA, 2003), municipalities must therefore conduct a feasibility study that:

- In terms of the municipalities objectives, explains the strategic and operational benefits of the PPP;
- In terms of the PPP, describes the nature of the private entities role;
- Describes the extent of the role that the private entity can perform, both legally and by nature;
- Describes in specific terms how the agreement will add value to the municipality;
- Describes in specific terms how the PPP can be affordable for the municipality;
- Describes in specific terms how the public entity will transfer appropriate technical, operational and financial risks to the private entity;

- Describes how the PPP will impact the municipalities' flow of revenue, as well as the current and future budget; and
- Explains the capacity of the municipality to ensure that it effectively monitors, manages, and enforces the PPP agreement (RSA, 2003).

Evidently, South African policy and legislature has supported the idea of improving service delivery by entering into partnerships.

3.3.4 The National Planning Commission

The NDP (National Planning Commission, 2011), “provides a broad strategic framework to guide choices and actions”. One of the key themes through the policy document is the need to achieve longer-term mechanisms through collaboration. The South African government is actively in support of cross-boundary initiatives. It is instrumental to redress and prioritise how services are delivered, to ensure that the public sector is strong enough to deliver on its own and deliver with other stakeholders. This is especially important for local government to know what to prioritise and how they will go about implementing their priorities in order to plan ahead and build control within the environment (National Planning Commission, 2011:286). As highlighted in the NDP, it is important to “strengthen planning capabilities within local government” (National Planning Commission, 2011:291). According to the NDP, the most effective route to achieve this is by extending the existing initiatives and developing new ones that include and allow for cross-border sharing of capacity (National Planning Commission, 2011:291).

Collaboration is required between all sections of society, which should be accompanied by effective leadership from government. This vision is, however, still in working progress and a lot still needs to be done before it is accomplished. As specified in the NDP, there are a complex set of factors that influence the lack of capacity experienced throughout the three spheres of government (National Planning Commission, 2011:408). The complex set of factors includes:

- political-administrative interface;
- unstable administrative leadership;
- deficit of skills;
- erosion of accountability and authority;
- poor organisational design; and
- low staff morale (National Planning Commission, 2011:408).

The RSA has many initiatives in place to accomplish the goal of working across boundaries; however, many initiatives are not sustainable and are quick fixes. This results in frequent policy, project, and programme changes, creating instability in organisational structures and policy approaches that further limit the capacity of government. Furthermore, the use of quick fixes from government deters it from its fundamental priorities. It affects the confidence in the state from both public servants and citizens (National Planning Commission, 2011:408). Government thus needs a clear vision in place and to develop a clear plan for how professional skills will be produced (National Planning Commission, 2011:409).

3.4 Core Policy and Legislative Sources

Evidently, the RSA recognises the need to improve on service delivery and engage in collaborative partnerships as it is an inevitable mechanism to enhance and implement services. In terms of policy and legislature, the above sources are aligned to resemble the changes occurring in the context of the RSA and specifically the sphere of local government. In reference to the above, there are three core sources guiding the sphere of local government to align their duties and responsibilities to answer to changes and challenges facing the public sector environment. The three core documents are the Municipal Systems Acts, the White Paper on MSP and the MFMA.

For local government, the Municipal Systems Act is one of the core legislations that provide well-defined processes when selecting external mechanisms to assist in the delivery of services and what needs to be considered in terms of the feasibility study. It plays a pivotal role within the RSA, as it considers the specific needs of the country and most importantly the needs of municipalities. Although the discussion focuses on external mechanisms, the Systems Act considers both internal and external mechanisms, which is important for municipalities to consider for self-provision and if not capacitated, thereafter, to consider a service provider. The exploration and detailed nature of external mechanisms creates an important foundation for stability within local government. The Systems Act is reflective of an environment ready to directly address the need to implement and create a conducive environment for collaborative partnerships.

In addition to the Systems Act, the RSA drafted the White Paper on MSPs, highlighting the necessity to overcome service delivery challenges by engaging in partnerships, also aiming to create a more conducive environment for functional service delivery. The significance of the White Paper on MSPs is that it emphasizes innovative mechanisms to deliver services, which is pivotal for municipalities. It guides municipalities in understanding and recognising the need and consideration for flexible leading towards improved service delivery. The White Paper on MSPs permits for the institutionalisation of collaborative partnerships.

One of the most engaged in partnerships striving towards functional service delivery is PPPs, which are discussed in great detail in the MFMA in comparison with other collaborative partnerships. The MFMA is the core financial document for municipalities. It focuses on the needs of municipalities and assists in their financial decisions. In combination with the Systems Act and White Paper on MSP, these sources permit the use of collaborative partnerships within a functional environment. Although the policy and legislative environment in the RSA recognises the viability of collaborative partnerships and need for transformation, the practical application of developmental mechanisms requires further improvement.

3.5 Summary

In sum, the Constitution (1996) is the supreme law of the RSA and guides each sphere of government in its mandated responsibilities. Evidently, local government has a tremendous responsibility in terms of service delivery. Public administration therefore has to be stable within government, especially within the sphere of local government. A key goal is for local government to be capacitated yet remain efficient. This requires transforming the public sector. The Batho Pele White Paper supports the needed transformation and promotes it by placing citizens at the centre of the service. By placing citizens at the centre of transformation, the paper aims to improve the quality of service delivery in the most optimal manner.

The dedication towards South African citizens is evident in the legislature and policy framework. The needs of each municipality are therefore important to understand. The Municipal Structures Act clearly specifies this to enhance and improve on the performance of municipalities. By placing the needs of municipalities at the centre of improving service delivery, the Structures Act recognises the need to enhance and prioritise the performance of officials.

Responding to the need to be efficient, effective, economical, and sustainable in terms of financial stability, the PFMA aims to regulate financial management within the RSA. Regulating financial management allows for stability with the public sector environment to efficiently control the most crucial resource to deliver services, which is to be financially capacitated.

Due to the duties and responsibilities of local government, greater turnaround strategies and policies speaking to change are required. The LGTAS further assists local government by basing strategy on involving all stakeholders in local government, structurally remaining the same and learning from and correcting all challenges. In addition, a key driving force is the MTSF, which further identifies the need to improve service delivery and create a more responsible, accountable, effective, and efficient local government.

Furthermore, the three core sources guiding the sphere of local government to create a conducive environment for the implementation of collaborative partnerships are, as

mentioned above, the Systems Act, the White Paper on MSPs and the MFMA. The Systems Act provides the core principles, mechanisms and processes that are essential to develop the current status of service delivery in the RSA. It is crucial for the advancement of service delivery through the use of external mechanisms to effectively manage service delivery agreements. Additionally, the White Paper on MSPs supports the improvement mechanisms to deliver functional service delivery in a conducive environment that aims to engage in partnerships to overcome the challenges faced by municipalities. To effectively transform and implement developmental mechanisms to improve service delivery in the sphere of local government, the MFMA aims to manage the financial resources of municipalities. The MFMA clearly specifies duties and responsibilities to ensure the effectiveness, efficiency, sustainability, and economical use of resources. Emphasizing the developmental and transformative vision of the RSA is the NDP. It notes that the desired transformation is still a work in progress and a lot still needs to be done to truly provide services that are making use of its resources in the most efficient, effective, economical, and sustainable manner.

Chapter 4: Research Design and Methodology

4.1 Introduction

As discussed in chapters 2 and 3, the theoretical underpinnings of the public sector and the policy and legislative framework is explicitly aimed at improving service delivery and the use of collaborative partnerships. The primary objective of this research is to present the theoretical and legal foundation of this study. Welman, Kruger and Mitchell (2005:2) define research as “a process that involves obtaining scientific knowledge by means of various methods and procedures”. This chapter aims to briefly discuss the research design and methodology of the study, the sampling method used and the data-collection method. Furthermore, it presents the research questions asked during the interviews to obtain required information. Thereafter, the chapter briefly discusses the process for data analysis, ethical considerations, and limitations to the study.

4.2 Research Design and Methodology

By obtaining scientific knowledge, the researcher aims to explore collaborative partnerships in terms of service delivery in local government and assess the viability and constraints of collaborative partnerships. This study is taken from a local government perspective, with service delivery as the independent variable and collaborative partnerships as the dependent variable. To successfully complete the study, the researcher must fully understand the research design and methodology that will be used during the study. A research design is a plan or structured framework that clarifies how the researcher intends to conduct the research process to solve the research problem (Babbie & Mouton, 2015:647). Considering the definition of a research design by Babbie and Mouton (2015:647), the researcher used both empirical and non-empirical methods to complete the study. The non-empirical design of the study is evident in the researcher’s exploration of literature based on service delivery and collaborative partnerships, as well as the policy and legislative framework for service delivery and collaborative partnerships in the RSA, specifically the sphere of local

government. The empirical design employed during the study is evident in Chapter 5, which presents the primary and textual data collected through semi-structured interviews conducted by the researcher.

The nature of the study is qualitative and makes use of qualitative approaches to provide an in-depth understanding of the current status of PPPs, outsourcing, PVSPs and shared services by exploring each collaborative partnership to ensure that government selects the most viable collaborative partnership for optimal service delivery. The researcher selected this approach due to the textual nature of the study. As seen in Chapter 5, the researcher presents the data in a systematic manner that combines all key points to address the conduciveness of collaborative partnerships and the viability of each partnership as well as constraints. Additionally, the study permits flexibility and exploration of service delivery and collaborative partnerships. This enables the researcher to progressively collect data and gain a deeper understanding of service delivery and especially collaborative partnerships. The researcher managed to gain an insider's perspective of local government by interviewing experts in the field.

4.3 Sampling Method

The empirical nature of the study is evident in Chapter 5, which is informed through the use of primary data. The primary data was collected by means of semi-structured interviews. Since the unit of analysis is the sphere of local government, eight expert interviews were conducted by means of non-probability sampling. As explained by Welman, Kruger and Mitchell (2005:67) the use of non-probability sampling is advantageous in that it is less complicated and more economical. Six experts were selected through purposive sampling, which is used by researchers to deliberately obtain the required data for study (Welman, et al., 2005:69). Additionally, two experts were selected through snowball sampling. Snowball sampling is a method employed by the researcher when the two participants that were selected through purpose sampling suggest additional participants to interview (Babbie & Mouton, 2015:647). The selected experts have extensive experience with collaborative partnerships and provides a high

level of insight of local government, the public sector, the private sector, as well as the voluntary sector. Below is a brief explanation of each expert:

- Expert 1 holds a Doctorate Degree in Public Management and Governance and has published in the field of public policy and the housing sector in SA. With over a decade experience in the public sector, specifically in provincial departments, one of the key tasks for the Expert is focused on monitoring, improving, supporting, and researching service delivery in the sphere of local government. Furthermore, Expert 1 is the Founder and Director of a consulting company that provides pro bono monitoring, evaluation, and analytical services to non-governmental organisations.
- Expert 2 has close to 8 years' experience with a private organisation to assist municipalities in providing value-added services to their communities, to improve service delivery, and address challenges concerning governance and performance management.
- Expert 3 has over 10 years' experience in a local municipality. Due to the Experts experience and extensive knowledge on local government, a private company recruited the Expert to assist in improving the efficiency, effectiveness, and impact of service delivery by municipalities.
- .
- Expert 4 is working for their seventh year at a provincial department aimed at providing municipal support and capacity building. Additionally, prior to this appointment, the Expert previously worked for 3 years at a provincial department in the Western Cape.
- Expert 5 holds a Master Degree in Business Administration and a Doctorate Degree in Administration and Local Government Performance Management. The Expert has experience in both the private and public sector. Expert 5 has worked as a Director at a municipality and MM at another municipality. For the last 8 years, the Expert has been working between both the private and public sector.

- Expert 6 has worked in corporate services for 2 years, an oversight committee member for 1 year, and an audit committee member for almost 3 years. In addition, Expert 6 has worked in two municipalities as an MM, adding to 13 years' experience as a MM. Currently, the Expert now works as a lecturer and a consultant for private, public, and voluntary sector organisations.
- Expert 7 has 21 years' experience working in a provincial department aimed at supporting District and Local Municipalities.
- Expert 8 as worked for the City of Cape Town for 2 years in the field of organisational performance. Furthermore, the Expert has 13 years' experience in the public sector managing projects and programmes to ensure the formulation and approval of organisations strategic plans. Additionally, managing internal and external stakeholder engagements. Lastly, Expert 8 has almost 4 years' experience in the field of integrated planning.

4.4 Data-Collection Method

The researcher opted to conduct semi-structured interviews to obtain optimal results for the study. The reason for selecting this method was to follow standard questions but be able to individually ask tailored questions during the interview to get clarification or probe the participants' reasoning to ensure that the questions were understood and answered truthfully (Leedy & Ormrod, 2010:188). The basic individual interview used by the researcher is the most frequently used method of data collection. It permitted for an interview that was flexible, iterative, and continuous, allowing the researcher to ensure that all topics were fully covered during the interview (Babbie & Mouton, 2015:289). Following a typical technique of conducting qualitative studies, the researcher ensured that the participants viewed the interview as simply engaging in a friendly conversation (Leedy & Ormrod, 2010:188). The style of interviewing was carefully selected to gain the trust of the participants.

As recommended by Leedy and Ormrod (2010:166), before the interviews were conducted the researcher (1) analysed the research problem; (2) understood the information that needed to be obtained by the participants; and (3) selected the participants that would be able to provide the needed information. Thereafter, the next step was to draft the interview question. The standard questions asked during the interviews are as follows:

1. In your opinion, is the policy environment conducive for collaborative partnerships?
2. Is the social-political environment conducive for collaborative partnerships?
3. To what extent are municipalities able to deal with collaborative partnerships?
4. What is or can be done to better deal with collaborative partnerships?
5. To what extent are public-private partnerships viable? What are the constraints?
6. To what extent is outsourcing viable? What are the constraints?
7. To what extent are public-voluntary sector partnerships viable? What are the constraints?
8. To what extent are shared services viable? What are the constraints?
9. Under what circumstances does a public-private partnership work rather than self-provision?
10. Under what circumstances does outsourcing work rather than self-provision?
11. Under what circumstances does public-voluntary sector partnerships work rather than self-provision?
12. Under what circumstances does shared services work rather self-provision?

Furthermore, the researcher had face-to-face interviews with each participant. As explained by Leedy and Ormrod (2005:188), the face-to-face interview is distinctly advantageous because it enables the researcher to establish rapport with participants and gain their cooperation. Considering the set of interview question, as seen above, the data-collection method used by the researcher was meticulously selected to ensure that each question is accurately understood and that valuable responses are received. Due to the qualitative nature of the study, form of data analysis, anticipated length of the interview and bulk information received during the interview, a tape recorder was used to record the interviews. Each participant had no objection towards this.

4.5 Data Analysis

Once all interviews were completed, the researcher transcribed all interviews. Transcribing can be defined as “the transformation of oral speech into a written and meaningful text that includes relevant information from the interview and that can be analysed” (Azevedo, Carvalho, Fernandes-Costa, Mesquita, Soares, Teixeira & Maia, 2017:159). The transcription of the interviews allows for a deeper exploration of the research topic. The use of the tape recorder is to create an environment that was unobtrusive and to allow for the discussion to flow despite, as well as to refrain from any disturbing movements (Wilson, 2002:24). To achieve an analysis that was thorough and in-depth, each interview was transcribed into an electronic Word document. Thereafter, each participant’s interview was colour coordinated and arranged in a systematic manner to present a comprehensible discussion based on findings generated by the interviews.

4.6 Ethical Considerations

The ethical consideration within a study is an important aspect for the researcher to focus on, especially when a study involves human subjects. The principles underlined in the domain of ethics are universal and related to aspects such as honesty and respect for the rights of individuals.

Ethical considerations are imperative at three stages of a study, namely:

- “When participants are recruited;
- During the intervention and/or the measurement procedure to which they are subjected; and
- In the release of the results obtained” (Welman, et al., 2005:181).

In consideration of the importance of ethics, Welman, et al. (2005:201) discusses four key considerations to which the researcher should pay attention:

- The researcher should obtain informed consent from all participants involved in the study. Consent is obtained from each participant once they have thoroughly and truthfully been informed about the purpose of the interview and study.
- The researcher should assure the participants of their right to privacy.
- The researcher should assure the participants that they will not experience any physical and/or emotional harm.
- The researcher must guard against any form of manipulation towards the participants or treating them as an object or number. All participants should be treated as human beings. The researcher should therefore abstain from unethical tactics and techniques whilst conducting the interviews (Welman, et al., 2005:201).

In relation to the above discussion, the researcher applied to both the Departmental Ethics Screening Committee (DESC) of the School of Public Leadership and Research Ethics Committee (REC) of Stellenbosch University for approval to collect data for the purpose of this research. Before the interviews were conducted, each participant was informed about the purpose of the study, their responsibility within the study, the

possible risks and discomforts, the possible benefit to them and/or society, the protection of their information and identity, and their rights as a participant. Once each participant read through the consent form, they signed the form inviting them to take part in the study as they have the required experience, knowledge, and insight. Once each participant signed the consent form, the interviews were conducted at their workplace, posing no possible risk or discomfort to them. Furthermore, the identity of each participant was protected by them being referred to as 'Expert 1', 'Expert 2', and so forth. This ensures that their identities are not made publicly available, thus they remain anonymous.

4.7 Limitations to the Study

This section briefly summarises the limitations of the research. By addressing the limitations, this section aims to present gaps within the research for future studies and mechanisms used within the sphere of local government. The first limitation relates to literature available on service delivery and collaborative partnerships. Due to the extensive literature available and many prominent authors within these two fields, the researcher significantly narrowed the scope of the study to ensure that the subheadings presented in the literature review were not too broad yet incorporate sufficient literature to adequately address the aim and the objective of the study.

The second limitation acknowledged by the researcher is linked to Chapter 3, which addresses the policy and legislature associated with service delivery and collaborative partnerships. Service delivery and collaborative partnerships are two themes dominating the field of public administration. As a result of this domination, the researcher was limited in the approach when addressing policies and legislature, as the sources are commonly used by researchers. Whilst numerous other acts, policies, mechanisms, and guidelines not directly related to these two themes, could have been added to indirectly impact service delivery and collaborative partnerships.

The third limitation experienced is related to the number of experts used for the study. Only eight experts were interviewed, which limits the amount of information received. An increase in the number of interviews has the possibility to provide more information,

conceivably permitting for a broader scope and understanding of service delivery and collaborative partnerships, especially in the context of local government.

The fourth limitation experienced during the study was the period within which the researcher conducted the interviews. Initially, the researcher aimed to complete all interviews within a five-day period. However, only one expert was interviewed during the timeframe identified by the researcher. Due to the reliance on the selected experts as they are highly qualified and ideal for the study, the researcher had to extend the timeframe within which the interviews were conducted. Given the dynamic nature, respondents over this time may be confronted with different new considerations that could lead to some discrepancies of opinion.

4.8 Summary

In sum, to successfully complete the study the researcher will follow a rigorous form of qualitative and explorative approaches. Utilising both an empirical and non-empirical design, the researcher focuses on the public sector and specifically local government. To provide an in-depth understanding, the researcher conducted interviews that permitted progressive data collection to gain an insider perspective of collaborative partnerships in the sphere of local government. Six experts were selected through purposive sampling, whilst an additional two were selected through snowball sampling. Furthermore, the researcher opted to conduct semi-structured interviews to obtain an optimal understanding of the conduciveness of the public sector environment for collaborative partnerships and their viability. Once all interviews were completed, the recorded interviews were transcribed from oral form to a written and meaningful textual discussion. Due to the human nature of the study, ethical behaviour was an important factor to consider throughout the study. Lastly, the researcher experienced the following limitations: vastly broad literature being available, a limited approach to the legal framework, limited number of experts, extended interview period and the time-consuming task of transcribing. Although the researcher experienced limitations, the study was successfully completed.

Chapter 5: Data Collection and Presentation of Interview Responses

5.1 Introduction

The previous chapters provide the bases for understanding the need and insight provided in the discussion of Chapter 5. Leading up to this chapter, it is evident that there is a gap in service delivery and as scholars and public servants, the public sector environment needs to be well understood in terms of the environment within which services are delivered and in terms of improvement mechanisms. One of the key mechanisms to improve services is engaging in collaborative partnerships. The key collaborative partnerships discussed in this research are PPPs, outsourcing, PVSPs, and shared services.

This chapter will present data that will not only provide information about the environment of local government but also present knowledge on a key improvement mechanism: collaborative partnerships. The experts' knowledge and insight on local government will allow for a more informed and in-depth understanding of the environment in which services are delivered and the viability of collaborative partnerships as a means to assist in the improvement and delivery of services.

5.2. Interview Responses

This section discusses interview responses from each of the experts. Each response is presented in a systematic manner by first stating the question and thereafter combining all the responses of the experts. The discussion presented under each question will only present information from the experts that is beneficial for the study.

5.2.1 Question 1

In your opinion, is the policy environment conducive for collaborative partnerships?

In response to this question, experts 1, 2 and 3 agree that the policy environment is conducive for collaborative partnerships in the field of local government. Expert 1 provides an example using the Back-to-Basics programme, stating that the programme requires municipalities to consider what the governance deficiencies are within the municipalities. After these are identified, the department can most appropriately address the deficiencies. It allows municipalities to identify which services are not readily available within government and where municipalities require assistance from the private sector. This relationship, according to Expert 1, is viewed as a consultancy or client relationship – instead of the private sector viewing themselves as stakeholders they view themselves merely as service providers. Expert 1 further states that at a national level (or macro level), the Intergovernmental Relations Act makes provision for implementation protocols, specifying the protocols to be followed when in partnership with another department or the private sector. There is a clear structure for collaborative partnerships, allowing for partners to agree on the terms of reference, bridge of contracts and joint objectives.

Furthermore, two experts refer to national government's PPP regulations. Both Expert 1 and Expert 2 agree that PPP regulations have gone beyond policy prescripts in the Province of the Western Cape and have now filtered down to actual work streams. For example, the People's Housing Process, which is also a national policy, requires low-cost housing with as many stakeholders as possible, such as NGOs, FBOs, as well as the private sector. Furthermore, they highlight that it has placed municipalities in a position to overcome service delivery challenges. However, both experts emphasize that improvements are needed. Expert 2 states that there should be less red tape for it to function properly. For municipalities it has become compliance driven in terms of a report and research. Municipalities are aware of the steps to follow, however the number of tasks that must be completed by municipalities and the lack of capacity does hinder their actions to go beyond compliance driven activities. The red tape does hinder implementation. On the other hand, Expert 1 states that there are numerous gaps within policies that allow government to interpret it in a way that suits them best. The ruling

party may therefore interpret legislation based on their agenda and not government as a whole. For example, the Structures Act specifically discusses the evaluation and management of performance; however, it does not provide a set guideline. Municipalities are therefore able to manipulate the system.

Furthermore, there is a consensus amongst the three experts that high-capacity municipalities are better able to navigate themselves within the public environment. As explained by Expert 3, a high-capacity municipality will be able to complete a needs assessment efficiently and effectively; however, small municipalities such as Laingsburg are not able to. The main function of smaller municipalities is service delivery and not thinking about other outcomes. For example, they focus on basic water, electricity, and waste removal. They cannot function at a higher level, such as Overstrand Municipality, which has more resources. The assessments that municipalities must complete provide many challenges for smaller municipalities.

Experts 4 and 5 partially agree that the environment is conducive for collaborative partnerships, as they state it has merely become a tick-box exercise. Expert 4 discusses the IDP as an example, highlighting that the Constitution (1996) encourages that government follows a consultative process when they require buy-in from citizens. However, in the wake of the current drought in the Western Cape, the City of Cape Town has not followed a consultative process. The various tariff levels and capital purchases, such as desalination plants, require consultative processes to procure or implement major decisions that affect citizens and, according to the expert, this has not been done. Another challenge is that in the more rural areas one is not able to follow that much of a consultative process. The challenge in rural areas is that local government is confronted with municipalities that have limited resources and wide geographical areas.

Expert 5 considers the partial conduciveness for collaborative governance in terms of the Municipal Structures Act, sections 76 and 78. The expert elaborates that if a public institution wants to follow the route of delivering services outside of its mandate it needs to complete a comprehensive section 76 and 78 assessment and based on this it is then decided if the municipality wants a service provider to assist with the rendering of services. For local government, the Section 76 assessment allows for an internal self-

examination of the municipality. The assessment focuses on whether the municipality has the capacity to render such a service and the available resources, such as the municipality's budget, human resources, and office space. Section 78 is used to determine whether the municipality can use a service provider from outside of the municipality and if they can budget accordingly. Currently, this process is not functional within the public sector.

Although Expert 5 states that the environment is conducive and Expert 6 states that it is not, both experts accentuate that the process of sections 76 and 78 is too cumbersome and costly for municipalities to conduct, which must be completed before municipalities can consider a cost-benefit analysis. In addition to the process presenting challenges for municipalities, politicians do not understand why they need to follow these processes as per the Structures Act. There needs to be an amendment within the various pieces of legislation to make provision in terms of Section 156, schedules 4b or 5b of the Constitution (RSA, 1996), for services to be allocated to a municipality rather than allowing a municipality to complete a sections 76 or 78 assessment. The current legislature furthermore allows for politicians, especially in terms of human resources, who favour an open-ended piece of legislation to instruct a municipality to appoint some of their friends or relatives. This is one of the biggest concerns facing the public sector as it hampers service delivery.

Experts 6, 7 and 8 deem the policy environment to not be conducive at all. There was a consensus amongst these experts that it is very important to accentuate that those policies devolve from national, provincial and at local level. The legal framework and policy environment dictates policy and how local government implements administrative and other decisions. The challenge, as discussed by these experts, is with the policy framework as it does not necessarily consider collaborative partnerships because it is an unnecessary and onerous process. Additionally, it restricts municipalities when engaging in collaborative partnerships.

Expert 6 further elaborates that the standard approach to service delivery is that if municipalities abide by the Constitution (RSA, 1996), Section 156, Schedule 4b and 5b, they then concentrate on their responsibilities, draft their reports, focus on their IDP and staff structure and then respond to the needs identified in the IDP and in terms of

the Constitution. The policy framework has been drafted in a way that municipalities need to respond to that mindset. For the policy environment to change, public officials must shift their focus towards efficiency, effectiveness, and economies. According to this expert, the public sector does not focus on efficiencies, effectiveness, and economies in terms of benchmarks and case studies. For example, in terms of the MFMA, the National Treasury and other parties need to collaborate in terms of case studies, best practices and try to deregulate to the extent that it is possible to consider your options without huge upfront input cost.

Expert 6 explains that currently municipalities need to go through an exercise whereby they appoint consultants to do an investigation and all the consultation. The process to decide what is best for an institution is extensive and onerous. Local government requires tremendous assistance; however, there is not enough reliance between national, provincial, and local government in terms of resources. There needs to be a culture of change between the spheres of government to collaborate more outside of government.

The main findings of Question 1, which discusses the conduciveness of the policy environment for collaborative partnerships, can therefore be summarised as follows:

- Three out of the eight experts agree that the policy environment is conducive to collaborative partnerships;
- Two out of the eight experts partially agree that the policy environment is conducive;
- Three out of the eight experts do not agree that the policy environment is conducive, stating that the policy environment does not consider, but rather restricts, collaborative partnerships;
- There are positive effects of the Back-to-Basic programmes as it requires municipalities to exclusively focus on governance deficiencies;
- The International Relations Act makes provision for collaborative partnerships and the protocols to be followed;

- PPPs have gone beyond the policy prescripts and filtered down into work streams in the Western Cape;
- There should be less red tape for municipalities as it hinders them to go beyond what is compliance driven when engaging in collaborative partnerships. It prevents successful implementation and could lead to municipalities not wanting to engage in partnerships, negatively affecting service delivery;
- The assessment in Section 76 and 78 is a comprehensive process and is not functional. The process is too cumbersome and costly;
- Politicians need to become more informed about the Section 76 and 78 assessment;
- There are many policy gaps which permit government to interpret it to suit their needs. This allows for the manipulation of the system;
- High-capacity municipalities are able to better navigate themselves within the public environment;
- Municipalities such as the City of Cape Town do not follow a consultative process with communities; however, in rural areas it is more challenging due to limited resources and wide geographical areas;
- Nepotism is a big concern facing the public sector; and
- It is recommended that there is a shift in public officials' mind-sets towards efficiencies, effectiveness, and economies. There is a need to focus on case studies, best practices, and deregulation. Furthermore, there is a request for the three spheres of government to rely more on each other in terms of resources.

5.2.2 Question 2

Is the social-political environment conducive for collaborative partnerships?

In response to this question, experts 1, 2, 3 and 6 of the eight state that the social-political environment is conducive for collaborative partnerships. Expert 2 states that if municipalities want to achieve their strategic objectives they must engage in collaborative partnerships. According to Expert 1, there are many active civic organisations, which has led to a large shift in their position within the public sector. Civic organisations have shifted to the other end of the spectrum where organisations consider them ready to be stakeholders, but they are not provided with the platforms to do so. This is evident in the recurrence of service delivery protests. The ward committee system therefore allows for communities and private organisations to form part of the decision-making process at a local government level.

Expert 1 further elaborates that the effects of collaborative partnerships on the social environment does allow for and create necessary buy-in. If stakeholders form part of a process from the beginning, they take ownership of it because they become part of the project from the start. This reduces the risk of implementation rejection, for example the City of Cape Town where community halls or soccer fields are not utilised. This is a result of decisions made by government officials without considering whether these will be used or not – the community may literally reject the community service. It also reduces the chance of the implementation gap, which is linked to implementation rejection, and occurs when governments do not know why services are not being used or why the policy objective is not being met despite the planning reflecting otherwise.

Expert 1 agrees that collaborative partnerships have an extremely positive effect on the social-political environment. They state that it reduces the space between municipal administrative officials and office bearers, and the degree of accountability could automatically increase because stakeholders gain an understanding of what the actual processes are within a municipality. Stakeholders thus understand when a delay is legitimate or if this is due to peoples' incompetence or lack of commitment to implementing a particular project. Furthermore, government must inform communities about projects and how well they do; however, this is only for capital projects.

Municipalities, in terms of the Municipal Financial Management Act, must publish capital projects on their websites.

Additionally, Expert 3 maintains that the public sector environment is supposed to be open and fair, and the public is supposed to give their input. However, the general public's education is not up to standard. The public generally demands housing and employment opportunities when there are many other services that need to be delivered by government. For example, the public does not understand why the road must be tarred when people do not have houses. Although the social environment is conducive, there is still room for improvement. From a political perspective, Expert 3 declares that the problem with the RSA is currently that each political party has their own idea as to what they want for their constituents. When one party is in office they have their own agenda, five years afterwards another party is elected, and their agenda is completely different. This forces municipalities to start over each time. To ensure that the environment is more conducive, political parties need to come to a consensus that allows for administrative stability within municipalities. Politicians should be less focused on the power struggle.

Expert 6 further elaborates that people are ready to embrace change to ensure a co-produced product that is more effective and efficient. During consultation, communities such as Hessequa definitely prefer entering opportunities to collaborate as a solution. The public has responded well to the drought in the Cape by questioning what the policymakers are doing to solve the situation. Although the public is not informed or educated enough to provide government or policymakers with exact solutions, there are many individual citizens within communities that are well-informed and can offer solutions. The small sphere of influence is a helpful start that leads to more and more citizens, as well as officials talking about it. Currently, there are several debates in a few newspapers and academic environments discussing and debating possible solutions.

Expert 6 additionally believes that it is essential to focus on the three spheres of government. At national government level, the expert states there is the intention to draft an NDP that calls for innovation, and to which the provincial level. At local government level people do not embrace local economic development or do not

understand it enough to comprehend that by collaborating they are supporting local economic development. The expert emphasizes that there must be a shift away from the traditional methodology of delivering a service towards collaboration.

Of the eight experts, experts 4, 5, 7 and 8 argue that the social-political environment is not conducive for collaborative partnerships. Expert 4 discusses in some instances how government has started forming collaborative partnerships with the assistance of NGOs and church organisations, especially during natural disasters. Many citizens utilise or voice their opinions through these various civic organisations. However, when it comes to considering the opinions of NGOs and citizens, government does not easily do so. During the pre-apartheid years, churches, and civic organisations, such as the UDF and the South African Council of Churches were very important organisations through which activism took place. Today, people are still using their voices through civic organisations; however, it appears that in the post-apartheid era that these civic organisations have lost their voices.

Expert 5 states that in terms of legislation a municipality is a tier of government and not a sphere of government as it is normally portrayed. It is therefore an independent sphere of government and does not depend on provincial, national, or local government. Municipalities govern on their own accord, which hampers service delivery. In the social context there is no clear agreement between the community and municipalities. There is no social interaction with the community itself. The only way that it can be addressed is to sign social compact agreements with the community.

Expert 5 further explains how community development workers (CDWs) do not assist in this regard. They attend meetings and take minutes, assist on small projects, and add to the labour aspect of projects. However, this is not effective despite there being many of them. Many are highly political job creation programmes. A multitude of courses are presented that do not assist the community as intended. There needs to be a refocus on how municipalities engage in training courses. They should hand-out evaluation forms that reflect that the officials are happy with the training, but at the ground level this is not being implemented. This is also linked to where the officials attending the training programmes are placed within the organisational structure. Expert 5 questions whether it is done for conformance or service delivery. According to this expert it is wrongly

placed within the Directorate of Corporate Services, which does not really assist the municipality and should be placed within the Service Delivery Department.

Expert 7 discusses the change of political parties that contributes to the social-political environment not being conducive for collaborative partnerships. For example, in the Central Karoo District, when there are political changes municipalities experience stop-start changes in their administration. For the District and several other municipalities, they consequently must restart or change collaborative agreements when they have dedicated a substantial amount of time to the agreement. To solve this, the expert maintains that municipalities should more effectively manage their administration. Administrative leadership should take responsibility and be managed as a separate entity from the political leadership.

Expert 8 refers to more rural or outlying municipalities that do not have the necessary skills to provide needed services. To fill the gap within these municipalities, an individual from the city often must move to these areas, which is a cost implication. According to Expert 8, many municipalities are seeking to partner with universities to get satellite campuses to where these are. Discussions are still taking place with bigger universities, such as Stellenbosch University. This is advantageous for these municipalities because currently outlying students will move to the city and remain in the city once they qualify.

Expert 8 states that politically there are quite a lot of discussions within the Western Cape government to improve political environment and administration within the sphere of local government. Currently, heads of departments and municipal managers are regularly engaging in meeting to strategise as to how they can partner and work together. Furthermore, organisations such as the Economic Development Partnership, which is a private entity, are also working with government and able to assist in providing a more conducive environment and working together to improve government service through collaboration.

The main findings of Question 2, which discuss the conduciveness of the social-political environment for collaborative partnerships can be summarised as follows:

- Experts 1, 2, 3, and 6 state that the social-political environment is conducive for collaborative partnerships, whilst experts 4, 5, 7 and 8 disagree.
- Expert 1 notes that there has been a shift in the position of large civic organisations, as they are considered stakeholders but not provided with the required platform to be influential;
- Expert 1 further notes that stakeholders should form part of the process from the start to allow for each stakeholder to take ownership. This reduces implementation rejection as well as implementation gaps. Government therefore has to inform communities about potential projects;
- The public is not educated enough to provide input. On the one hand, Expert 6 notes that there are many well-informed citizens who can offer solutions. On the other hand, Expert 4 maintains that, although citizens try to utilise their voices through NGOs, governments do not consider their opinions;
- Collaborative partnerships reduce the space between municipal administrative officials and office bearers, perchance permitting a higher degree of accountability;
- Politicians should be less focused on power struggles and more on administrative stability. Expert 7 furthermore notes that administrative instability contributed to the change of political parties;
- Citizens do not embrace local economic development, thus recommending a shift away from traditional service delivery methods;
- Municipalities act on their own accord which hampers service delivery – they do not work with the other spheres of government nor do with their communities; and

- Rural municipalities receive the least assistance in relation to creating a more conducive environment. Although discussions are taking place, implementation needs to occur.

5.2.3 Question 3

To what extent are municipalities able to deal with collaborative partnerships?

Expert 3 firmly believes that municipalities can deal with collaborative partnerships. Many municipalities consist of public servants that focus on development and the betterment of their communities. Municipalities understand the needs of their people and what must be done to meet these. However, many public officials are not as educated as the public environment requires them to be. Public officials in many instances are not able to fully comprehend what improvement mechanisms are needed. Government therefore lacks improvement mechanisms that are suitable for the local government environment. Additionally, many municipalities view strategic management as an administrative hindrance. Expert 3 emphasizes strategic management as one of the most important tasks of government. Municipalities must have a clear plan before projects can be implemented. Government must become proactive instead of reactive.

Experts 1, 2, 4 and 5 express that higher capacity municipalities are more able to deal with collaborative partnerships than others. Expert 2 states that some municipalities have a unit to deal with partnerships. Expert 1 expresses that there is a recurring use of consultancy level of services. Municipalities are guided and supported by regulations and procurement policies that inform them that when they do make use of the services of the private sector these are the steps to follow. This has shown great success with regards to infrastructure; however, it is less successful with other types of services. Furthermore, there is a lot of collaboration with services, such as waste management. In Knysna, for example, communities form part of partnerships to eradicate invasive plants or to clean up a dam. There are many services that are unfunded in municipalities, causing them to struggle. Collaboration can have the biggest impact and influence on supplementing government resources.

Expert 4 expresses that it is important to look at the business chambers assisting municipalities with their local economic development. Expert 4 maintains that there is a willingness from the private sector to support municipalities. For the private sector, it makes sense for the business to remain in the area if the services rendered are of good quality. However, there appears to be reluctance from certain municipalities. Expert 4 is not certain if this is because of the political make-up of certain municipalities or whether it is pure reluctance to partake. Many municipalities do not understand the value of collaborative partnerships. In many instances, municipalities can deal with collaborative partnerships if there is a willingness and political will. If there is no political will or buy-in, then these initiatives fail.

According to Expert 5, there are not many municipalities that are fully able to deal in collaborative partnerships. They elaborate that it depends on how strong municipal directors are at an administrative level. Most collaboration takes place at an administrative level and then moves towards involving councillors. Municipalities must also become more structured. Municipalities are more focused on administrative issues than focusing on how to collaborate with the community in terms of the Systems Act. The current structures within municipalities are not effective and need to be reworked. Municipalities therefore need to capacitate staff as well as communities on these issues. Public officials and community members must know how these structures work, as well as their functions and responsibilities. Communities are informed but are not capacitated. It is normally only the ten ward committee members who are capacitated on how these processes work.

Experts 6, 7 and 8 do not consider municipalities ready to deal with collaborative partnerships. Expert 6 articulates that many municipalities do not have dedicated units for collaborative partnerships, and their staff are not ideally trained or particularly suited for that post of dealing with collaborative partnerships. For example, many municipalities do not have an economist, hence it is not infiltrated into the municipality. The municipal organisational culture, vision and mission might allude to it, but they do not have the units or staff to deal with it.

Expert 7 expresses that municipalities do not have an option to deal with collaborative partnerships due to fiscal constraints. Municipal budgets and the support municipalities

receive are being cut. Municipalities that are more sustainable are also rooting for collaborative partnerships. Furthermore, not all municipalities can acquire the critical skills needed for municipalities to deal with the environment and external forces. Factors such as the geographical location of municipalities does have a huge impact on attainment of critical skills. For example, in the Central Karoo region, there is no highly qualified chartered accountant or internal auditor that wants to work in the area. This is due to salary and location. Expert 8 maintains that with assistance from the private sector and government, municipalities will be able to deal with collaborative partnerships. There are good models that are working and where it is difficult to attract skills to a local municipality, the district municipality can assist.

The main findings of Question 3, which discusses to what extent municipalities can deal with collaborative partnerships, can be summarised as follows:

- Expert 3 expresses that municipalities can deal with collaborative partnerships as many municipalities are focused on development within their communities; however, many public officials are not educated enough to fully comprehend the needs of their communities. Incorrect improvements are therefore made;
- Expert 3 furthermore notes that strategic management is viewed as a hindrance instead of as an important and needed task within government;
- Experts 1, 2, 4 and 5 convey that higher capacity municipalities are more capable than others. Expert 1 refers to some municipalities having a dedicated unit to manage partnerships. The expert further expresses that municipalities have the needed guidance and support in regulations and procurement policies;
- Many services are unfunded in municipalities leading to service delivery challenges. Expert 4 maintains that the private sector is willing to support municipalities; however, some municipalities are reluctant. It is thus important to focus on business chambers assisting municipalities with their local economic development;

- Municipalities require political will or buy-in for successful collaborative partnerships;
- Not many municipalities are able to deal with collaborative partnerships, thus they need improved structure, more community collaboration and capacitated staff;
- Experts 6 and 7 do not consider municipalities as dealing with collaborative partnerships. Expert 6 recommends dedicated units and trained staff, as mentioned by Expert 5;
- Municipalities are not able to deal with collaborative partnerships, they do not have a choice. Budget cuts, lack of critical skills and geographical locations contribute to not being able to deal with collaborative partnerships. The private sector is the solution to assist municipalities in dealing with collaborative partnerships.

5.2.4 Question 4

What is or can be done to better deal with collaborative partnerships?

In response to this question, Expert 1 suggests that collaborative partnerships include a Service Delivery and Budget Implementation Plan (SDBIP) and IDP. This will assist municipalities in identifying what the needs are within the community, the shortages from government and be able to identify the stakeholders who will form part of such a collaboration for a particular project. Municipalities' SDBIPs fall below the IDP. The specific projects into which municipalities enter into for the year is in the SDBIP. The SDBIP specifies the municipal projects and the budget that will be assigned to it. Once projects are in the SDBIP, municipalities are forced to report against it. This will ensure that there is accountability within the departments as partnerships recommended at the beginning of the year must be reported against at the end of the year. Thereafter, all partnerships must form part of the performance agreements for senior managers, stating that they must explore one collaborative partnership within their department for a particular year.

Expert 4 elaborates on the recommendations of Experts 1, stating that the municipal system works on a five-year cycle and that the three core reports are the IDP, SDBIP and Annual Report. However, when focusing on the three documents there is no coherency between them, yet they are supposed to seamlessly integrate. Furthermore, Expert 5 recommends signing a service delivery agreement with the community, even if it is per ward, rather than just capturing it in an IDP or SDBIP. This will assist communities in taking responsibility within their wards. There are many community members who know the needs of the community and understand community, especially in public participation; however, municipalities do not allow them to participate. Municipalities involve certain community members' input during the IDP process but for many it is just a tick-box exercise.

In addition, Expert 2 states that there should be more awareness campaigns surrounding collaborative partnerships. Municipalities and their communities must become more aware of and educated on collaborative partnerships to understand these and become more informed. Municipalities must focus on public participation and inform the public about the shift, and need to move forward, towards the use of collaborative partnerships. It is important to ask is the community for or is against these. Municipalities must understand the public and receive their input. If the public are informed about upcoming developments and decisions and they can understand these will better the community, they will almost certainly support these and not be reluctant. Municipalities must become more aware of the viability of collaborative partnerships and actively work closely with their district municipality.

Expert 2 points out that at a national level the awareness campaign should be focused on cost saving and improving on service delivery. A key difficulty is that institutions and officials work in silos. Each sphere of government needs to understand and learn about the local environment and then conduct an assessment on the environment to assess if it is conducive for collaborative partnerships. National government can provide the funding. This should then trickle down to provincial and thereafter to local government. There has been a greater focus on local municipalities, where they are creating an International Relations Department. Municipality can partner with a municipality in Sweden, for example, and learn from international best practices.

Moreover, Expert 6 recommends that municipalities must create momentum through public relations to promote and implement the use of more collaborative partnerships, communicating what it is, what it can achieve and best practices. Case studies must be used as examples, and the cost-benefits must be communicated. Expert 6 provides an example of a case study that could be beneficial for the RSA. For example, the RSA can apply the principles of Smart Cities in Europe within their municipalities. They must firstly demonstrate how Smart Cities can save cost, thereafter they must communicate what it entails, educate the public on their role, and inform them about the benefits. The RSA is at the forefront in terms of technology and has access to international best practices. The country is ready for innovative and cost-effective methods, and the policy environment needs to respond to it. Expert 8 recommends starting with financial regulations. Whilst needed, policymakers must be well-informed as to how they change certain conditions to ensure that partnerships can take place. This is challenging because there is fear of corruption and nepotism.

Both experts 2 and 3 refer to the lack of funding available for municipalities. Most of the municipalities' money goes towards maintenance and upgrades. However, municipalities need a specific budget to conduct a study to understand their needs. Accordingly, plans can be developed to focus on the core needs, instead of simply doing what municipalities are mandated and not going beyond what is required. The private sector will be able to assist municipalities with conducting such an assessment and assist in long-term planning. For example, most municipalities in the Western Cape do not have experts within the field of performance management because it is seen as an administrative function and public officials do not deem it as important. The expert will be able to identify gaps and assist municipalities to plan accordingly to improve their services or understand where they need to excel.

However, Expert 6 communicates that there is a need to take into consideration professional jealousy when considering the implementation of best practices. People talk about it, and commend it, but may not follow it due to professional jealousy. The lack of buy-in could be politically driven. Although there are best practices, this is not in terms of a typical benchmark – it is because there is an awareness surrounding it because of the practice being efficient or effective. There is no standard or norm in local

government that dictates how certain practices are to be implemented. Each municipality is independent, which requires best practices to be adjusted according to each specific environment. Concerning the above, Expert 7 elaborates the need for stronger leadership in local government to drive improvement mechanisms.

The main findings of Question 4, which discusses what is being, or can be done, for municipalities for them to better deal with collaborative partnerships, can be summarised as follows:

- Collaborative partnerships should be included in the SDBIP and IDP, thereafter all the partnerships must form part of performance agreements for senior management;
- The IDP, SDBIP and Annual Report should be seamlessly integrated;
- Municipalities sign service delivery agreement with municipalities;
- There should be an increase in awareness campaigns for both municipalities and communities;
- National government should play a larger role in providing needed funding and in creating a more conducive environment between communities and municipalities, and between the three spheres of government;
- There is a lack of funding for municipalities, they require a specific budget for partnerships due to the importance and impact these have on service delivery. There is a need to conduct an assessment to assist municipalities in not only delivering the mandated services but also needed services within the municipality;
- The RSA is ready for innovation and cost-effective methods and thus requires changes to be made with financial regulation to respond to innovative changes;
- The RSA has challenges with corruption and nepotism;

- Professional jealousy also plays a role in hindering the implementation of collaborative partnerships; and
- Stronger leadership is needed to drive all improvement mechanisms.

5.2.5 Question 5

To what extent are public-private partnerships viable? What are the constraints?

All of the experts view PPPs as a viable option for municipalities. Expert 1 mentions that depending on how they set up the partnerships, they can shift some of the risks to the private sector. PPPs are important, especially at local government level because, due to the way the MFMA is drafted, individual officials can be held personally liable if they make investments or spend money in a manner that officials determine reckless or irregular. Nonetheless, officials must understand that innovation is inevitable and there will be a first time that a project or programme is implemented, which entails a certain level of risk.

Expert 1 draws attention to the fact that some services are less viable, when there is no other alternative and government cannot add a monetary value to the services that are being provided. It is thus difficult to hold these service providers accountable. The idea of competition only works if there are other competitors, as government is able to hold service providers accountable by comparing their service or the tariff according to the private sector's alternative. In Thusong Centres, for example, it is difficult to hold the service providers accountable for the provision of identity documents – there is no alternative to the Department of Home Affairs as a private company cannot issue identity documents. Logically, collaborations also will not work.

Expert 2 proceeds that many municipalities are not always capacitated to perform certain functions. From the perspective of a private company, Expert 2 discloses that when they partner with municipalities, they focus on transferring skills, providing a service, providing information and teaching municipalities to implement services themselves. The strong relationship and regular PPPs entered by Expert 2 and their

company have over time created a conducive environment for municipalities to want to engage in PPPs.

For example, when there is a breach of contract, Expert 2 declares that they are lenient toward their public sector client because they understand the economic and public environment. As a private company engaging in numerous PPPs, they are exceptionally flexible, even within a contract, especially with clients that they have been working with for some time. They build a relationship with municipalities over time. With the newer municipalities, they are stricter at the start of the contract. This is so that both they and the municipalities understand their roles, responsibilities, and boundaries within the contract. Thereafter, a stronger and more sustainable relationship is built.

Also based in the public sector, Expert 3 views PPPs as informative as they allow private companies to understand the workings of municipalities. The more partnerships they enter the more informed they become about the public sector environment and can better assist municipalities. They can see what the gaps are and can improve on their partnership and services rendered. From year to year, they can assess the development of municipalities through their assistance.

In terms of the constraints of a PPP, Expert 1, and Expert 2 view contract management as a major challenge for municipalities. Expert 1 declares that the Department of Local Government also struggles with contract management. It is frequently found that municipalities do not have a chief engineer, and a municipality can engage in a PPP to acquire that skill. The municipality creates the PPP but within the municipality there is no one to assess the proposal or its viability. Consequently, the municipality enters the PPP without assessing its viability.

An added risk of a PPP, as discussed by Expert 1, is that many municipalities enter a PPP for incorrect reasons. Many municipalities use the excuse of not being capacitated, yet there are officials in the position. Municipalities then become reliant on service providers. As mentioned by Expert 1, another risk is that certain service providers tend to get a monopoly on certain services. As municipalities become reliant on service providers, they conclude that the consultant can make their work easier.

Although Expert 2 agrees that PPPs are a viable option, a major risk is when municipalities do not pay due to financial constraints. In a PPP, from a private sector perspective, Expert 2 admits that they do not have equal say within the partnership. The municipalities inform them about the services the municipalities need, and they agree that they will deliver what is required.

In addition to experts 1 and 2, Expert 3 also deems PPPs to be a viable option. However, the difficulty for private companies is that they are not physically in that working environment. It is therefore difficult to understand what the real root or cause is of the challenges that municipalities are experiencing. They render services based on what officials communicate to them, which is normally senior management. The information provided may not always be accurate and they are not always informed about all the internal challenges. Service providers can only provide services based on what information they are aware of and can advise on how to improve on their current mistakes. This may lead to service providers rendering an incorrect or incomplete service. Expert 6 explains that municipalities are apprehensive to share all internal challenges with service providers because they fear losing control, but if the policy environment can respond to this apprehensiveness, it will improve this perceived loss.

Although service providers render a high percentage of the service, this does not automatically imply that they hold power within the partnership. Consequently, if municipalities want a service a particular way, service providers are obligated to deliver. Several municipalities employ service providers, but they do not want to follow their advice. Expert 3 also conveys that many municipalities appoint them to only provide the services that the municipalities are mandated to do. Numerous municipalities do not see the value and the crux of it all in terms of improving services and doing more than what is required of them.

Likewise, Expert 6 agrees that PPPs are viable, although many colleagues of Expert 6 do not support it. They are fearful of giving away the authority and losing control to a certain extent, either over money, function, or flow of information. A PPP is supposed to be a collaboration and there should be representation; however, due to the traditional methods of PPPs, many officials state who will take part in the PPP, look after their interest, and control the money and function. This skews the collaborative and

partnering theory behind a PPP. Expert 6 maintains that the concept of PPP can work as legislation has been drafted accordingly and there are units that support it. At the political and administrative level changes need to occur.

Expert 6 views PPPs as an expensive route. Furthermore, it relinquishes the primary responsibility as local government, and this is what most politicians fear: the loss of power. It is therefore essential, as mentioned by Expert 2, to build a strong and sustainable partnership over time. Expert 6 states that a PPP will only work if the partners sign a twenty-to-thirty-year agreement and, although it is expensive, the return on the investment is good. Lastly, Expert 6 mentions that unions do not agree with engaging in PPPs as they view it as privatisation. For unions, PPPs do not work, and they will block municipalities from engaging in these partnerships because they want municipalities to appoint staff instead of service providers.

The main findings of Question 5, which discusses the extent of PPPs' viability as well as addresses their constraints, can be summarised as follows:

- All experts agree that PPPs are a viable option;
- The public sector can shift some risks to the private sector, which is important at a local government level. Due to the MFMA, local government is able to hold officials accountable and prevent reckless or irregular spending on partnerships;
- Some services are less viable than others as some services have no other alternatives and prevent government from holding service providers accountable;
- The lack of capacity in local government emphasizes that the private sector focuses on the transfer of skills;
- Due to the longevity of many PPPs, there is a lot of leniency from the private sector;
- PPPs are an informative partnership for the private sector as their understanding of the public sector increases;

- Contract management is a challenge for municipalities who enter partnerships with assessing its viability;
- Many municipalities use the excuse of not being capacitated to transfer work to the private sector and become reliant on them;
- Private companies are at risk of not receiving money on time. Furthermore, in many PPPs private companies do not have equal say;
- There is a lack of a full understanding of the challenges within municipalities as they are not physically in the environment or officials do not disclose all the needed information;
- Municipalities do not see the value in PPPs to improve service delivery;
- Municipalities fear giving away authority and losing control over a function, finance, or information; and
- There is a need to engage in PPPs even though it is an expensive route.

5.2.6 Question 6

To what extent is outsourcing viable? What are the constraints?

In terms of the viability of outsourcing, experts 3, 4, 6 and 7 agree that outsourcing is a viable option. From a private sector perspective, Expert 3 states that it allows service providers to gain a new perspective on challenges or services within municipalities. Expert 3 specifies that they are guided and restricted by law. Expert 3 specifies that when a municipality requests a particular service a service links to legislation and confirms what services they can provide and how they can go about rendering it. If a municipality cannot fulfil a particular function, they then partner to outsource, allowing service providers to start from scratch. For service providers this is less challenging because, instead of fixing many services that are not effective, they are able to start from the beginning and move forward.

Expert 4 upholds that for many municipalities do not enter outsourcing by choice. They elaborate that many rural areas are obliged to do so as they cannot attract or retain skills, especially specialised skills. Municipalities in rural areas are not generating as much of their own revenue as they need and are thus grant dependent. The ability of municipalities to outsource thus depends on their location, their circumstances and pertains to their contextual reality.

Expert 6 considers outsourcing as the solution because of the supply chain legislation and the procurement environment that has been established. The setback for outsourcing and why many officials do not agree on outsourcing, is due to fraud, corruption, lack of proper contract management and performance management. If fraud and corruption can be eliminated from the outsourcing environment, then many officials will agree to outsource. Expert 6 asserts that if outsourcing is well managed, properly tendered, focuses on performance management and contract management and the right people are appointed, outsourcing will work.

According to Section 217 of the Constitution, procurement must be fair, equitable and transparent. Expert 7 thus emphasizes that if the policy environment is written out and practiced properly, it will work well, and government will be able to create competition in the market. Municipalities will then be able to appoint experts in terms of price and product, but if there is an allegation that the same service provider is being employed then there must be an investigation. Expert 7 notes that if a service provider is the cheapest this does not mean that they should be appointed again. Municipalities can in terms of functionality decide that the quality of work and output are not up to standard.

In terms of the viability of outsourcing, experts 1, 2, 5 and 8 disagree that outsourcing is a viable option. From a political perspective, Expert 1 indicates that municipalities are hesitant to outsource because of the close relationship between labour unions and the governing party. This is based on the idea that labour brokers abuse the people, and most benefits go to them as opposed to the people who are working at the municipalities. Expert 5 again refers to the Section 78 assessments and emphasizes that unions will challenge the municipality. Unions challenge municipalities because they are losing members, it is not cost-effective because municipalities relinquish their function as a municipality in terms of Schedule 4 and Schedule 5b, which definitely

affects the grading of the municipality. Additionally, Expert 1 mentions that communities resent outsourcing when municipalities do not use a service provider from the area. There have been several incidences where service providers are refused access to a particular place to deliver a service because they are from outside of the community.

Expert 2 does not agree that outsourcing is a viable option. From a private company perspective there is a lot of compliance involved in outsourcing. It is also challenging for municipalities because if municipalities outsource a full function, they can experience a perceived loss of control. Expert 5 further notes that municipalities relinquish most of their funds as an income because with outsourcing they lose income stream and cannot subsidise their services if a whole service is outsourced.

The capacity aspect of outsourcing is a constraint for private companies. Expert 2 has engaged in many outsourcing partnerships and has experienced that when they must deliver a full function at a municipality it requires a lot of their staff and resources. Outsourcing does earn private companies a substantial amount of money, though they have to dedicate a large number of their staff towards the partnership. Due to the legislation, couple with the above risks, Expert 2 has difficulty in viewing outsourcing as viable.

The main findings of Question 6, which discusses the extent of the viability of outsourcing as well as addresses its constraints, can be summarised as follows:

- Experts 3, 4, 6 and 7 agree that outsourcing is a viable option;
- Experts 1, 2 and 5 do not view outsourcing as a viable option;
- The partnership assists service providers to gain a new perspective of the challenges experienced within municipalities;
- Outsourcing is not entered into by choice, especially in rural areas as they cannot attain specialised skills and lack the needed revenue;
- Outsourcing can be viewed as a solution to improving service delivery;

- Many officials do not view outsourcing as viable due to fraud, corruption, lack of contract and performance management;
- The policy environment is conducive for outsourcing; however, it is not implemented correctly;
- Municipalities should not appoint certain service providers based on the reason that they cost less;
- Municipalities are hesitant due to the relationship between labour unions and the governing body;
- The Section 78 assessment is a challenge for municipalities;
- Outsourcing is too compliance driven;
- Municipalities must use service providers within the municipal area as communities might reject the service;
- Municipalities fear loss of control;
- Outsourcing is a challenge for municipalities as they relinquish their funds as an income; and
- Although outsourcing provides private companies with a substantial income, they provide a lot of their resources in terms of capacity.

5.2.7 Question 7

To what extent are public-voluntary sector partnerships viable? What are the constraints?

There is consensus amongst the experts that PVSPs are viable. Expert 1 admits that many municipalities in the country have been found by the AG to be unsustainable. They do not have money to cover their operating costs. Voluntary partnerships are thus a way to supplement government resources. Expert 1 emphasizes that it is one of the

key considerations, supplementing government resources in municipalities that are struggling and when a particular skill is not available within a municipality. However, Expert 1 explains that if municipalities have a communications unit or there is a public participation unit within their municipal and there are officials getting paid for that, then they should not be overly reliant on communities to, for example, inform the public about meetings.

Expert 6 considers PVSPs to be an absolute requirement in the local government environment. In many instances, municipalities remove the input and contribution of voluntary institutions. Taking into consideration the number of institutions that collaborate at a volunteer level, many municipalities experience total moral decay, financial instability, and unsustainability of certain services. According to Expert 6, municipalities need the voluntary sector: they need to collaborate with them and bring them on board to make them part of the solution.

As with each collaborative partnerships there are constraints involved. Expert 1 discusses the negative influences that lobbying has on PVSPs. Expert 1 explains that often people who have free time and resources carry out actions that are personally motivated. For example, if people want to keep homeless people out of sight, they start a PVSP to clear the area of homeless people. This might occur because of entrepreneurs wanting to open businesses, or individuals wanting to create linkages with municipalities in the hope that they can obtain contracts in the future.

An additional challenge with these partnerships is that many municipalities do not see the value in the partnership from the volunteers' perspectives. Expert 4 explains that the volunteers' focus is to contribute to their society through initiatives relating to, for example, stray animals because in the rural areas there are challenges with cattle. For municipalities, they focus on improving service delivery and what they are mandated to do, such as provide basic services. From a political view, politicians might not see the value in terms of garnering political support. This could be because the volunteers only form a small percentage of the community. Expert 4 thus insinuates that volunteerism in municipalities needs to be beneficial for both volunteers and the municipality. If it is not in the interest of any of the parties, then the partnership will not be a success.

It is evident that PVSPs are a viable option for communities as the volunteers or NGOs are mainly from the community and understand the challenges experienced by the community. Expert 2 explains that for NGOs one of the constraints is legislation surrounding the partnership. Legislature is there to evaluate why the partnership is being entered, who is financing it and its purpose. The municipality therefore needs to declare the partnership. Furthermore, Expert 3 mentions that the voluntary sector becomes their own organisation and does not always want to communicate the real information to municipalities. The voluntary sector wants to ensure that control of particular projects remains with them.

A positive aspect of involving an NGO, as Expert 2 states, is that they are not engaging in the partnership for profit. This is viable for the municipality, voluntary sector, and community. However, Expert 3 suggests that many a time the staff of an NGO does the bulk of the work in terms of the challenges and issues experienced by a community. The municipality requests that the NGO shares information with them to ensure the most effective and efficient methods are used. Several NGOs are, however, concerned that the projects are headed by the municipality who also resolves the challenges, thus diminishing the role of the NGO. This causes a power struggle between the organisations. Moreover, the voluntary sector's reluctance grows because of the stigma attached to government, where government employees earn too much money for work they do, as well as due to the fraud and corruption within government.

A concern for Expert 5 is who takes responsibility in PVSPs. This links to Expert 2 addressing power struggles within the PVSP. Expert 5 questions who is accountable if anything happens to the public-voluntary associations. For example, Knysna Municipality has recently signed a service delivery agreement that places all financial burden on the municipality. The partnership therefore needs to be further investigated and aligned with the relevant legislature.

Supporting the financial concern mentioned by Expert 5, Expert 6 expresses that the biggest constraint for voluntary organisations is that they rely on donations. Due to their lack of funding, they cannot always carry out the services which they are mandated provide. There are only a few municipalities with a dedicated budget, and they

contribute every year to the voluntary sector. More work is required in terms of supporting the voluntary sector as these partnerships are increasing.

The main findings of Question 7, which discusses the extent of PVSP's viability as well as addresses its constraints, can be summarised as follows:

- All experts agree that PVSPs are viable;
- PVSPs are a way to supplement government resources; however, government should not be overly reliant on communities;
- PVSPs are a requirement and should be supported by municipalities;
- Some lobbying groups that are personally motivated have a negative influence on PVSPs;
- Many municipalities fail to see the value in PVSPs, which hinders addressing the needs of communities;
- The legislation surrounding PVSPs is a constraint for NGOs;
- Many voluntary sector organisations fail to communicate all or the real information to municipalities as they fear loss of control, leading towards a power struggle;
- The voluntary sector is reluctant to work with municipalities due to the stigma of public officials engaging in fraud and corruption, and earning too much;
- A positive aspect of the partnerships is that it is not profit driven; however, many times NGOs perform the bulk of the work;
- There is a concern about PVSPs because there is a lack of responsibility between municipalities and the voluntary sector, as well as a lack of funding available to sustain and engage in the partnership.

5.2.8 Question 8

To what extent are shared services viable? What are the constraints?

All experts strongly express a view of shared services as one of the most viable collaborative partnerships in which municipalities can engage. All experts emphasize that shared services are particularly viable as it is cost-effective, especially if done correctly. As explained by Expert 2, municipalities will have one service provider working five municipalities, and one global amount. For example, if a district municipality runs the ICT services, the district will only have one ICT steering committee. Municipalities will be able to control the services better under shared services. If a cyber-attack were to occur in one of the municipalities, there will be back-ups at other municipalities as well. Expert 2 furthermore explains that to effectively manage shared services an employee at a district level will be nominated to be the coordinator. The coordinator will operate the shared services from their side, and support will be provided with the required services.

Expert 1 states that the first step is to identify the exact need within the municipality and the extent of the need. Thereafter, municipalities will share the service when viable. Expert 1 again emphasizes that contract management is very important. Additionally, Expert 1 expresses that shared services allows municipalities to have access to resources that it does not have readily available, especially rural municipalities that struggle to retain services and to appoint people in vacancies.

Expert 4 underlines that in rural municipalities, especially the Central Karoo region, there is no alternative but to have the shared services function. Shared services have developed so rapidly that stakeholders are assessing the implementation of a financial shared services mechanism, whereby their district performs the financial function of capturing expenses and doing their revenue. The advantage of this is that municipalities will be saving costs in terms of labour, software, and licensing. However, Expert 4 explains that a possible challenge will be control from a local municipality perspective because they will be dependent on the district to do this financial function for them. An additional challenge with rural municipalities is that they require more financing as they are quite far from urban areas, from where most skills are obtained.

Shared services are beneficial because municipalities are able to obtain scarce skills based on their needs. For example, if a municipality requires a lawyer or legal advisor for one day a week, they will only pay for one day a week. Required ad-hoc services can be fitted into one day. This is beneficial in terms of cost, but cons are that in terms of control or flexibility, negotiation with the other municipalities needs to occur.

With a linkage to rural municipalities as discussed by Expert 4, Expert 6 agrees with this statement and further underlines that shared services is also a solution for small municipalities in a district environment. According to Expert 6 the biggest challenge is that municipalities do not want to lose control. The competition between districts and local municipalities is extreme, especially at political and administrative level.

Expert 6 details the political environment that affects the administration of municipalities. The challenge with continuity is that when a political party is elected into power, there is a new council that will have its own agenda, mandate, and will consider not wanting to work with the municipal manager. The elected party might have personal problems with a particular individual, and now that they are in power, they seize the opportunity to remove that individual from their position. Administrative sustainability is therefore a huge concern. For example, in Swartland Municipality, the politicians left the administration as is and the administrative environment remained stable. Consequently, the Municipality has policy certainty, stability from top to bottom, and a healthy organisational culture and productive environment.

A prominent difficulty discussed by all experts is a lack of clarification of the roles and responsibilities between various parties. Expert 6 refers to questions such as ‘who will take responsibility?’, ‘who will take the lead?’, ‘who will manage the risks?’, ‘who will manage the finance?’ and ‘who will manage the sustainability?’ Expert 3 mentions that municipalities in which the shared services centre is based are usually more reluctant to enter into a shared services agreement than the other municipalities that are also part of the agreement.

There is the issue of accountability: to whom does that official account when you sign a shared service agreement. It is about the problem of ownership as made referenced to by Expert 3 and agreed with by Expert 5. District municipalities are more expensive

than local municipalities, and often district municipalities do not have enough capacity, even if there are two or three municipalities involved in the partnerships. Legislation thus needs to be amended to get cooperative agreements in place to assist with such challenges.

Expert 8 elaborates that the problem for some district municipalities is that they do not have necessary funding or the ability to attract necessary skills. Certain district municipalities are not located in an area where they are easily able to obtain a technically skilled and qualified person. It is the implementation of shared services that is a challenge for certain municipalities as the expanse of the actual area that they serve is too large. Expert 8 provides the example of the Central Karoo District. At the top point is Beaufort West and this is approximately an hour and a half away from the nearest point of Prince Albert, and another two hours from Laingsburg. Logically, these municipalities cannot be rendered the same service in one day.

Expert 8 discusses the dual or co-payments of municipalities, noting that many main municipalities which are engaging in shared services do not have the co-payments to go along with it. The policy environment is quite tough and restrictive for these municipalities. In reference to this, Expert 8 mentions that there are currently inter-municipal engagements that are trying to solve this problem by assessing the sphere of local and provincial government bridging or contravening the particular acts.

An issue of concern for Expert 7 is the limited approach of local government in its idea of borders, districts, and local municipalities. Shared services are an emerging trend in the RSA and is relatively new in the Western Cape, which is still in the exploration phase. Expert 3 upholds that municipalities cannot exist without shared services. This is due to staff capacity, expertise, and budget. Consequently, shared services will always be needed in the RSA. How well it works depends on the service, municipalities, mutual understanding between municipalities about which roles are assigned to which municipality and effective communication between municipalities.

Lastly, Expert 1 accentuates that engaging in shared services must incorporate some form of knowledge sharing or capacitation. It is a revolving process for municipalities, and it is therefore ideal that if a legal expert advisor is appointed, they must be paired

with a legal advisor or paralegal within a municipality. Government must strive towards constant development, even in the form of collaborative partnerships to ensure that there is not an on-going theme whereby a particular municipality makes use of the same shared service.

The main findings of Question 8, which discusses the extent of the viability of shared service as well as addresses its constraints, can be summarised as follows:

- All experts view shared services as one of the most viable collaborative partnerships, emphasizing that it is cost-effective. It is a need within municipalities due to the lack of staff capacity, expertise and budget;
- Municipalities are able to better control services;
- The first step is to identify a need within municipalities and the extent of the need;
- Due to the number of stakeholders, contract management is important;
- The experts furthermore note that shared services allow municipalities to gain access to resources that are not readily available, especially in rural communities, remote locations and areas that are too large. This presents many challenges for the implementation of shared services;
- There is a need for more financing to implement shared services;
- Municipalities lack the finance to co-pay for services;
- Shared services is an important solution in small municipalities;
- Loss of control over a particular service is a challenge;
- When there is a change in a political party the administration is unstable, leading to a change in agenda that affects implementation decisions;
- Additionally, all the experts discussed the uncertainty of the role and responsibilities for each stakeholder, thus increasing the lack of accountability within the partnership. This increases reluctance to enter into

a shared services agreement, especially for district municipalities as they have to offer more of their finances and capacity; and

- Knowledge sharing and capacitation must occur when engaging shared services.

5.2.9 Question 9

Under what circumstances does a public-private partnership work rather than self-provision?

All experts emphasize that PPPs work rather than self-provision when municipalities do not have the skills, service, or resource in-house, or when there is a niche service. Expert 1 gives the example of municipalities making use of forensic investigators as a niche service, which is something that they will not use every day as the investigation of corruption will not take place every day. Additionally, a municipality may also enter a PPP if the private company can do it more cost-effectively.

Additionally, Expert 3 mentions that PPPs work when municipalities require a new perspective. From a private sector perspective, Expert 3 explains that they will partner with municipalities but put boundaries in place to not become a part of internal challenges, as well as political struggles within a municipality. Furthermore, a PPP is beneficial for a municipality if they need a service that is of better quality. Expert 5 notes that PPPs are most suitable for bulk infrastructure services.

Expert 6 discusses the motive behind PPPs and remarks that PPPs are suitable when there is a profit motive. They elaborate that it is important to understand self-provision. Considering the constitutional mandate, it is vital to focus on the scope of a community and understand that there is a dynamic of very wealthy and very poor. Through set tariffs, subsidisation, and moving services and overheads around, municipalities can subsidise those with very low income and low user consumers. This is reflective of a typical subsidy model and balanced budget. However, when municipalities do not have this luxury, they move to PPP and it becomes a profit motive for them. A PPP would then be focused on the bottom line, giving effect to proper services and quality services,

and making sure that it is sustainable. This sustainability is then somehow removed from a typical self-provision, where municipalities acknowledge that they have a balanced budget. Municipalities first focus on only collecting enough to provide. They do not necessarily make huge profits and they negotiate the levels of services, making it a typical sustainability and effectiveness model.

The main findings of Question 9, which discusses the circumstances under which PPPs work rather than self-provision, can be summarised as follows:

- PPPs work when municipalities do not have the skills, service or when there is a niche service, as well as when it is cost-effective or permits improved quality of services;
- PPPs work when a new perspective is required; and
- PPPs are suitable when there is a profit motive, further elaborating that it has the ability to act as a subsidy model, which gives effect to proper bottom-line and quality services, ensuring sustainability.

5.2.10 Question 10

Under what circumstances does outsourcing work rather than self-provision?

All experts emphasize that outsourcing works better than self-provision when municipalities do not have the skills, service, or resource in-house, as with PPP. However, this is more expensive than PPPs, as Expert 1 states. This benefits municipalities in terms of the perceived notion of adding to their staff establishment. Furthermore, outsourcing is cost-effective, but the benefits are not likely to be experienced short-term. However, Expert 2 refers to municipalities only being able to outsource for a period of time and thereafter they have to go on tender again. This rotation occurs every three years.

Outsourcing can work for municipalities in the long term. Expert 5 discusses the case of Knysna Municipality, which is outsourcing the whole tourism function, and currently

going through the sections 76 and 78 assessments to assess if this is feasible. Appointing a consultant to assist municipalities will cost between R250 000 to R300 000 for the assessments.

Expert 6 emphasizes three key reasons as to why outsourcing should be considered by a municipality: they do not have the capacity; they do not have the political buy-in or community support; or they lack the financial skills to make it work. However, if staff are capacitated, can do the job, if the political environment is responsive in terms of policy, and the community supports the initiatives of their municipality, then self-provision is the best option. Furthermore, Expert 6 notes that when a municipality does not have control over the political or socio-economical dynamics, or has employees that they cannot fire, then outsourcing is a great solution for instability. However, Expert 6 remarks that, although outsourcing might solve instability, it might also cause instability.

The main findings of Question 10, which discusses the circumstances under which outsourcing works rather than self-provision, can be summarised as follows:

- Outsourcing works when municipalities do not have a particular skill, service or resource in-house;
- Although outsourcing is costly, the benefits are experienced long term;
- The three key reasons to engage in outsourcing are when a municipality lacks capacity, political buy-in or community support, or financial skills to successfully implement a particular service; and
- If municipalities do not have control over the political or social-economical dynamics or cannot fire an employee then outsourcing is a great solution to create stability. However, it may cause instability.

5.2.11 Question 11

Under which circumstances do public-voluntary sector partnerships work rather than self-provision?

There was a general consensus amongst all experts that a PVSP will only work when there is a need that the community has identified. Referring to more community-based projects, instead of capital projects, Expert 1 mentions addressing drug abuse as an example. Another example is graffiti. If the community is not interested in or does not care about graffiti on a wall, a PVSP that is aimed at eradicating graffiti will not be successful. PVSP is a people-centred and bottom-up approach whereby the voluntary sector and community members identify the problem and possible solution. It must be physically possible for people to render the service in terms of the resources required. Expert 1 further notes that PVSPs will only work if not already in the community, and it is important for stakeholders to have some sort of experience in civic organisations. When conducting meetings, minutes must be taken and there must be a quorum, otherwise actual decisions are going to be questioned later. Leadership must be selected in a democratic manner, if this is not done the structure can splinter.

Additionally, PVSPs are normally influenced by funding. As mentioned by Expert 2, if there is a project that the community has identified in the municipality's IDP and the municipality does not have the money to implement the project, they can acquire the funding from an NGO to do the project.

The main findings of Question 11, which discusses the circumstances under which PVSPs work rather than self-provision, can be summarised as follows:

- PVSPs will only work when there is a need that the community identified themselves and this is not a capital project;
- PVSPs are a people-centred, as well as bottom-up approach that require a strong relationship between the voluntary sector and community members;
- In terms of resources, the service must be able to be physically delivered and will only work if the service is not yet available in the community;
- Minutes must be taken at all meetings and there has to be a quorum; and
- PVSPs are normally influenced by funding or the lack thereof.

5.2.12 Question 12

Under which circumstances do shared services work rather than self-provision?

In reference to this question, Expert 1 notes that shared services work when municipalities already have a very specific need that has been identified. Shared services are not an exploratory form of delivering a service. Furthermore, Expert 1 pronounces that it works where there is a good relationship between different municipalities, because the service provider will be at the one municipality at a specific time and another municipality at another time. Extremely strong contract management is therefore required because there is an additional municipality in the agreement. Expert 1 emphasizes that it is most conducive when there are niche services and, as mentioned by Expert 2, when district boundaries are in close proximity. Furthermore, as stated by Expert 3, shared services work when municipalities have a lack of funding and a lack of capacity. Expert 5 mentions that this function is best for support functions like finance or corporate services; however, with service delivery it can become a bit tricky. Expert 6 notes that when sustainability is under threat shared services should be implemented.

The main findings of Question 12, which discusses the circumstances under which shared services work rather than self-provision, can be summarised as follows:

- Shared service should occur when a need has already been identified within municipalities and this is a niche service. It is therefore not an exploratory form of service delivery;
- A good relationship between municipalities is important, this thus requires strong contract management;
- Shared services works well when district boundaries are in close proximity; and
- If there is a lack of funding or capacity, if it is a support function, or if sustainability of a service is threatened, then shared services should be implemented.

5.3 Summary

This chapter presents the responses from the eight interviews that were conducted for this study. Based on the twelve questions asked and the responses of the experts, the following is evident. In response to question 1, three of the eight experts state that the policy environment is conducive for collaborative, two out of the eight state that it is partially conducive and three of the eight stated that it is not conducive. There seems to be a consensus that, even though there are policies in place supporting the use of collaborative partnerships, the red tape involved can become a cumbersome task for municipalities. This is especially true for smaller municipalities, creating greater challenges for them.

In response to question 2, experts are equally divided in responses. Four maintain that the social-political environment is conducive for collaborative partnerships, and the other four experts maintain that the social-political environment is not conducive. Although there is an equal division in response to question 2, all experts agree that there are many improvements still to be made within the social-political environment. Furthermore, inclusivity across all aspects of society is essential to improve on the conduciveness of the social-political environment.

In response to question 3, there seems to be a consensus that some municipalities are more ready and capable to deal with collaborative partnerships. One expert of the eight believes municipalities can deal with collaborative partnerships, whilst recognising that there is a need and lack of improvement strategic for local government. Four experts, highlight that some municipalities are more capable to deal with collaborative partnerships than other. There is a clear lack of stability across all municipalities. Furthermore, three out of the eight experts emphasize that they do not consider municipalities to be ready to deal with collaborative partnerships; however, it is a necessity.

In response to question 4, Expert 1 recommends that collaborative partnerships be included in the SDBIP and IDP. Expert 2 suggests more awareness campaigns surrounding collaborative partnerships. Both experts 2 and 3 make reference to the lack

of funding and capacity within municipalities. Agreeing with Expert 2, Expert 6 recommends that municipalities should build momentum to deal with collaborative partnerships through public relationships. The policy environment thus needs to respond to innovation and changes taking place. As stated by Expert 8, these changes should start with financial regulations. Expert 6 does, however, emphasize professional jealousy within the public sector environment as an issue. In terms of the recommended changes discussed under question 4, Expert 7 proposes stronger leadership to drive all improvement mechanisms.

In response to question 5, all the experts view PPPs as a viable and important option for municipalities. There is a consensus amongst experts that the risks involved in the partnership can be shifted towards the private sector. However, as stated by Expert 1, some services are less viable than others and, as stated by Expert 2, some municipalities are more capable than others. Although the viability of PPPs can be skewed, Expert 2 declares that the longevity of the partnerships allows for leniency, which is highly favourable for the public sector. Expert 3 further agrees that the PPP is a viable option for the private sector since it provides private companies with more information so that the public sector can better assist them. The challenge with PPPs is however that the public sector engages in the partnerships, as they are reliant on private companies to deliver particular services. Additionally, the added difficulty for private companies lies with them not physically being in the environment and not being informed of all the required information to deliver a service. Public sector organisations therefore omit information from private sector companies, which could be due to the relinquishment of power, corruption within municipalities or omitting the true reasons for entering the partnership.

In response to question 6, experts 3, 4, 6 and 7 agree that outsourcing is a viable option, and experts 1, 2 and 5 disagreed. According to Expert 3, outsourcing provides service providers with greater insight into a particular service. For many municipalities it is not by choice that they select outsourcing –many rural municipalities are obliged to do so because they are not capacitated to deliver a particular service. Expert 6 thus considers outsourcing to be a key solution for municipalities. To support outsourcing, Expert 7 emphasizes the need for policy to adapt to the implementation of outsourcing and be

properly practiced. Whilst many municipalities are hesitant to engage in outsourcing, so are private sector companies. For private companies, there is a lot of compliance involved in outsourcing and they need a larger number of staff.

In response to question 7, there is a consensus amongst experts that PVSPs are viable. The difficulty with this partnership is funding, which Expert 6, who considers PVSPs an absolute requirement in the environment of local government, states is important to solve according. It is essential that PVSP are entered into for the correct reasons –for the community and not be profit driven.

In response to question 8, all experts expressed the view that shared services are one of the most viable collaborative partnerships in which municipalities can engage. Shared services are particularly viable due to its cost-effectiveness. As stated by Expert 1, the first step of shared services is to identify the need within municipalities. Expert 4 emphasizes that rural municipalities do not have any other alternative but to enter into a shared services agreement. Shared services are beneficial because municipalities can obtain scarce skills based on their needs. Shared services do however face administrative challenges and as discussed by all experts, difficulty lies within the clarification of roles and responsibilities. This challenge is evident in municipalities not wanting to take ownership of shared services as discussed by experts 3 and 5. An issue of concern for Expert 7 is the limited approach of local government in their idea of borders, districts, and local municipalities.

In response to question 9, all of the experts emphasize that PPPs work better than self-provision when municipalities do not have the skills, service or resource in-house, or when there is a niche service. Expert 6 states that PPPs are suitable when there is a profit motive. However, municipalities do not necessarily make huge profits, they rather negotiate the levels of services, making it a typical sustainability and effectiveness model.

In response to question 10, all experts emphasize outsourcing work rather than self-provision when municipalities do not have the skills, service, or resource in-house. However, outsourcing is expensive to engage in. Although it is cost-effective, the

benefits are likely to only be experienced long-term. Outsourcing can therefore work in the long-term for municipalities that want to outsource for a longer period.

In response to question 11, all experts agree that PVSP will only work if the community has identified the service themselves. The projects should therefore be community-based, with leadership that is democratic.

In response to question 12, for shared services to be a success a very specific need must be identified. There is more than one municipality involved in this partnership, contract management should thus be well management. The involvement of more than one municipality allows for those municipalities who do not have the capacity or funding to engage in the collaborative partnership.

The above responses provide an overview of the status of collaborative partnerships in municipalities. They present a more practical understanding of the surrounding environment of municipalities, as well as the internal happenings in municipalities. The expert knowledge discussed in this chapter provides various stakeholders with required insight to understand the various dynamics, viability and challenges involved in engaging in collaborative partnerships. This insight is important for all sectors to ensure that their improvement mechanisms are perfectly aligned to the public sector environment and aligned to individually suit municipalities.

Chapter 6: Findings and Conclusion

6.1 Introduction

Instead of presenting recommendations, this chapter aims to present a summary of the key arguments and findings discussed in chapters 2, 3 and 5. It allows for an enhanced understanding of service delivery and collaborative partnerships in local government. Furthermore, it is important to note that the findings fill the gaps of this Chapter not presenting clear recommendations. Chapter 5 permits the reader to interpret the findings in a way that helps them to overcome challenges experienced in local government, and to understand the environment in terms of collaborative partnerships and recognising the viability of collaborative partnerships. In culmination, it indirectly provides the reader with recommendations to assist public officials to navigate themselves in a complex and challenging public sector environment.

This chapter is divided into four sections. It will focus on addressing the research objectives, discussing the findings on the viability of collaborative partnerships, the possible contributions and impact of the study, and the limitations of the research. The first section, addressing the research objectives, presents the findings in such a manner that they answer each of the objectives, indicating how the research is aligned to each. The objectives are as follows: (1) review literature that focuses on service delivery and alternative collaborative partnerships; (2) review the extent to which the legislative and policy environment encourages the use of alternative collaborative mechanisms and partnerships for the provision of services; (3) explore and describe the four key options of alternative collaborative partnerships in local government; and (4) offer possible findings in response to the current status of alternative collaborative partnerships in local government. The core reason for selecting these objectives is to address the problem statement discussed in Chapter 1, which is that local government needs to understand the viability of collaborative partnerships because they are presented with high complexity challenges that require them to engage in alternative delivery mechanisms to improve on their service delivery.

For the purpose of this research the findings on the viability of collaborative partnerships will be sub-divided into the four key collaborative partnerships addressed throughout this research: PPPs, outsourcing, PVSPs, and shared services. Each will be addressed in terms of their viability; therefore, this section includes the pros and cons of each collaborative partnership. This is a pivotal section of the research as it brings together key arguments discussed in chapters 2, 3 and 5 in terms of each of the collaborative partnerships. It aims to present each partnership as a viable alternative mechanism instead of self-provision for local government institutions that are not able to provide a particular service.

6.2 Findings

The four research objectives were addressed during the study as follows.

6.2.1 Objective one

Review literature that focuses on service delivery and alternative collaborative partnerships.

Chapter 2 is dedicated to addressing the first objective. It provides an overarching and in-depth discussion of the main theoretical arguments that influences the two core themes of this study, which are service delivery and collaborative governance, which more specifically addresses collaborative partnerships. The chapter is divided into two sections to discuss each theme independently, whilst aligning and presenting a clear correlation between the two. In terms of service delivery, Chapter 2 focuses on the reformation that has taken place within the public sector. To understand where the reformation is leading public service delivery, it is important to realise the need of development and transition within service delivery. Governments are expected to redefine their delivery mechanisms. This is partly due to the tremendous focus on efficiency and effectiveness. It is not only due to the demands from the public but also due to the need to use current resources for increased outcomes.

The first theme in Chapter 2 discusses the period of shifting from NPM towards NPG (1980 to 2000), which saw widespread interest in integrating services and sectors. During this period, the public sector experienced impressive growth in governance and governance networks. The shift towards increased cooperation and adopting several characteristics of the private sector saw an emphasis on performance and results. It motivated government to become committed towards working together for improved services. The improvement of services is not only reflective of the external forces experienced but also of the increase in customer expectations.

To skilfully deliver improved services, governments' approach towards governance, especially good governance, is imperative. Good governance gained prominence in the 1990s with the World Bank taking the lead and listing four key dimensions, namely an accountable administration, reliable judicial system, efficient public service, and a balance between a government and its people. Governments must govern in a manner that is valuable and considering these dimensions is crucial. It is essential for government to deliver each service and make each decision based on the efficiency and effectiveness linked to it. Government lacks resources, and for government to better coordinate their resources into increased output they must seek value in their means of governing.

Value should optimally be obtained by focusing on value-for-money and public value. Whilst using public money optimally and improving the quality of services, government should place public value at the centre of service delivery as citizens want a high-performing and service-oriented government. It is therefore imperative to recognise the business-like characteristics and citizens' perspective of the public sector environment. Exploring public value is imperative, especially in terms of service delivery. As discussed by Moore (1995), the 'strategic triangle' recognises this concept of public value by acknowledging the authorising environment, production capabilities (both internal and external) and value (within both the public and private sector). Instead of self-provision, government recognises its limits and is increasingly revolutionising towards collaboration and co-production. The use of partnerships is moving beyond the private and public sectors, it is increasingly including citizens and, more specifically, the voluntary sector.

The collaborative revolution within the domain of public service delivery has led to the second theme of objective one, which is collaborative partnerships. As an alternative implementation mechanism, the use of collaborative partnerships is introduced as a fundamental service delivery mechanism. The use of collaborative partnerships is introduced by briefly discussing collaborative governance. Balogh, et al. (2011:2) embodies the core themes of this study by defining collaborative governance as a set of activities that is highly coordinated and monitored as an enabling factor for a collaborative partnership or institution to survive. The coordinated set of activities is conducted through processes and structures that engage across all boundaries. This engagement has created opportunities for the public sector to engage in various institutional choices for the delivery of services. The selection of institutional choices includes PPPs, outsourcing, PVSPs and shared services, which will be discussed in greater detail in section 2 of this chapter.

Considering the above discussion, objective one has extensively been addressed within Chapter 2 of the study.

6.2.2 Objective two

Review the extent of which the legislative and policy environment encourages the use of alternative collaborative mechanisms and partnerships for the provision of services.

Chapter 3 addresses the second objective of this study. As in Chapter 2, Chapter 3 is divided into the two core themes of this study: service delivery and collaborative partnerships. Chapter 3 addresses objective two by discussing the core policies and legislature that acknowledge the South African government, specifically municipalities' mandated responsibility to deliver services and recognise the increasing use of collaborative partnerships.

The review of the South African policy and legislative framework recognises the supreme law governing the public sector, which is the Constitution of the Republic of South Africa (1996). This signifies the fundamental role of government to deliver

services to its citizens, especially in the sphere of local government. Highlighting key principles for government, service delivery is guided by the following principles:

- Use resources in a manner that is efficient, economic and effective;
- Ensure that public administration is development-orientated;
- The provision of services must be done in a manner that is impartial, fair, equitable and without bias;
- The needs of citizens must be responded to; and
- Public administration must be accountable (RSA, 1996).

Evidently, the Constitution provides the basis for how government should govern and execute duties and responsibility. However, as discussed in Chapter 2, the public sector experiences various forces requiring the South African government to respond to the complex and changing environment. In recognition of the influences forcing change, the Batho Pele White Paper is reflective of policies being guided towards transforming public service delivery. The Batho Pele White Paper aims to listen to the views of citizens and assist in the provision of quality services.

In terms of service delivery, the RSA has a steady legislative framework, which is apparent considering the Municipal Structures Act, PFMA and MFMA. On the one hand, the Constitution provides the key principles in relation to how services should be delivered, on the other hand, the Municipal Structures Act offers the needed guidelines for public officials. The guidelines are as follows: the needs of the municipality must be identified; the needs identified must be reviewed and evaluated in order of priority; mechanisms, programmes and services that address the priority needs must be recommended to the municipal council; and the municipality must “recommend or determine the best methods, which includes partnerships and other approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community” (RSA, 1998). In alignment with the Constitution and Municipal Structures Act, the PFMA and the MFMA respond to management of financial resources. The

PFMA identifies the following four important principles that provide the bases for the MFMA: fruitless and wasteful expenditure to be indicated on financial statement; “secure transparency, accountability, and sound management of revenue, expenditure, assets and liabilities” (RSA, 1999); prevent irregular usage of expenditure; and public officials must be responsible for the effective, efficient, economical, and transparent use of finances and resources.

In more recent years, local government has acknowledged the need to transform and provide turnaround strategies. The LGTAS and MTSF are two more recent policies that aim to implement service delivery improvement strategies. These policies place the current status of local government at the forefront of their strategies and recognise the need to progress. Although the LGTAS is unrealistic as it bases its premises on the following assumption, “local government is everyone’s business”, “the structure of local governments system remains” and “the local government system is still new and is evolving” (RSA, 2009:5). To a large extent it allows local government to be recognised as a sphere dedicated to, and for, the people; however, it lacks the important consideration of the numerous challenges experienced in local government. It simplifies the environment to the extent that it ignores its noticeable complexity.

At a local government level, the three core frameworks that are benchmarks for collaborative partnerships are the Municipal Systems Act, the White Paper on Municipal Service Partnerships and the MFMA. The Municipal Systems Act provides clear principles, mechanisms, and processes to guide local government in the required direction and mandated responsibilities to deliver services through internal and external mechanisms. The significance of this Act is the emphasis on taking the municipality’s financial and administrative capacity into consideration by conducting a feasibility assessment. When conducting the feasibility assessment, the following is taken into account: direct and indirect cost, benefits of the associated project, potential capacity and current capacity, the views of local community members, possible impacts on development, and the views of organisational labour (RSA, 2000). The detailed nature of the assessment establishes set guidelines to assist and create stability within municipalities. The aim is to effectively manage the inevitable use of external mechanisms.

Financial sustainability and feasibility are supported by the MFMA; however, there is a great emphasis on PPPs and it lacks the recognition of other collaborative partnerships. PPPs are therefore one of the most progressive partnerships in terms of policy and legislation. Nonetheless, the feasibility study discussed in the MFMA provides criteria that understandably values the core aim of partnerships, which is to optimally deliver services. Although the RSA still requires tremendous growth in terms of their policies enabling the use of collaborative partnerships, the White Paper on Municipal Service Partnerships aims to provide a mechanism to deliver municipal services in a sustainable manner by engaging in partnerships. The importance of the MSP is the ability to progressively increase the conduciveness of the use of partnerships. The three core frameworks that assist in creating a more conducive environment for municipalities allows for increased capacitation and resources. This is reflective of broader strategies and key themes discussed in the NDP. It is important for the overall development of service delivery to acknowledge the existing initiatives and adapt policy and legislative framework accordingly.

6.2.3 Objective three

Explore and describe the four key options of alternative collaborative partnerships in local government.

Objective three embodies the core aim of the exploration study, which is to explore and describe alternative collaborative partnerships. This section therefore draws from chapters 2 and 5 to provide findings on the viability of collaborative partnerships.

6.2.3.1 The readiness of South African municipalities to deal with collaborative partnerships

Providing insight into collaborative partnerships, the researcher navigated the interviews in such a manner that the partnerships are understood within a South African context to practically apply the aim of the research. Due to the complexity of the public

sector environment, the results of the interviews, as presented in Chapter 5, portrayed the current position of collaborative partnerships from a policy environment perspective, social-political environment perspective, and from a municipality's perspective in terms of their capabilities and readiness.

The conduciveness of the policy environment for collaborative partnerships has shown that the RSA is not ready for optimal implementation of innovative partnerships. Whilst three experts state that the policy environment is ready, two state that the environment is partially ready, and three state that it is not ready. The evidence implies that a lot still needs to be done before the public sector responds to the needs of the country through collaborative partnerships. There are currently support structures in place, such as the Back-to-Basics programme, the Intergovernmental Relations Act, the Municipal Structures Act, PPP regulations, the Constitution of the Republic of South Africa (1996), the MFMA, and many more programmes, policies, and legislatures. However, the experts collectively recognise that there are deficiencies within the policy environment for municipalities. There are protocols in place for a clear structure to implement collaborative partnerships; however, the current position of municipalities in the RSA emphasizes that a lack of capabilities within the public sector has led to current protocols being too complex and financially burdening for municipalities to function properly. Based on the empirical research, it is evident that the current policy environment burdens smaller municipalities in comparison to bigger and more capacitated municipalities. Accordingly, as discussed in Chapter 5, Expert 6 recommends a focus on case studies and best practices, and a need to deregulate to the extent where possible for municipalities to consider all service delivery options without huge input cost.

Furthermore, although the experts are equally divided in their response to the conduciveness of the social-political environment, all acknowledge that collaborative partnerships have a positive and needed role within the social-political environment. However, not all stakeholders are provided with the needed platform, especially voluntary sector organisations. Government therefore must ensure that all stakeholders form part of the implementation process to reduce the risk of experiencing challenges. Government plays an important role in ensuring that the social-political environment is

conducive because they need to guide implementation processes and inform communities. To steady the social-political environment, it is evident that administrative stability is needed after local government elections because each official has their own agenda. The communities are ready to embrace change; however, government needs to focus on boosting their relationship with communities to improve buy-in and the transition from traditional methodology of service delivery. Citizens want to embrace change and utilise their voices, but they require a platform. It is clear that the South African government intends to create a social-political environment that is conducive but there are many gaps to fill before the environment can lead to optimal use of collaborative partnerships.

The researcher structured the first four questions of the interview in a manner that provides a bases for understanding the current environment and capabilities of municipalities in the RSA. The above discussion on the conduciveness of the policy, and social and policy environment discusses an environment that is not conducive enough for municipalities to be able to deal with collaborative partnerships effectively and efficiently. This is evident in discussions presented by the researcher in questions 3 and 4 that address the extent to which municipalities are able to deal with collaborative partnerships and what can be done to deal with these better.

Addressing the extent to which municipalities are able to deal with collaborative partnerships, there is a general consensus amongst the experts interviewed that most municipalities are not able to deal with collaborative partnerships. Of the eight experts, four state that higher capacity municipalities are more capable than other municipalities. The transition in service delivery is detrimental for many municipalities as they are confronted with an environment that has not fully transitioned towards being able to deal with collaborative partnerships or able to deliver services through collaboration, yet due to a lack of resources it is inevitable that public sector organisations collaborate to optimally deliver certain services.

Although municipalities are guided and supported by regulations and procurement policies, this has not proved successful for all municipalities. Collaboration can have the biggest impact, but it can also create challenges for municipalities. The findings during the interviews reveal that additional political will and buy-in from all

stakeholders is crucial for municipalities to better deal with collaborative partnerships. It will enable stability and structure within local government. Due to the instability and challenges experienced in local government, the researcher posed the following question to the experts: What is being done or can be done to better deal with collaborative partnerships? The main findings in relation to this question can be summarised as follows:

- Expert 1 stresses the importance of including collaborative partnerships in the SDBIP;
- Expert 4 expresses the importance of seamlessly integrating the three core municipal reports, namely the IDP, SDBIP and Annual Report;
- Expert 5 recommends the signing of service delivery agreements with communities;
- Expert 2 suggests an increase in awareness campaigns relating to collaborative partnerships and informing the public about upcoming developments and decisions;
- Expert 6 recommends awareness be created through public relations to promote and implement the use of collaborative partnerships, communicate what these are, what they can achieve, best practices, case studies and the cost benefits, all of which should be communicated to employees;
- Expert 2 emphasizes that municipalities must better understand their communities and receive and consider their community members' inputs;
- Expert 2 additionally notes that national government should focus on integration between the three spheres of government;
- Both experts 2 and 3 discuss the need to provide municipalities with a specific budget for needs assessments; and
- Expert 7 notes that stronger leadership is needed in local government to drive all improvement mechanisms.

6.2.3.2 Findings on the viability of public-private partnerships

The literature presented in Chapter 2 indicates the institutional significance of engaging in PPPs. The researcher selected three key readings that contribute to the theoretical framework of PPPs. Brinkerhoff and Brinkerhoff (2011) capture the rationality of PPPs by highlighting the shared commitment and added value from both the public and private organisations involved in the partnership. They recognise the need to capitalise on the resources of both public and private organisations to overcome the pressures facing government. Recognising the necessity of capitalising on available resources to improve service delivery, Bovaird (2004) identifies ten key principles as a requirement for PPP: citizen engagement, transparency, accountability, equal and honest behaviour, equity (fair procedures and due process), willingness and ability to collaborate, ability to compete, leadership and sustainability. The implications of Bovaird's (2004) governance plays an important role in better positioning the current and future status of PPPs. It further goes beyond creating stability for PPPs, by stabilising collaborative partnerships as a whole. This stability ultimately contributes to the realisation of being proactive instead of reaction, thus aiming to create clear direction.

The partnership life cycle of PPPs (Stadtler & Probst, 2011) assists in creating clear direction to understand the workings of PPPs. Whilst the life cycle can be viewed as simplified, it is important to focus on it in such a complex environment. For PPPs, if stakeholders are able to define the problem, establish rules, implement the role and responsibilities, and review the partnership as a whole, PPPs will be better understood for improved partnerships and services. The extensive benefits acquired by engaging in PPPs are mainly attributed to the financial benefits gained in the partnership.

In reference to PPPs, Chapter 5 addressed the third research objective, which was to explore and describe the four key options of alternative collaborative partnerships in local government. By addressing objective three, the researcher addressed the viability of PPPs thus managing to address pros and cons of the partnership. The pros and cons addressed in both Chapter 2 and Chapter 5 are presented in Table 5 below.

Table 5: Pros and cons of public-private partnerships

PROS	CONS
Risks can be shifted to the private sector.	Service that has no other alternative but to be delivered through PPPs lack the ability to hold service providers accountable.
The greater the competition amongst service providers, the greater the accountability.	Due to financial constraints, many municipalities are either unable to pay service providers or there is a delay in payment.
Improves lack of capacity.	Lack of assessing the viability of partnerships.
Ability to transfer skills.	Lack of capacity is used as an excuse.
Longevity of partnerships permits flexibility and sustainability within partnerships.	Public sector has become reliant on the private sector.
Fewer cost overruns and delays.	Certain service providers tend to get monopoly of certain services.
Encourages cost deduction.	May lack equality within partnerships.
Reduces public debt.	Fear of losing control.
Supported by South African legislature.	

Furthermore, during the interviews all experts agreed that PPPs are a viable option. Expert 1 notes that PPPs are an important option for local government and citizens. However, Expert 1 emphasizes that certain services are logically less viable than others. Government is either forced to engaged in PPPs due to a lack of resources (which often leads to loss of control in terms of holding service providers accountable) or they are unable to engage in the partnership as certain services can only be delivered through public sector departments. Evidently, the reliance that the public sector has on the private sector allows for a more conducive environment for collaborative partnerships and municipalities due to the long-term nature of many partnerships. The more PPPs are entered, the greater the understandability between the two sectors. However, as noted by experts 1 and 2, many public sector institutions experience challenges with contract management and, because municipalities lack the drive to improve services, they also lack the drive to improve on the challenges.

The researcher concluded the interviews by discussing the circumstances under which PPPs work rather than self-provision. All experts agree and note that PPPs work when municipalities require a skill, service, in-house resource or when there is niche service. In addition, if the service will save costs, improve quality, and require a new perspective, then municipalities should certainly consider a PPP to deliver it. If municipalities select the partnership based on any one of the abovementioned reasons and there is a profit, the municipality should not ignore the opportunity.

6.2.3.3 Findings on the viability of outsourcing

A number of conclusions can be drawn about the viability of outsourcing from chapters 2 and 5 of the study. These will be further discussed in this section. According to the researcher, an accurate definition of outsourcing is offered by the Public Sector Research Centre (2007), which defines outsourcing as a means of transferring an organisational function or complete service to a third-party service provider. The service provider then utilises their resources to deliver the service. Many public sector organisations fear outsourcing because they experience loss of control; however, many need to outsource services because they are unable to deliver that particular service. The research does however introduce Kaipia and Turkulainen's (2016:115-116) aim to shift the notion of complete transfer of services toward creating an extension of the public sector's own delivery of services. Furthermore, the discussion on outsourcing presented in Chapter 2 illustrates stability in reference to the challenges and fears on engaging in outsourcing. In reference to outsourcing, the researcher offered a highly suitable situation that leads towards a list of criteria if combined. For example, Murthy, et al. (2015) provide a checklist before engaging in outsourcing and Giert, et al. (2015) provide a checklist to focus on during the outsourcing partnership.

Based on the definition and checklist for outsourcing, the researcher provides the needed bases for ensuring stability before and during the partnership. Furthermore, throughout the research pros and cons are discussed. Some of the main findings from the discussion presented in Chapter 2 and Chapter 5 in terms of pros and cons are

essential to understanding the viability of outsourcing. Table 6 below presents the pros and cons as discussed in both Chapter 2 and Chapter 5.

Table 6: Pros and cons of outsourcing

Pros	Cons
Permits increased performance in terms of proficiency.	It translates into high costs for public sector organisations.
Improves productivity and cost-efficiency.	Creates challenges with accountability.
Ability to reduce cost and increase profits.	Lack of alignment with public sector objectives.
Provides needed skills and expertise.	Services providers are restricted by law.
Possibility of transferring strategic decisions to the service provider.	Lack of contract management.
Allows service providers to understand challenges and services within the public services.	Lack of performance management.
Ability to improve instability.	Higher volume of fraud and corruption.
	Relinquishes function that affect the grading of municipalities.
	Public sector relinquishes funds as an income.
	Costly partnership.
	Possibly causes instability.

During the interviews, it was highlighted that outsourcing is particularly useful if municipalities are unable to provide a service themselves. For many municipalities they do not have a choice. The experts are, however, divided in their response to the viability of outsourcing. On the one hand, it is easier for private organisations to deliver a full function as they have greater control of a particular service; however, public sector organisations fear loss of control. On the other hand, private organisations allocate a bigger volume of their resources and acquire the bulk of the risks. Due to outsourcing mainly being utilised by municipalities that need the partnership in order to deliver the service, Expert 4 notes that outsourcing is dependent on the location of municipalities,

their circumstances and their contextual reality. If these aspects drive municipalities to engage in outsourcing, Expert 6 emphasizes that they should tender properly, appoint the right people, and focus on performance and contract management. If municipalities are able to shift their focus towards these aspects and can properly practice what is stated in the legislature, then municipalities will be able to provide quality services through outsourcing. Additionally, if municipalities are able to effectively involve and inform municipalities in their service delivery mechanisms, communities will increasingly accept outsourcing. In culmination, all of the above will strengthen the overall conduciveness and implementation of outsourcing.

The researcher concludes the section on outsourcing by discussing when to engage in the partnership. The main intentions when engaging in outsourcing, as noted by the experts, are when municipalities do not have the skills, resources, capacity, or services. Furthermore, if municipalities are not immediately able to experience the benefits of outsourcing, do not have political buy-in, lack control over the socio-economical dynamics or lack financial skills, outsourcing is a viable option. Outsourcing thus has the ability to create instability within unstable municipalities.

6.2.3.4 Findings on the viability of Public-Voluntary Sector Partnerships

It is evident throughout the study that PVSPs are not as prominent as other partnerships; however, considering the literature review and the expert interviews it is apparent that it is an important form of service delivery and is being increasingly utilised. The literature review reveals the need to engage in PVSPs with the intent of attending to the specific needs of citizens and their specific community needs. The ground-level approach of PVSPs increases the dynamism within the partnership due to the role it plays within communities. This role is captured by the researcher through the identification of the three-fold role of NGOs, which seeks to mobilise community members into CBOs, identify the needs of the poor to government and create communication links. In combination, it permits the actual needs of citizens to be met and inevitably places pressure on government to assist in creating a more conducive environment for PVSPs.

The researcher acknowledges that voluntary sector partnerships are being drawn into a competitive environment that is creating challenges for them that are characteristic of partnerships involving private sector organisations. On the one hand, it is instigating a partnership that is losing the core intention, which is to directly address the needs of the community and not become profit driven. As stated by the researcher, the voluntary sector is threatened by the idea of not being distinguishable. This threatens their ability to resemble the community. On the other hand, mechanisms to deliver services are changing and, as mentioned it is a competitive environment. Whilst people want PVSPs to resemble the community, these are becoming increasingly close to the market and the literature alludes to the redefinition of their current structure to protect the sector and gain funding in the competitive market.

The researcher managed to further capture the current practice of PVSPs, which partially responds to the third objective. It is apparent that all experts view PVSP as a viable option, and as needed within the local government environment. Expert 6 notes that the voluntary sector is part of the solution; however, municipalities need to realise that it is a partnership of which they form part, and they should play a contributing role within the partnership. The service should therefore be in the interest of both the municipality and voluntary sector. The lack of stability and sustainability within the partnerships is prominent throughout the interview discussions. Although the intention is clear, the partnership is overshadowed by power struggles and lack of trust between stakeholders. The following pros and cons were discussed, as seen in Table 7 below.

Table 7: Pros and cons of public-voluntary sector partnerships

Pros	Cons
People-centred approach.	Government can become overly reliant on communities.
Supplements government resources.	Municipalities tend to remove their inputs.
Solution to many needs within communities.	Prominence of financial instability and unsustainability of certain services.
Not profit-driven.	Motivated by personal agendas.
Bottom-up approach.	Possibility of legislature being too strict on partnerships.
Needs identified by the community.	Fear of loss of control.
	Lack of finance.

Although engaging in partnerships with the voluntary sector is not a recent phenomenon, it is evident throughout the research that its prominence has grown in the past few decades. In the concluding section of the PVSPs in Chapter 5, the researcher addresses the answers based on when to engage in the partnership. The general consensus amongst the experts is that the partnership works when there is a specific need that the community has identified themselves. It is therefore important to emphasize that if the community did not identify the need, then the partnership will most likely fail. The people-centred, bottom-up approach must therefore carefully select the service based on the need and correctly select the stakeholders that will assist in the delivery of the service.

6.2.3.5 Findings on the viability of shared services

It is evident from both the literature review and the empirical research that shared services is becoming an increasingly crucial form of service delivery for public sector institutions, especially within municipalities. The intention of the researcher is to ensure

that the reader understands that shared services is a highly centralised and standardised service delivery model that intends to:

- Reduce cost;
- Improve quality; and
- Improve on the turnaround period for the delivery of the service.

Due to the structural complexity evident throughout the literature, the researcher presents important discussions to understand the benefits of shared services. The researcher concentrates on defining shared services, its implementation, and its financial aspects. To define shared services, the literature provides a background of the initial purpose for its implementation, which is important to understand how service delivery mechanisms approaches development. The key reasons discussed in the literature are:

- Reduce duplication of operations;
- Better organise high work volumes;
- Align organisational, financial and administrative mechanisms and processes;
- Ensure consistency and standardisation;
- Consolidation of services; and
- Increase level of control.

Taking the above reasons into consideration, there is a strong linkage in the literature between defining shared services, the implementation thereof and the financial aspects. The discussion successfully captured the need for the implementation of shared services. It is evident that the approach is tailored to the needs of the people and through cooperation and collaboration the specific goals can be reached. As noted by Expert 1

in Chapter 5, the first step is to identify the exact need within and amongst municipalities and to what extent the services are needed. To assist in the implementation and planning, clear preconditions are offered by the IBM Center for the Business of Government (2015:30). The five preconditions that are fundamental to improve the workings of shared services are:

- Create a shared service assessment team;
- Identify the strengths of the stakeholders;
- Organisations must take pilot projects into consideration;
- Continuously discuss and document responsibilities of stakeholders; and
- Due to changes in public needs and budgets, make appropriate changes when needed.

The strategic intent of shared services is to improve service delivery. The researcher captures and acknowledges the magnitude of shared services, especially in the context of the RSA as discussed in Chapter 5. The value-added approach thus requires a brief discussion of the financial aspects of shared services, as discussed by the researcher. This discussion is valuable because it recognises the financial opportunity when implementing shared services, which evidently accelerates and maximises the institutions funds and resources. Not only does it free up funds and resources, but it also speeds up the delivery of services, which allows for overall organisational improvement. It therefore permits organisations to proactively address other organisational challenges as overall resources are made available, further assisting in the development of the public sector. For example, in Chapter 5, Expert 2 described shared service as having one service provider for five municipalities using one global amount. Experts 4 and 6 thus emphasize that shared service is a highly recommended solution for small municipalities in a district.

Furthermore, in reference to the third objective, the researcher questioned the experts about the viability of shared services. Based on the responses, it is apparent that shared

services are a viable option and throughout the discussion of shared services the experts addressed pros and cons of the collaborative partnership. Table 8 presents the pros and cons of shared services, as discussed by the experts in Chapter 5.

Table 8: Pros and cons of shared services

Pros	Cons
Cost-effective	Dependent on other municipalities
Increased control of service	Rural municipalities lack funding
Highly coordinated	Uncertainty of roles and responsibilities
Access to scarce resources	Municipalities lose their independency
Increase of capacity	Power struggle between municipalities
Increase in financial assistance	Lack of administrative sustainability due to change in administration
Increase in expertise	Lack of accountability and ownership
Increase in knowledge sharing	Difficult to implement in remote areas

Additionally, as noted by Expert 1, due to the fact that shared services are not an exploratory form of service delivery, it only works if a very specific need is identified within municipalities. Attributed to the multiple stakeholders involved in the partnership, it is highly beneficial for the stakeholders have a good relationship, strong contract management and for the municipalities to be in close proximity.

6.2.4 Objective four

Offer possible findings in response to the current status of alternative collaborative partnerships in local government.

Throughout this chapter, it is evident that this objective has been extensively focused on. The chapter managed to capture all the key findings discussed throughout the study. To achieve objective four, the research discussed the key findings from chapters 2, 3 and 5. The researcher's objective was to provide clear findings based on these chapters, which are respectively linked to objectives 1, 2 and 3. In relation to these objectives, the key findings in response to the current status of alternative collaborative in local government are as follows:

- Collaborative partnerships a fundamental mechanism used to improve service delivery;
- Recently, the RSA has acknowledged the need to transform and provide turnaround strategies, the three core sources that are benchmarks for local government are the Municipal Systems Act, the White Paper on MSPs and the MFMA;
- The policy environment is not ready for optimal implementation collaborative partnerships;
- The RSA lacks capabilities to implement the current protocols as these are too complex and financially burdening for municipalities;
- Not all stakeholders are provided with the needed platform to form part of collaborative partnerships, especially the voluntary sector and citizens;
- The social-political environment is dominated by administrative instability due to each public official having their own agenda;
- There is a general consensus amongst the experts that municipalities are not able to deal with collaborative partnerships;
- All four key collaborative partnerships are viewed as a viable option; however, the experts are divided on outsourcing;
- The magnitude of collaborative partnerships requires all spheres of government to work together and assist municipalities in the implementation thereof;

- To improve service delivery, the public sector must work with the private sector;
- Funding remains one of the biggest challenges for municipalities to successfully implement collaborative partnerships;
- Smaller municipalities and municipalities located in remote areas experienced the most challenges;
- Stakeholders forming part of collaborative partnerships lack the ability to clearly define their roles and responsibilities, as well as be accountable; and
- The biggest challenge disadvantaging municipalities is the dominance of power struggles.

6.3 Summary

In summary, the researcher addressed the four research objectives of the study. In reference to objective one, the researcher addressed key literature that focused on service delivery and alternative collaborative partnerships. Throughout the literature, it is evident that there is constant transformation taking place within the public sector. There is an increasing shift towards engaging in more and more partnerships with the private sector; however, greater efforts are required to create a conducive environment for the voluntary sector. It is apparent that the public sector will benefit from the use of PPPs, outsourcing, PVSPs and shared services as forms of service delivery. The researcher places tremendous focus on seeing value in the partnerships, as well as ensuring that service delivery decisions are based on money-for-value.

In relation to the second objective, the researcher addressed the core policies and legislatures promoting service delivery and collaborative partnerships. The RSA has a steady legal framework; however, in practice it has not permitted optimal results. The RSA acknowledges the need to transform and provide turnaround strategies; however, the current framework is unrealistic in terms of the complexity and challenges within local government. To strengthen the current capabilities and improvement strategies

within municipalities, local government should be concerned with the Municipal Systems Act, the White Paper on MSP and the MFMA. These provide core principles, mechanisms and processes needed to administer the transformative development of service delivery through the use of collaborative partnerships.

The researcher extensively addressed objective three by firstly addressing the readiness of municipalities in the RSA to deal with collaborative partnerships, and thereafter addressed the viability, as well as the pros and cons of each collaborative focused on during the study. The experts note that some municipalities are readier than others. From this discussion it is apparent that higher capacity municipalities are better able to deal with collaborative partnerships. Furthermore, rural municipalities, as well as smaller municipalities are not financially and administratively ready to use collaborative partnerships to improve service delivery. Although municipalities experience challenges with regards to the successful implementation of collaborative partnerships, there is recognition of its viability.

Lastly, key findings were presented in relation to objective four and emphasized the ability of collaborative partnerships. However, it is evident that for optimal implementation, the RSA needs to create a more conducive environment.

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