



Local Government Brief: 11/2012

Local Government Briefs are bi-weekly electronic updates for municipalities on critical areas of law, policy, facts and data affecting the sector.

SALGA NEC policy advances in the ANC Policy Conference held in September 2012

1. PURPOSE

This briefing is intended to inform the SALGA membership on the strides made by SALGA to influence decisions of the National ANC Policy Conference held on 4th June 2012.

2. INTRODUCTION

As the representative voice of Local Government the SALGA National Executive Committee (NEC) met on 21 June 2010, to draw up a Local Government position that seeks to influence the policy making process at the ruling party's National Policy Conference scheduled for 26 June 2012. The NEC concluded on areas that were to be advanced at the ruling party's policy conference. Following are a set of specific areas SALGA successfully influenced:

3. DISCUSSION

3.1 An enabling policy and legislative framework for local government: powers and function

SALGA expressed that the national and provincial spheres of government appeared to have lost faith in the decentralised system of government and are intensely, through policy and legislation, attempting to centralise powers and functions.

The ANC Policy Conference resolved that:

- The powers and functions of the 3 spheres of government should be reviewed to produce and facilitate more effective service delivery and development.
- National and provincial governments must become more involved in LG in ways that strengthen municipalities, not erode their powers and functions
- There should be greater cooperation of legislatures and a uniform legislative approach to be considered to improve accountability by provincial and municipal spheres of government in relation to the implementation and resourcing of agreed national priority programmes
- There should be greater integration of planning across the spheres and public entities, with alignment between the NDP, PDGS and IDPS

- All spheres of government should work closer with SOEs, DFIs and other public entities and with civil society
- Decisions taken at IGR Forums should be implemented effectively
- The NEC should provide guidelines to government on its draft bill on national government interventions in provincial governments and provincial interventions in municipalities as soon as possible
- Outstanding issues relating to the creation of a single public service should be finalised through further consultation within the Tripartite Alliance within 6 months of this Policy Conference and report be presented to the 53rd Conference

3.2 Differentiated Local Government

It was further resolved that there should be a differentiated approach to municipalities exercising different powers and functions from a common list with differences based on such criteria as human settlement types, spatial characteristics, economic activity, revenue base, finances and capacity. This includes

- Municipalities exercising different powers and functions from a common list, with difference based on such criteria as human settlement types, spatial characteristics, economic activity, revenue base, finances and capacity
- Differentiation in scope of IDPs, funding support and capacity building
- Devolution of certain provincial functions to stronger municipalities
- New revenue raising powers for some municipalities
- Strong local municipalities should not be located in districts
- Government needs to develop a policy and regulatory framework on differentiation

3.3 The role of district municipalities

- District municipalities should focus on coordinating, planning and supporting local municipalities functions
- District municipalities should exist only in areas where there are weak local municipalities
- There should be a new funding model for DMs
- The government's new infrastructure programmes should be used to strengthen DMs

3.4 Local government finances

In addition, the conference resolved that there should be major review of the LG financial system, which includes:

- A review of the equitable share formula
- Municipalities to maximise their own revenue
- Improving the capacity of municipalities to spend more effectively
- Unviable municipalities to be addressed

- Further research into the viability of a local business tax for municipalities
- Lowering the costs of borrowing from DFIs for municipalities
- Greater transparency in the procurement processes and ensuring better value for money
- Government needs to develop a policy and regulatory framework on differentiation
- Avoiding over-regulation of LG finances
- Greater alignment between national and provincial government with LG in view of differing financial years
- Greater recognition of the importance of providing electricity to LG finances In addition further consideration to be given to:
 - An insurance scheme or some other way of catering for councillors' houses and other properties that are destroyed because of the position they occupy as councillors. The national budget meets the costs of this
 - A once-off grant to municipalities to offset the backlogs in service delivery backlogs
 - A transitional restructuring grant for municipalities whose boundaries were changed following the May 2012/11 LG elections

3.5 Single Elections

The current system of separate elections should be retained. However, in future should conditions warrant it, consideration should be given to reviewing the matter of elections.

3.6 Deployment

The conference resolved that there should be a more effective deployment policy with greater retention of councillors after elections

3.7 IGR & section 139 interventions

SALGA put forward that the integrity of LG as a sphere of government exercising original powers should be respected as clearly delineated in the Constitution - this should protect municipalities from provincial interferences with municipal legislative functions.

The conference resolved that:

- Decisions taken at IGR Forums should be implemented effectively
- Need for a much stronger intergovernmental approach to interventions by clearly outlining a role for SALGA and Districts in firstly, supporting municipalities to render interventions unnecessary and secondly when the need for an intervention does arise to support the intervention process.
- The NEC should provide guidelines to government on its draft bill on national government interventions in provincial governments and provincial interventions in municipalities as soon as possible

3.8 Councillors support and remuneration

SALGA further advocated that a total review of the system of support for councillors should be conducted urgently taking into account the principle of uniformity across the three spheres of government. The conference resolved that:

- Councillors remuneration and resources should be improved and there should be more full time Councillors
- An insurance scheme or some other way of catering for councillors' houses and other properties that are destroyed because of the position they occupy as councillors. The national budgets meet the costs of this.

3.8 Municipal Governance

SALGA recommended that the appropriateness of the executive mayoral system for all types and sizes of municipalities need to be reconsidered

The conference resolved:

- There should be greater separation of the executive and legislative arms of municipalities
- There should be more effective oversight of the executive committee by ward councillors.
- There should be more effective oversight committee. The council oversight committee should be properly resourced and capacitated. where affordable, Chairs of Council committees should be full-time
The plenary type of municipalities should be abolished
- The roles of the Mayor, Deputy Mayor, Speaker and Chief Whip should be clarified
Chief Whip's offices in all spheres of government should be the centre of decision making and should be appropriately resourced

3.9 Advancing economic growth and job creation

In responding on a number of issues raised under this theme the Conference resolved:

- Clearly define the role of developmental finance institutions (e.g. DBSA) to create more competitive borrowing for municipalities
- A transitional restructuring grant for municipalities whose boundaries were changed following the May 2012 LG elections
- Greater transparency in the procurement processes and ensuring better value for money
- Further research into the viability of a local business tax for municipalities
- All spheres of government should work closer with SOEs, DFIs and other public entities and with civil society

3.10 Appropriate support for SALGA

The conference resolved that SALGA needs to be properly resourced and strengthened. Consideration needs to be also given to SALGA having permanent representatives in the NCOP with the right to vote SALGA has full-time office bearers and the national budget meet the costs of this

4. ADDITIONAL ADVANCES

It must be noted that there are additional issues that that have implications for LG SALGA might have not advanced for under the current policy conference but might have engaged with the leadership in the previous years. Some of these issues include: the allocation of seats in Municipal Councils after elections; strengthening Ward Committees as part of community participation, corruption, migration, issues of improving social wage including water, environmental protection and the green economy, human settlements etc.

5. CONCLUSION

SALGA will continue to be the voice of LG and champion the cause of municipalities. It is determined to improve service delivery at a municipal level and will always place the interests and priorities of member municipalities at the top of the agenda.