



**SALGA**  
South African Local Government Association

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## CIRCULAR 15 / 2013

**FROM : CHIEF EXECUTIVE OFFICER**

**TO : MUNICIPAL MAYORS  
MUNICIPAL MANAGERS**

**DATE : 13 JUNE 2013**

### SUPPORT TO MUNICIPALITIES ON ACCREDITATION AND ASSIGNMENT OF HOUSING FUNCTION

The Minister of Human Settlements, on behalf of the provincial MECs, is currently driving a process to assign the housing function to 6 metros (excluding Buffalo City and Mangaung). This is part of the ongoing accreditation and assignment process to devolve responsibility for the delivery of human settlements to local government, as per Section 156 (4) of the Constitution (1996) and the Housing Act (1997). As part of this devolution process, the National Department is aiming to assign the housing function to the six metros (excluding Buffalo City and Mangaung) this current financial year, with a target of Executive Assignment Agreements for all 6 metros signed (by the Executive Mayor and relevant Premier) with effect from 1 July 2013.

As you will be aware, accreditation is the progressive process of capacitating of municipalities, to enable them to take on the various aspects of human settlements delivery. At levels 1 and 2 of accreditation, accountability for the functions remains with provincial government. However, assignment is the formal transfer of the functions related to the administration of national housing programmes from the provincial MEC responsible for Human Settlements to a municipality. Assignment therefore has major financial and fiscal implications for municipalities, including: capital grant allocations; operational funding; transfer of immovable and moveable assets; transfer of staff; and transfer of project and contractual obligations.

Given its impact on local government, relevant legislation, notably Chapter 3 of the Municipal Systems Act, sets out clear requirements for consultation in relation to assignment. This includes the requirement to consult with Organised Local Government

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at national and provincial levels on the implications and operationalization of assignment. At provincial level, MECs responsible for human settlements must consult with their provincial treasuries, MECs for local government and organised local government in their province. This official consultation will happen over the next two months and will likely take the form of a workshop/meeting convened by the MEC for human settlements.

To date, SALGA has been engaged in the accreditation and assignment process via its participation in the assessments of aspiring municipalities by the Capacity and Compliance Assessment Panel (CCAP). (The CCAP is a panel of experts appointed by the national department to provide an external assessment of the capacity and readiness of municipalities to be accredited.) At present, SALGA is also represented at the National Core Assignment Task Team, convened by the Department to oversee the assignment process, as well as the National Accreditation Task Team.

As SALGA, we are well aware that assignment of the human settlements function to these 6 metros is a precedent-setting process which has wider implications for the overall drive to devolve responsibility and funding for built environment functions to local government, and more broadly for the strengthening of the developmental mandate of local government. As such, we are committed to supporting the metros, accredited municipalities, and all municipalities aspiring to accreditation, through this process. This includes engagement by SALGA at a national level in the development of the policy framework for assignment, and at municipal level in the provision of technical assistance, information, and support in related negotiations with provincial and national government. At a broader level, we also intend to develop a strategic framework for the progressive devolution of functions to local government, in particular housing as a catalyst for building communities.

Mindful of this process and its implication to municipalities, SALGA has submitted technical inputs to the capacity and compliance assessment panel (CCAP) of the Department of Human Settlements on issues relating to the assignment process. Secondly, we have identified crucial support activities to ensure that municipalities are fully conversant on accreditation process and most importantly that through the political processes interests of municipalities are protected. The submission and planned support activities are available on the SALGA website: [www.salga.net](http://www.salga.net).

Kindly note that in the months of June and July, SALGA is planning to conduct provincial consultation workshops with municipalities to gear ourselves for the MECs official consultation on assignments. These workshops will seek to achieve amongst others the following: (1) To brief municipalities on the current status of the accreditation and assignment process, and the implications and opportunities for municipalities. (2) To allow metros and municipalities which have been accredited at L1 and L2 to share their lessons learned about the process with other aspiring municipalities in their province and (3) To obtain input from metros and municipalities on the anticipated impact of assignment on LG so that SALGA is adequately prepared to reflect those views in the official consultations with the MECs for Human Settlements. In this regard, we wish to urge municipalities to be part of these workshops. Dates for such workshops will be communicate to you via our provincial offices.

We are therefore optimistic that SALGA, through its engagement at various assignment and accreditation structures, is able to support and protect the interests of its member municipalities. Our Specialist: Human Settlements, Ms Alison Tshangana is equipped to advise on contents of the Circular. She is reachable by E-mail: [atshangana@salga.org.za](mailto:atshangana@salga.org.za) or Cell: 083 280 2759.

Yours sincerely,



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