

PRESENTATION

SALGA

MUNICIPAL MANAGER'S FORUM

MUNICIPAL TRANSITIONAL PROCESSES

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Thursday, 9 June 2016

Centurion,

City of Tshwane Metropolitan Municipality




OUTLINE

- ❑ **MAJOR REDETERMINATIONS FINALISED BY THE MDB (2013; 2015)**
- ❑ **TRANSITIONAL COMMITTEES / STRUCTURES**
- ❑ **MATTERS BEING MANAGED DURING THE TRANSITION**
- ❑ **SUPPORT AVAILABLE TO THE CMCs**
- ❑ **DRAFTING OF SECTION 12 NOTICES**
- ❑ **SUPPORT REQUIRED FROM MUNICIPAL MANAGERS**

BOUNDARY REDETERMINATIONS (2013) - **MINOR**

- During 2013, the MDB confirmed the outer boundaries of municipalities.
- 157 cases were published for comments; 10,000 objections.

PROVINCE	NO. OF REDETERMINATIONS
Eastern Cape	22
Free State	6
Gauteng	1
KwaZulu-Natal	28
Mpumalanga	2
Limpopo	7
Northern Cape	21
Western Cape	35
North West	20



142 minor redeterminations in total.

BOUNDARY REDETERMINATIONS (2013) - MAJOR

□ In respect of Gauteng:

- Westonaria and Randfontein Local Municipalities will be amalgamated into a single local municipality (reduction of 1 municipality).

□ In respect of KwaZulu-Natal:

- The following municipalities have been amalgamated (reduction of 7 municipalities):
 - Vulamehlo and Umdoni;
 - Hlabisa and The Big 5 False Bay;
 - Umtshezi and Imbabazane;
 - Ezingoleni and Hibiscus Coast;
 - Emnambithi/Ladysmith and Indaka,
 - Kwa Sani and Ingwe; and
 - Ntambanana/ Mthonjaneni /Umhlathuze.

**8 major
redeterminations
in total.**

- The process in 2013 led to a decrease of 8 local municipalities.

MAJOR BOUNDARY REDETERMINATIONS (2015)

- Between February and April 2015, the Minister requested the MDB, in terms of section 22(2) of the Demarcation Act, to determine or redetermine the boundaries of various municipalities with the view to optimise their financial viability.
- In total, after consultation with the MECs for local government, 34 requests were made to the MDB by the Minister, as follows:

PROVINCE	NO.	PROVINCE	NO.
KZN	11	LIM	5
EC	5	MP	5
FS	2	NW	4
GP	1	NC	1

- 90 municipalities were affected through the above request.

MAJOR BOUNDARY REDETERMINATIONS (2015)

- ❑ On 27 and 28 August 2015 the MDB confirmed decisions in respect of 12 cases.
- ❑ On 21 October 2015 the MDB confirmed the redetermination of Ikwezi/Baviaans/Camdeboo.

PROVINCE	NO.	PROVINCE	NO.
KZN	1	LIM	4
EC	4	MP	1
FS	1	NW	1
GP	-	NC	1

- ❑ MDB Confirmed 10 cases;
- ❑ MDB Varied 3 cases (2 in Limpopo, and 1 in Eastern Cape); and
- ❑ Resulted in a reduction of 13 municipalities (21 in total).

TOTAL NUMBER OF MUNICIPALITIES WITH EFFECT FROM THE 2016 LG ELECTIONS

PROVINCE	CAT A	CAT B	CAT C	TOTAL
EC	2	31 (-6)	6	39
FS	1	18 (-1)	4	23
GT	3	6 (-1)	2	11
KZN	1	43 (-7)	10	54
LIM	0	22 (-3)	5	27
MP	0	17 (-1)	3	20
NC	0	26 (-1)	5	31
NW	0	18 (-1)	4	22
WC	1	24	5	30
TOTAL	8	205 (-21)	44	257 (-21)

TRANSITIONAL COMMITTEES / STRUCTURES

- ❑ The following transitional structures were established to process the various transitional matters:
 - ❑ National Transitional Committee (MDTC)
 - ❑ Provincial Transitional Committee
 - ❑ Municipal Political Change Management Committee
 - ❑ Municipal Technical Change Management Committee

MUNICIPAL DEMARCATION TRANSITION COMMITTEE (MDTC)

- The MDTC, Chaired by the DG: DCoG, met on 29 October 2015 and 21 January 2016 (was unable to convene on 8 June 2016).
- The MDTC is comprised of the following Departments/Organisations:
 - Provinces;
 - National Treasury;
 - Other sector departments;
 - SALGA;
 - MDB;
 - IEC; and
 - Labour (IMATU, SAMWU).
- Progress reports are submitted by all provinces, Organised Labour, SALGA, MDB and IEC.

TRANSITIONAL COMMITTEES / STRUCTURES

□ Section 14(5) of the Municipal Structures Act states:

“The MEC for local government in a province, by notice in the *Provincial Gazette*, may make provision for transitional measures to facilitate the disestablishment of an existing municipality and the establishment of a new municipality. The MEC must consult the existing municipality before publishing the notice.”

TRANSITIONAL COMMITTEES / STRUCTURES

PROVINCIAL TRANSITIONAL COMMITTEE (KZN Model)

- ❑ Provincial Department of Cooperative Governance:
 - General Manager: Municipal Governance & Administration – Chairperson
 - Senior General Manager: Local Government Branch or equivalent
 - General Manager: Municipal Finance or equivalent
 - General Manager: Traditional Affairs or equivalent
 - General Manager: Municipal Planning or equivalent
 - General Manager: Municipal Infrastructure or equivalent
 - General Manager: Communication or equivalent
 - Chief Financial Officer
- ❑ General Manager: Budget, Provincial Treasury or equivalent
- ❑ 2X SALGA Provincial Representatives
- ❑ 2 X Provincial-level municipal unions Representatives

TRANSITIONAL COMMITTEES / STRUCTURES

MUNICIPAL POLITICAL CHANGE MANAGEMENT COMMITTEE

- District Mayor / Deputy Mayor – Chairperson
- Mayors of existing municipalities
- Speakers of existing municipalities
- 2 X Executive Committee Members, or 2 X designated councillors in a case of a plenary executive system
- 3 X Maximum Traditional Leaders from existing municipalities, as determined by a local house of Traditional Leaders
- A representative of Provincial SALGA

TRANSITIONAL COMMITTEES / STRUCTURES

MUNICIPAL TECHNICAL CHANGE MANAGEMENT COMMITTEE

- District Municipal Manager – Chairperson
- Municipal Managers of existing municipalities
- Heads of Departments of existing municipalities
- 1 X local representative of each municipal union in existing municipalities
- A Departmental Transformation Manager
- A representative of Provincial SALGA

MATTERS BEING MANAGED DURING THE TRANSITION (1/6)

ACTIVITY	SUB ACTIVITIES
LEGAL MATTERS	1. By-laws
	1.1 Rationalisation of by-laws
	1.2 List of by-laws
	1.2 Promulgation of revised by-laws
	2. Policies
	2.1 Rationalisation of policies
	2.2 List of policies
	3. Records Management
	3.1 Transfer of archive system to new municipality
	3.2 Archiving of files
	4. Contractual Obligations
	4.1 List of all contracts

MATTERS BEING MANAGED DURING THE TRANSITION (2/6)

ACTIVITYY	SUB ACTIVITIES
HUMAN RESOURCES	5.1 Existing staff component
	5.2 Existing function per staff member
	5.3 Drafting of new organogram for new municipality
	5.4 Workstudy process
	5.5 Draft Business Plan to access Restructuring Grant w.r.t HR processes.
	5.6 Terms of Reference of required Service Provider (Workstudy, Job Evaluation & Job Descriptions)
	5.7 Job Evaluation
	5.8 Placement costs after placement
	5.9 Placement Policy to be approved and adopted by Political CMC and Councils.
	5.10 Re-location costs of staff
	5.11 Retrenchment costs
	5.12 Present salary budget of staff members to be placed
	5.13 Salary after placement

MATTERS BEING MANAGED DURING THE TRANSITION (3/6)

ACTIVITY	SUB ACTIVITIES
FINANCE	6. Valuation rolls
	6.1 Term of valuation rolls
	6.2 Supplementary valuation roll / new valuation roll
	7. Financial Systems
	7.1 Rationalisation of billing system
	7.2 Compatibility of systems
	7.3 Other financial systems
	7.4 Consolidated IT Systems
	7.5 Draft Business Plan and Terms of Reference for appointment of Service Provide for consolidation of IT Systems
	8. Assets
	8.1 Asset register to be updated in terms of GRAP
	8.2 Distribution list of assets to new municipality needs to be finalised

MATTERS BEING MANAGED DURING THE TRANSITION (4/6)

ACTIVITY	SUB ACTIVITIES
FINANCE	9. Budget
	9.1 List of grants received for specific projects
	9.2 Equitable share received and allocation thereof to new municipality
	9.3 Equitable share allocated to committed projects
	9.4 Unspent equitable share
	9.5 Consolidated Loans and Grants
	9.6 Rates income
	9.7 Tariffs income
	9.8 Tariff restructuring
	9.9 Implementation of mSCOA
	9.9 Budget process for new municipality
	9.10 Consolidated AFS
	9.11 Identify primary banker and signatories
	10. Expenditure items
	10.1 Long term service contracts
	10.2 Types
	10.3 Financial commitments towards these contracts
	10.4 Expiry dates
	10.5 Increased operational costs after amalgamation
	10.6 Long term Loans
	10.7 Amount outstanding
	10.8 Terms of loan
	10.9 Financial commitment

MATTERS BEING MANAGED DURING THE TRANSITION (5/6)

ACTIVITY	SUB ACTIVITIES
TECHN.	11. Committed projects per ward
	11.1 Shortfall, If any
COOMMUNICATION	12. COGTA THEME, if any ... “We are together” ?
	12.1 Agreed Communication Strategy document.
	12.2 Central communication point
	12.3 Milestone calendar (procedure manual)
	12.4 Mayoral speeches to include project
	12.5 Combined Roadshows
	12.6 New branding, logo's, etc
	12.7 Traditional Leaders participation
	12.8 Advertising (radio, television and newspapers)

MATTERS BEING MANAGED DURING THE TRANSITION (6/6)

ACTIVITY	SUB ACTIVITIES
IDP	13. The new Process Plans to be adopted by Councils by 30 September 2015, factoring in transitional measures
	13.1 Adopt revised IDP
INSTITUTIONAL	14. Determination of Head Office
	14.1 Naming of new municipality
SECTION 12 NOTICES	15.1 Drafting of Notices

SUPPORT AVAILABLE TO THE CMCs

DCoG:

- The Provincial B2B Coordinators are available to leverage relevant expertise / capacity from the national department, and from the other stakeholders.
- National Business Units provide support in the conduction of workshops on transitional matters and providing templates to be completed by affected re-demarcated municipalities on progress made on the schedule of transitional matters to be managed.

NATIONAL TREASURY:

- Has issued circulars 78 and 79 of the MFMA; and
- MFIP II Advisors available in all the affected municipalities in Eastern Cape and Limpopo.

SALGA:

- Participating in the CMCs (local and provincial).

DRAFTING OF SECTION 12 NOTICES (1/2)

□ The Notice must set out:

- “(a) the category of municipality that is established;
- (b) the type of municipality that is established;
- (c) the boundaries of the municipal area;
- (d) the name of the municipality;
- (dA) in the case of a metropolitan or local municipality, the number of wards in the municipality; and
- (e) the number of councillors as determined in terms of section 20;
- (eA) in the case of a district municipality, the number of councillors, determined in terms of section 23, to
 - (i) proportionally represent parties;
 - (ii) be appointed by each of the local councils within the district municipality to directly represent each local municipality; and
 - (iii) proportionally represent parties from each district management area within that district municipality;
- (f) which councillors of the municipality (if any) may be designated as full-time in terms of section 18 (4);
- (h) any provisions of this Act from which the municipality has been exempted in terms of section 91; and
- (i) any other relevant detail.”

DRAFTING OF SECTION 12 NOTICES (2/2)

- The MEC must, to the Provincial SALGA and the existing municipalities that are affected by the proposed establishment,:**
 - **Give written notice;**
 - **Consult; and**
 - **After consultation, publish particulars of the proposed Notice for public comment.**
- When boundaries are redetermined, the MEC must repeal, amend or replace the relevant section 12 notice.**
- 142 minor redeterminations across the country, affecting all provinces (from 1 in GP to 35 in WC).**
- All provinces are currently engaged in the process of finalising section 12 notices**

WHERE ARE WE IN RELATION TO TRANSITIONAL MEASURES?

PROVINCE	COMMENTS
GAUTENG	<ul style="list-style-type: none"> • Satisfactory progress being made with transition matters. • Concerns raised at the NATJOINTS – civil society / Ratepayers Association wants to initiate protest action against the merger of Randfontein / Westonaria. • The Province has appointed consultants to fast-track the finalisation of the transition matters.
KWAZULU-NATAL	<ul style="list-style-type: none"> • Good progress being made in all the redetermined municipalities. • The organogram is being delayed in the Vulamehlo/Umdoni merger due to labour challenges. • The Minister approved a Section 139(1)(b) intervention in the Ingwe Local Municipality. This will allow the province to ensure that the transition processes are timeously finalised.
MPUMALANGA	<ul style="list-style-type: none"> • Good progress being made with all transition matters.
FREE STATE	<ul style="list-style-type: none"> • Satisfactory progress being made with all transition matters. • HR and communication matters need further attention. • The Political Change Management Committee needs to meet more often.

WHERE ARE WE IN RELATION TO TRANSITIONAL MEASURES?

PROVINCE	COMMENTS
NORTH-WEST	<ul style="list-style-type: none">• Good progress being made with all transition matters.• Some HR challenges raised with DCoG by IMATU.
NORTHERN CAPE	<ul style="list-style-type: none">• Good progress being made with all transition matters.• Extra effort is needed to finalise the rationalisation of by-laws and the organogram.
EASTERN CAPE	<ul style="list-style-type: none">• Pursuant to the MinMEC of 13 May 2016, the Minister wrote letters to the MEC and to the Mayors (and copied the Premier).• DCoG had an engagement with the Province (and all stakeholders on 26 and 27 May 2016).• Satisfactory progress made in 3 out of the 4 DEMs / redeterminations in the Province.• Poor progress made in the Amathole District Municipality (merger of Nxuba and Nkonkobe Local Municipalities).

WHERE ARE WE IN RELATION TO TRANSITIONAL MEASURES?

PROVINCE	COMMENTS
LIMPOPO	<ul style="list-style-type: none">• Pursuant to the MinMEC of 13 May 2016, the Minister wrote letters to the MEC and to the Mayors (and copied the Premier).• DCoG had an engagement with the Province (and all stakeholders on 30 and 31 May 2016).• Satisfactory progress made in 3 out of the 4 DEMs / redeterminations in the Province.• Challenges being experienced around HR matters and the grading of municipalities.• Poor progress made in the Vhembe District Municipality (establishment of a New Municipality [Lim 345]).• The Province has been requested to despatch a team to ensure dedicated support is provided towards the establishment of the New Municipality.

WHAT ARE THE CRITICAL IMMEDIATE TASKS?

The following tasks must be finalised forthwith:

- ❑ The publication of Section 12 Notices for consultation;
- ❑ Finalisation of the following for consideration by incoming councils:
 - a. Rationalised set of by-laws;
 - b. Rationalised set of policies;
 - c. Organogram for the new municipality;
 - d. Budgets and IDP related matters;
 - e. Asset registers;
- ❑ The entire transition process must be communicated at all times to all stakeholders, especially the affected communities.

WHAT ARE THE CRITICAL IMMEDIATE TASKS?

Plans for end of LG term and incoming administrations:

- Council resolutions with long term implications;
- Unfunded commitments;
- Sale and disposal of land and assets;
- Non-returning Councillors, etc.

Actions:

- COGTA visibility and campaign;
- Develop provincial plans for managing transitional arrangements (pre/post elections) Local Government processes, e.g. guidelines on IDP's and approval of budgets, induction programmes, constitution of new administration, gratuity for non returning councillors, etc.

SUPPORT REQUIRED / RECOMMENDATIONS:

It is recommended that the MM Forum:

1. Note the support provided by the National Treasury, SALGA and the DCoG to all affected provinces and municipalities on the various transition processes;
2. SALGA to assist the affected municipalities to finalise their organograms (as well as matters relating to work study, job evaluation [TASK]);
3. SALGA, in collaboration with the Bargaining Council [BC], to advise the affected municipalities of their revised grading (for purposes of remunerating employees in the BC);
4. All stakeholders regard this process as a National priority;
5. Ensure that the various transition matters are fast-tracked and timeously brought to finality;
6. Through the already established transitional structures, ensure that they provide updates on progress made in each of the DEMs in their respective provinces; and
7. Support Provinces in their processes to finalise and publish Section 12 Notices.