

# **Government Gazette**

## **REPUBLIC OF SOUTH AFRICA**

Vol. 478	Pretoria	22	April	2005	No. 27518
----------	----------	----	-------	------	-----------



# **GENERAL NOTICE**

#### **NOTICE 636 0 F** 2005

MINISTRY FOR PROVINCIALAND LOCAL GOVERNMENT

LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000

#### GAZETTE FOR PUBLIC COMMENT

I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, acting in terms of section 120(1) of the Local Government: Municipal Systems Act 2000 (Act No **32** of **2000)**, hereby publish for public comment the draft guidelines contained in schedule 1 to this notice.

Any person wishing to submit comments on these guidelines should do so on or before 20 May 2005 at email address: thembaf@dplg.gov.za or fax number 012-334 0903, or mail to: Private Bag X804, Pretoria, 0001. For attention: Mr Themba Fosi.

FHOLISANI SYDNEY MUFAMADI

MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

#### EXPLANATORY NOTE ON DRAFT GUIDELINES

These draft guidelines relate to the assignment and delegation of functions from national or provincial government to local government. They are issued in order to provide a uniform approach to the assignment and delegation of functions. They do not deal with the assignment of powers between spheres of government.

Assignments and delegations produce a dynamic division of functions between the three spheres of government. Although the Systems Act does prescribe procedures for general and specific assignments in sections 9 and 10, there has not been guidance on when the transfer of functions is appropriate and, if so, which options (as between assignment and delegation) are most desirable. As a result, a wide-range of approaches has been adopted, not all of them conducive to effective local government.

The Department for Provincial and Local Government accordingly adopted a policy framework in 2003 to guide the decision about whether to assign or delegate a function and how to do so. These guidelines represent a formalization and codification of this policy framework.

These guidelines govern the process to be undertaken when a national or provincial department is considering transferring responsibility for a function to local government. The process involves two stages: a decision must be taken to transfer responsibility for a function to the local government sphere (see Part **3** of the guidelines); once such a decision is taken, it must be decided whether the appropriate mechanism for transfer is assignment or delegation (see Parts 5 to 9 of the guidelines). The differences between assignment and delegation are defined in the guidelines and a preference indicated for assignments and general assignments, in particular. The guidelines are, however, flexible in that they allow for the most appropriate mechanism to be determined for the particular function. The guidelines also make it clear that the financial and planning implications of any assignment or delegation must be considered and proper procedures followed if there is an impact on the destination of equitable share (see Parts 11 to 13 of the guidelines).

Departments and municipalities and stakeholders are invited to submit comments to the Department of Provincial and Local Government on the content of the guidelines on or before 20 May 2005.

#### SCHEDULE 1

### ASSIGNMENT AND DELEGATION GUIDELINES

## TABLE OF CONTENTS

Part	6	
1.	Definitions	6
2.	Application	9
Part	9	
3.	Principles Applying to Transfer of Functions	9
4.	Co-operative government	9
5.	Enhancing Local Government Functions	10
6.	Transfer of the Authority Role	10
7.	Preference for General Assignments	10
8.	Functional definition	11
9.	Finance (Resources) Follows Function	11
10.	Assignments are Permanent	11
<b>1</b> 1.	Personnel Transfer	12
12.	Consultations	12
Part	3: The Decision to Transfer Functions	12
13.	The Prescribed Process for Assignment and Delegation	12
14.	Initiating Discussion	13
15.	National or Provincial Initiation	13
16.	Municipal Initiation	13
17.	Representatives	14
18.	Functional Definitions	14
19.	Criteria for Decision Making	14
Part 4: Municipal Capacity		
20.	Capacity	15
21.	Requirements of the Act	15
22.	Assessing Capacity	16
23.	Monitoring Capacity	16
Part	5: Mechanisms	17
24.	Choosing a Mechanism	17
Part	6: General Assignment	17
25.	Principles	17
26.	Requirements for General Assignment	17
27.	Compliance with the Act	17
28.	Asymmetric General Assignments	19
Part 7	7: Specific Assignments	20

6 No. 27518

Principles	20	
Requirements for Specific Assignment	20	
Compliance with the Act	21	
Specific Assignment of Statutory Functions	21	
Specific Assignment of Functions	22	
Part 8: Delegations		
Principles	22	
Requirements for Delegation	23	
The Nature of the Agreement	23	
PFMA Compliance	24	
Part <b>9:</b> Deconcentration		
Principles	24	
Requirements for Deconcentration	24	
0: Finance Issues	25	
Principles	25	
Finance Follows function	25	
1: Labour Issues	26	
Labour Relations Act	26	
Government Employees Pension Fund	27	
Part 12: Implications for Municipal Process		
Budget Process Implications	27	
Implications for IDPs	28	
3: General	28	
Intergovernmental Dispute	28	
Transfer of Assets and Liabilities	28	
Reporting	29	
Penalties for Non-Compliance	29	
Date of Commencement	29	
	Requirements for Specific Assignment Compliance with the Act Specific Assignment of Statutory Functions Specific Assignment of Functions Delegations Principles Requirements for Delegation The Nature of the Agreement PFMA Compliance Deconcentration Principles Requirements for Deconcentration 0: Finance Issues Principles Finance Follows function 1: Labour Issues Labour Relations Act Government Employees Pension Fund 2: Implications for Municipal Process Budget Process Implications Implications for IDPs 3: General Intergovernmental Dispute Transfer of Assets and Liabilities Reporting Penalties for Non-Compliance	

#### Part I: Interpretation and Scope

#### 1. Definitions

In these guidelines, unless the context indicates otherwise-

"Act" means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

"administrator" means the official in the assigning department, municipality or in the South African Local Government Association responsible for complying with these guidelines and appointed in terms of guidelines 15(1)(a) or 16(1)(a);

"Annual Division of Revenue Act" means the Act of Parliament which must be enacted annually in