



# Financial and Fiscal Commission Local Government Fiscal Framework Public Hearings

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Group 3

# Group 3 – Issues to Consider

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- Norms and standards for service levels
- Monitoring and evaluation
  - Reporting issues
  - Data management issues
- Regulation
- Functional issues
  - Role and responsibilities of district municipalities
  - Built environment functions in cities

# General/Cross Cutting Issues

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- Cross cutting issues and other issues to remember
  - Are objectives of the system adequate?
  - Incentives in the system
  - Capacity and capabilities in the system
  - Urban/rural aspects of instruments and options
  - Link to general options of gap filling and performance
    - Hybrid of options

# Questions for Groups

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- What are the critical instruments and stakeholders in the LGFF with respect to group topic?
- Are instruments important or a constraint in the system?
- Are there additional instruments to be considered?
- Are the options proposed for existing instruments adequate?
- Are the options proposed implementable and who would be the primary driver?
- Are there additional options for instruments to be considered?

# What are the critical instruments and stakeholders in the LGFF with respect to group topic?

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## **NORMS AND STANDARDS**

- Set in sector and sphere-wide legislation; not uniform: tariff regulation major enabler for LGFF, but vary re Regulators; water not regulated
- What enables LG to meet set norms and standards for service delivery?
  - Flexibility re standards, costs of norms for SD?
  - Does equitable mean equal?
  - Do norms and standards promote transparency & Accountability?

# Oversight

- Oversight : instrumental at each sphere but deemed ‘weak’
  - LG: Role of councillors and political /admin interface
    - Strengthen the role of councillors
    - Weak local governance structures
  - Public participation
    - Inactive citizenry (NGO – CBOs); can assist accountability
  - Provincial Legislatures: uneven oversight
- Accountability aspect of the FF remains centralised
- Too much focus on performance vs institutionalised and stable governance systems & structures to drive oversight

# Regulation

- Is regulation always necessary to guide system?
- Can be high transaction & compliance costs
  - can there be alternative tools within the current regulatory environment
- Can legislation hinder functionality of the FF through lack of review and evaluation?
- Prior to introducing regulation – RIA to test applicability, capacities to implement
  - Regulation can be an administrative burden
  - Regulation is needed for priority areas, impacting on SD

# Functional issues

- The LG FFF is reviewing functional and fiscal alignment: clarity, remove ambiguities and fund functions clearly assigned
- Is policy needed to cement built environment functions, or is more performance research needed?
- Continuing ambiguity on roles and functions between local and districts
  - Hinders functioning governance and delivery
  - Unfunded mandates
- Go back to the initial thinking about the role of Districts
  - Support and coordination
  - Fiscal framework to be used to enhance these roles rather than creating tensions



# Are instruments important or a constraint in the system?

- Instruments include regulation, assignment and fiscal elements; performance environment; governance structures
- Should LG FF reach beyond fiscal to governance environment?
- How can Monitoring and Evaluation be aligned across government to ensure critical information and data is stored and evaluated and informs reforms?
- M&E is a constraint if too many unrelated indicators, or where information does not exist – not shared or not relevant
- M&E needs to relate closely to key priority issues and objectives for LG.



# Thank You