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JOINT CIRCULAR ISSUED BY:

**DEPARTMENT OF COOPERATIVE GOVERNANCE (DCoG)
 NATIONAL TREASURY (NT)
 SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)**

FROM:

- **Director-General: Department of Cooperative Governance**
- **Director-General: National Treasury**
- **Chief Executive Officer: South African Local Government Association**

TO ALL:

- **Heads of Departments of responsible for Local Government in the Provinces**
- **Heads of Departments of Provincial Treasuries**
- **SALGA Provincial Directors of Operations**
- **Municipal Managers**

MANAGEMENT OF THE VARIOUS TRANSITIONAL MEASURES: PRE, DURING & POST THE 2026 LOCAL GOVERNMENT ELECTIONS

1. BACKGROUND AND PURPOSE OF THE CIRCULAR

- 1.1 The circular aims to support and guide provinces and municipalities with processing the various transition matters as the current term of municipal councils comes to an end, and with the commencement of a new term post the Local Government Elections¹ to be held on 4 November 2026.

¹ Hereinafter referred to as “LGEs”.

- 1.2 On 30 April 2026, the President of the Republic of South Africa announced 4 November 2026 as the intended date of the LGEs. On 7 August 2026, the Minister of Cooperative Governance and Traditional Affairs formally called the elections and proclaimed 4 November 2026 as the election date for the LGEs. Following the proclamation, the Independent Electoral Commission (IEC) published the election timetable.
- 1.3 The present term of local government has been characterised by many problems including municipalities being confronted with various governance, infrastructure, service delivery and instability challenges. Post the 2021 LGEs, the number of coalition-led municipalities grew to a total of seventy-six (76) coalitions.
- 1.4 The circular deals with, amongst other matters, an overview of the District Development Model (DDM); the status of recent developments relating to local government legislation; and with the various transitional measures that need attention pre-LGEs, during establishment, and post the establishment of municipal councils, as set out in the table hereunder:

PRE-LGEs	DURING ESTABLISHMENT	POST ESTABLISHMENT
▪ Participation of municipal staff in LGEs ▪ Preparation of political handover reports ▪ Preparation for first council meeting ▪ Capacity building for Municipal Managers ▪ Continued functioning of council ▪ Funding of political party activities ▪ Role of Municipal Manager / Official as Municipal Electoral Officer ▪ Municipal support to the IEC ▪ Review of the Section 12 notices ▪ Review of the Standing Rules and Orders of Council	▪ First council meeting ▪ Code of Conduct for Councillors ▪ Election of Office-bearers ▪ Determination of Executive Committees (EXCO) ▪ Remuneration of councillors	▪ Integrated Councillor Induction Programme ▪ Non-returning councillors – ○ Municipal assets ○ Municipal debts ○ Pension benefits ○ Once-off Gratuity ▪ Review of systems of delegation ▪ Development and adoption of Integrated Development Plans (IDPs) ▪ Establishment of ward committees ▪ Municipal Support and Intervention Plans (MSIP)

2. STATUS AND APPLICATION

This circular constitutes joint administrative guidance issued by DCoG, National Treasury and SALGA. It must be read with the Constitution, the Local Government: Municipal Structures Act, 1998²; the Local Government: Municipal Systems Act³, 2000; the Municipal Finance Management Act (MFMA), 2003; the Local Government: Municipal Electoral Act, 1998⁴;

² Hereinafter referred to as “the Municipal Structures Act”.

³ Hereinafter referred to as “the Municipal Systems Act”.

⁴ Hereinafter referred to as “the Municipal Electoral Act”.

applicable regulations; remuneration determinations and other binding legal instruments. Where any inconsistency arises, the applicable legislation or legally binding instrument prevails.

3. DISTRICT DEVELOPMENT MODEL

3.1 Since the adoption of the DDM by Cabinet in 2019, the model has continued to serve as a key mechanism to improve cooperative governance and build a capable, ethical and developmental state. The DDM promotes integrated planning, budgeting and implementation across the three spheres of government through the **“One District, One Plan, One Budget”** approach for the 44 district municipalities and 8 metropolitan municipalities.

3.2 The objectives of the DDM remain to:

- (a) Coordinate government responses to poverty, unemployment and inequality;
- (b) Promote integrated and inclusive development planning;
- (c) Strengthen coordination between national, provincial and local government;
- (d) Improve alignment of plans, budgets and implementation;
- (e) Strengthen municipal capacity and support mechanisms;
- (f) Enhance monitoring, evaluation and accountability;
- (g) Promote balanced urban and rural development; and
- (h) Improve oversight over public expenditure and infrastructure delivery.

3.3 All stakeholders are urged to continue embracing the DDM approach and to align municipal planning, budgeting and service delivery programmes with approved One Plans.

Refer to the attached list of political DDM Champions at **Annexure “A”**.

4. DCoG LEGISLATIVE INTERVENTIONS IMPACTING LOCAL GOVERNMENT

4.1 Local Government: Municipal Structures Act

- (a) Municipalities and provinces are reminded to ensure continued implementation of the Local Government: Municipal Structures Amendment Act, 2021, together with all subsequent legislative and regulatory reforms impacting governance, accountability and municipal functionality.
- (b) Particular attention must be given to:
 - (i) The enforcement of the Code of Conduct for Councillors;
 - (ii) Establishment and functioning of Municipal Public Accounts Committees (MPAC);
 - (iii) Compliance with quorum requirements and governance procedures;
 - (iv) Proper maintenance of records relating to political party representatives;
 - (v) Establishment of ward committees within legislated timeframes; and
 - (vi) Alignment of Standing Rules and Orders with legislative prescripts.

- (c) Provinces and municipalities are encouraged to familiarise themselves with all amendments and related circulars issued by the DCoG, National Treasury and SALGA.

4.2 Municipal Systems Legislative Framework

- (a) Municipalities are reminded to ensure compliance with the Municipal Systems Act, 2000 and all applicable regulations governing municipal administration, governance, performance management and appointment processes.
- (b) Municipalities must further ensure alignment between IDPs, organisational structures, budgets and municipal staffing requirements.

4.3 Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014

- (a) The Appointment Regulations empower the municipal council to review its staff establishments within a period of 12 months from the date of the election **only** after the following:
 - (i) The election of a new council;
 - (ii) The adoption of a new IDP;
 - (iii) Substantial or material changes to the functions of the municipality; and
 - (iv) The redetermination of new municipal boundaries of a municipality.
- (b) The Appointment Regulations afford the new municipal councils an opportunity to align the IDP, budget and the staff establishments. The revised staff establishment can only be approved by the majority of councillors to mitigate against possible bloating of the municipal administration in non-core business areas.
- (c) Municipalities are encouraged to ensure that organisational structures are sustainable, adequately funded and aligned to service delivery priorities.

4.4 Contracts of Municipal Managers and Senior Managers

- (a) Municipal Managers

Section 57(6)(a) of the Municipal Systems Act prescribes that "*the employment contract for a municipal manager must be for a fixed term of employment up to a maximum of five years, not exceeding a period ending one year after the election of the next council of the municipality*". Therefore, an existing employment contract of a municipal manager can only run for a maximum permissible period of five years or lesser depending on the date the contract was concluded but not exceeding one year after the 2026 LGEs.

- (b) Managers directly accountable to Municipal Managers
 - (i) Section 57(7) of the Municipal Systems Act, as amended, requires that the contract of employment of a manager directly accountable to the municipal manager must be on a permanent basis.

- (ii) The deletion of the provision providing for contractual employment of Managers directly accountable to Municipal Managers does not affect the continuation or validity of a fixed-term employment contract of a manager directly accountable to the municipal manager which is in force when the Systems Amendment Act, 2022 took effect.
 - (iii) In an endeavour to minimise disruptions in the functioning of municipalities, any fixed-term contract of a manager directly accountable to the Municipal Manager that runs beyond the 2026 LGEs, concluded before the commencement of the Systems Amendment Act, 2022, shall continue until it lapses or is terminated.
- (c) Contracts of support staff to offices of the municipal office-bearers⁵
- (i) A person appointed to a post on the approved staff establishment in order to support the office of a MOB, must either be seconded from a post on that municipality's approved staff establishment or another municipality's staff establishment, or be appointed on a fixed-term contract of employment linked to the term of office of the MOB. The duration of the secondment or fixed-term employment contract contemplated herein cannot be validly extended beyond a period of 30 days after the MOB vacates office.

4.5 Local Government: Municipal Staff Regulations, 2021

- (a) Municipalities and provinces are urged to continue implementing the Municipal Staff Regulations and related competency frameworks to improve professionalism, institutional capacity and ethical governance within municipalities.
- (b) The Municipal Staff Regulations, 2021 provide for:
 - (i) Setting out uniform norms and standards for organisational design;
 - (ii) Building institutional capacity for municipalities by setting out uniform appointment criteria and procedures for municipal staff below the senior management echelon;
 - (iii) A competency framework which lays down the basis for sector-wide skills audit and skills development programmes;
 - (iv) A performance management system to staff below the management echelon;
 - (v) Municipal staff establishment, job description and job evaluation;
 - (vi) Recruitment, selection, appointment and transfer of staff;
 - (vii) Training, competencies and skills development;
 - (viii) Supervision and management of staff; and
 - (ix) Promotion and demotion of staff.

⁵ A Municipal Office Bearer means the speaker, executive mayor, deputy executive mayor, mayor, deputy mayor or whip or a member of the executive committee – hereinafter referred to as “MOB”.

4.6 Funding of Political Party Activities

- (a) The Constitution of the Republic of South Africa, 1996 and the Political Party Funding Act, 2018 (Act No. 6 of 2018) only address the funding of political parties at national and provincial level. The Constitution does not provide for the public funding of political parties represented in local government. In the context of South Africa, all the major parties that are represented in the national and provincial legislatures would be entitled to funding from public funds. But there are other smaller parties sponsored by residents and rate-payers associations which are represented in local government only and, therefore, do not qualify for public funding in terms of section 236 of the Constitution.
- (b) It is thus clear that there is no legislative provision allowing for the funding of any political party at local government level, including funding in payment for caucuses for political operations or in kind by the municipality to any political party contesting the LGEs. The Local Government: Municipal Cost Containment Regulations expressly prohibits the utilization of municipal funds for political party activities. Failure to adhere to this regulatory requirement will result in the associated expenditure being irregular, which will need to be processed in terms of section 32 of the MFMA and those responsible for the unlawful decisions being guilty of a financial offence, which is a criminal offence in terms of the MFMA.
- (c) Any official or MOB who instructs or makes any expenditure in contravention of the MFMA will be liable for the expenditure in terms of section 32 of the MFMA and may be charged for financial misconduct in terms of the provisions of the MFMA, and the related regulations issued in terms of the MFMA.
- (d) Municipalities must **therefore not make any funding**, in payment or in any kind, available to any political party or any party representative leading up to the LGEs to be held on 4 November 2026.
- (e) Municipalities must also implement internal controls to prevent the use of municipal resources for political purposes, including monitoring the use of municipal assets and financial transactions. Any use of municipal resources for political purposes must be reported to MPAC and law enforcement authorities.

5. MATTERS TO BE DEALT WITH PRIOR TO 2026 LGEs

5.1 Section 12 Notices⁶

- (a) Provinces must ensure that section 12 Notices are updated to reflect any changes relating to municipal boundaries, names, categories and types of municipalities, wards, the number of councillors and designation of full-time councillors.
- (b) The revision of section 12 Notices requires consultation with SALGA and affected municipalities, and final notices in this regard must be published in the respective *Provincial Gazettes* before the end of the term of local government.

⁶ In terms of the Municipal Structures Act.

- (c) A consolidated set of Section 12 Notices must be submitted to the DCoG **by 31 October 2026**.

5.2 Major Governance and Strategic Decisions

- (a) Municipalities are reminded that the period immediately preceding the LGEs represents a transitional phase in local governance. While councils remain fully functional and retain all powers assigned to them in terms of legislation until the newly elected council is declared elected, municipalities are encouraged to exercise restraint when considering decisions that may have long-term financial, institutional or governance implications for the incoming council.
- (b) Accordingly, municipalities should, where reasonably possible and unless required by law, operational necessity or the public interest, avoid taking decisions immediately prior to the LGEs that may unnecessarily bind or constrain the incoming council in the exercise of its powers and functions.
- (c) This includes consideration of matters such as:
 - (i) major organisational restructuring initiatives;
 - (ii) the establishment or disestablishment of municipal entities;
 - (iii) long-term public-private partnership arrangements;
 - (iv) significant borrowing or financing arrangements;
 - (v) the disposal of strategic municipal assets;
 - (vi) long-term concessions or contractual arrangements;
 - (vii) significant amendments to governance structures or council systems; and
 - (viii) other strategic decisions with long-term legal, financial or institutional consequences.
- (d) This provision does not prevent a municipality from exercising its lawful powers or fulfilling its statutory obligations. Municipal councils remain responsible for ensuring the continued functioning of the municipality, maintaining service delivery, complying with legislative requirements and taking decisions necessary to protect the interests of the municipality and the community.
- (e) Where it is necessary to proceed with a major governance or strategic decision during the transition period, municipalities should ensure that the decision is fully motivated, supported by appropriate due diligence, demonstrably in the public interest and properly recorded to facilitate accountability and handover to the incoming council.

5.3 Procurement-related Matters

Municipalities are urged to avoid entering into long-term or large-scale procurement commitments, concessions or disposal of immovable assets immediately prior to the 2026 LGEs, but to rather defer such procurement and alienation of immovable properties to the incoming council after the LGEs, unless such decisions are unavoidable and in the public interest.

5.4 Recruitment and Filling of Vacancies Prior to the LGEs

- (a) Municipalities must continue to maintain sufficient institutional capacity to ensure uninterrupted service delivery during the election period.
- (b) Municipalities should avoid initiating recruitment processes for non-critical posts in the period immediately preceding the LGEs where such appointments are likely to bind the incoming council and where postponement would not adversely affect municipal operations.
- (c) Priority should be given to the filling of critical operational, technical, financial and statutory positions necessary to ensure continuity of governance, service delivery and compliance.
- (d) Municipalities should avoid organisational restructuring exercises, large-scale staff establishment changes or recruitment campaigns immediately prior to the LGEs unless operationally unavoidable and supported by a clear business case.
- (e) Any recruitment process initiated prior to the LGEs must be conducted in full compliance with the Municipal Systems Act, Municipal Staff Regulations and applicable municipal policies.

5.5 Audit Continuity and Audit Processes

- (a) Municipalities must take all necessary measures to ensure that the LGEs and the associated transition process do not disrupt ongoing audit activities.
- (b) Municipal Managers, Chief Financial Officers and senior management must ensure the continued availability of records, audit evidence, supporting documentation and responsible officials during the audit process.
- (c) Municipalities must ensure that audit action plans, audit steering committees, audit committee activities and engagements with the Auditor-General continue uninterrupted during the transition period.
- (d) Where key officials responsible for financial reporting, audit coordination or governance oversight vacate office during the transition period, appropriate handover arrangements must be put in place to ensure continuity.
- (e) Administrative handover reports must include:
 - (i) the status of the current Auditor-General of South Africa (AGSA) audit;
 - (ii) outstanding information requests;
 - (iii) progress against audit action plans;
 - (iv) material audit risks; and
 - (v) unresolved audit findings.

- (f) Incoming councils should be briefed at the earliest opportunity on audit outcomes, audit risks and corrective action plans to minimise disruption to governance and accountability processes.

5.6 Participation of Municipal Staff in the 2026 LGEs

- (a) The participation of candidates in LGEs is provided for in the Electoral Act; the Local Government: Municipal Electoral Act; and the Regulations regarding the Participation of Municipal Staff Members in Elections, 2011 (issued in terms of the Municipal Systems Act).
- (b) The Regulations regarding the Participation of Municipal Staff Members in Elections LGEs provides that if a municipal employee is issued with a certificate by the IEC in terms of section 31(3) of the Electoral Act, or section 15(3) or 18(1)(d) of the Local Government: Municipal Electoral Act, then such staff member (or employee) shall, on the working day following the day on which she or he receives the certificate, present a copy of the certificate to her or his employer.
- (c) The staff member is thereafter deemed to be on annual leave from the working day that the certificate is received until the date on which the results are declared by the IEC. If the employee is elected, then the person must apply for further annual leave until their resignation from the municipality. If the employee does not have sufficient annual leave, then the person is deemed to be on unpaid leave for the period of leave taken in excess of the available annual leave.
- (d) The staff member is prohibited from using any property (either movable or immovable) of the municipality and may not, during working hours, utilise or accept assistance from any staff member of the municipality, for their election campaign.
- (e) Any staff member contravening the LGEs Regulations for municipal staff shall be guilty of misconduct. Municipal Managers must therefore monitor and ensure strict compliance with the above-mentioned provisions.

5.7 Preparation of Handover Reports

It is proposed that two (2) separate reports are developed – a political report led by the Speaker and the Mayor, Executive Mayor, Executive Committee or the Mayoral Committee, and secondly, an administrative report led by the Municipal Manager and Chief Financial Officer.

(a) Political Handover Report

NO.	PART / SECTION	CONTENTS OF THE REPORT
(i)	Speaker's handover report	It is proposed that the Speaker should at the end of term of office prepare a comprehensive report for the succeeding Speaker, which should be structured in such a manner that it addresses four focus areas:

NO.	PART / SECTION	CONTENTS OF THE REPORT
		(a) The state of the municipal council at the beginning of the term of office; (b) Progress achieved during the term of office and a frank analysis of the attendant political challenges experienced throughout the term; (c) A frank reflection on the areas where more work needs to be done and if any, an outline of strategic interventions proposed for the incoming Speaker; and (d) Where the municipality is coalition governed, the handover report should include a summary of governance arrangements, key governance risks identified during the term, and lessons learnt relating to coalition governance and stability.
(ii)	Mayor / Executive Mayor / Executive Committee / Mayoral Committee handover report	It is proposed that the Executive should, at the end of the term, also prepare a comprehensive report, structured in such a manner that it addresses four aspects: (a) The state of the municipality in terms of socio – economic development, administration and financial matters and at the beginning of the term of office; (b) Progress achieved during the term of office and a frank analysis of the attendant political, administrative and financial challenges experienced throughout the term; (c) A frank reflection on the areas where more work needs to be done and presentation of the proposed strategic approach to address such matters; and (d) Any major governance, institutional or strategic decision taken during the six months preceding the LGEs must be reflected in the administrative handover report together with the reasons for the decision and any associated financial, legal or governance implications for the incoming council.

(b) Administrative Handover Report

- (i) Municipal Managers, together with Chief Financial Officers and senior management teams, must prepare comprehensive handover reports for submission to newly elected councils. The aim of this hand-over report is to provide the new councils with important orientation information regarding the municipality; the state of its finances; service delivery and capital programme; as well as key issues that need to be addressed.
- (ii) Handover reports should include:
 - (aa) An overview of the demographic and socio-economic characteristics of the municipality;

- (bb) Approved annual institutional calendar of council, committees, and other organs of the municipality;
- (cc) An overview of the macro-organisational structure of the municipality with departmental core functions, with the names, positions and contact details of senior managers;
- (dd) Appointment of Municipal Manager and managers directly reporting to the Municipal Manager, and status of contracts of employment;
- (ee) An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- (ff) An overview of issues that still need to be addressed in relation to the municipality meeting its targets for the various programmes;
- (gg) An overview of the municipality's State of finances and financial health, with specific reference to:
 - Its cash and investments, and its funding of commitments;
 - Cash coverage of normal operations;
 - Status of budget (funded or unfunded?);
 - Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
 - Current collection levels and debtors outstanding for more than 30 days; and
 - Extent of existing loans, and associated finance and redemption payments.
- (hh) The municipality's audit outcomes for the past three financial years (FY), and its strategy to address audit issues / shortcomings;
- (ii) State of Unauthorised, Irregular, Fruitless and Wasteful Expenditure⁷ including progress to date in terms of processes in terms of section 32 of the MFMA, and UIFWE reduction plan / strategy;
- (jj) State of consequence management in the municipality and status report consistent with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014;
- (kk) An overview of the:
 - provision of basic services, including plans to address backlogs;
 - state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
 - national reforms that the municipality is participating in, as well as the national interventions that the municipality is part thereof;
 - state of cooperative government and inter-governmental relations;
 - governance system and structures (section 79 and 80 committees);
- (ll) Report on the procurement of goods and services, concessions and alienation of immovable property;
- (mm) A list of the main infrastructure projects planned for the 2026/27 budget and Medium-Term Revenue and Expenditure Framework (MTREF);
- (nn) A list of key processes requiring council input over the next six months / until the end of the FY, e.g. revision of the IDP, approval of specific policies, etcetera; and
- (oo) Any other information deemed to be important.

⁷ Hereinafter referred to as "UIFWE".

- (iii) Municipalities must submit handover reports to Provincial CoGTAs, National Treasury, DCoG and SALGA prior to the first council meeting.
- (iv) For metropolitan municipalities, the administrative handover report must include the status of implementation of the Metro Trading Services Reform (MTSR), covering Council-approved Trading Services Reform Strategies and associated Performance Improvement Action Plans for water and sanitation, electricity and solid waste management, progress against agreed minimum commitments and performance targets, associated budget and funding commitments, and outstanding actions, risks and decisions requiring the incoming Council's attention to ensure continuity of implementation.

5.8 Preparation of Information Packs

Municipalities must prepare information packs for incoming councillors, including:

- (a) IDPs;
- (b) Budgets and Service Delivery and Budget Implementation Plans (SDBIPs);
- (c) Annual reports;
- (d) Audit outcomes;
- (e) Standing Rules and Orders;
- (f) System of delegations;
- (g) Code of Conduct for Councillors;
- (h) Legislative and governance frameworks;
- (i) DDM One Plans;
- (j) Municipal Support and Intervention Plans (MSIPs); and
- (k) Relevant circulars and policy documents.

5.9 Role of Municipal Managers and Municipal Electoral Officers

- (a) All arrangements pertaining to the LGEs are led and championed by the IEC in terms of the Municipal Electoral Act, including the appointment of local representatives of the IEC in the municipality⁸.
- (b) The officials are also referred to as the Municipal Electoral Officer⁹, presiding officers for each voting station, election officers and counting officers. The MEO positions are predominantly filled by municipal officials, and in certain instances, it may be the Municipal Manager, but it can also be another official or person not in the service of the municipality.
- (c) The MEO exercises the powers and performs the duties assigned to him or her in terms of the Municipal Electoral Act, and does so subject to the direction, control and disciplinary authority of the Chief Electoral Officer.

⁸ Section 12 of the Municipal Electoral Act.

⁹ Hereinafter referred to as "MEO".

- (d) The delegation and assignment of functions to the MEO does not prevent the IEC or its Chief Electoral Officer from exercising the power or performing the duty itself. The Chief Electoral Officer determines the terms and conditions of appointment as well as the remuneration package of the MEO. On appointment, a declaration of secrecy needs to be signed by the person appointed as the MEO. The Chief Electoral Officer of the IEC may remove the MEO from his or her office. The IEC may also appoint sub-MEOs to assist the MEO in fulfilling his or her duties.
- (e) The IEC has indicated that the availability of MEOs and/or municipal infrastructure for key periods in the electoral timetable (especially during voter registration, candidate nomination, party liaison committees and voting day and results declaration period) is of critical importance to the success of the elections.
- (f) Municipalities might also be required to provide support to specific voting districts regarding water and electricity supply, and access roads, particularly in rural areas, to such voting districts.

5.10 Capacity Building for Municipal Managers

As there may be instances where Municipal Managers (or persons mandated to call the first council meeting) were not previously involved in chairing the first meeting of a council, provinces are urged to convene provincial workshops to ensure that such persons are adequately capacitated to manage the first meeting of the council. The proposed workshops should be held prior to the holding of the LGEs. Officials from the IEC should also be invited to these workshops.

5.11 Continued Functioning of Municipal Councils

- (a) Section 26 of the Municipal Structures Act provides as follows:
 - “(1) A person-
 - (a) *is elected as a member of a municipal council for a period ending when the next council is declared elected; or*
 - (b) *is appointed as a representative of a local council to a district council for a period ending when the next local council is declared elected.*
 - (2) *A person assumes office as a councillor when declared elected or when appointed, as the case may be.”*
- (b) From the aforesaid, the term of office for incoming councillors commences once such councillors are declared elected, and the term of office for incumbent councillors ends when the newly elected council is declared elected. Similarly, current / incumbent office-bearers will retain their positions until the results of the 2026 LGEs are declared.
- (c) This means that the council and all its political structures can proceed with their day-to-day functions until the results for the LGEs are declared. In practice, however, councillors normally proceed with their functions until the day of the LGEs.

- (d) Until the declaration of the results the current council structures remain in place, and it is recommended that all council, Mayoral Committee (MAYCO), EXCO meetings and meetings of other political structures continue to ensure that service delivery to communities are not affected during the run-up to the LGEs.

6. ESTABLISHMENT PHASE / FIRST COUNCIL MEETING

6.1 Coalition Governance Arrangements

- (a) Municipalities are reminded that coalition arrangements are political agreements concluded between political parties and do not replace or supersede the Constitution, the Municipal Structures Act, the Municipal Systems Act, the MFMA or any other applicable legislation.
- (b) The establishment of municipal governance structures must proceed within the timeframes prescribed by legislation, notwithstanding ongoing coalition negotiations.
- (c) Municipal Managers and officials must remain impartial at all times and may not participate in, facilitate or influence coalition negotiations.
- (d) Municipal resources, facilities, vehicles, communication systems, officials and funding may not be used for coalition negotiations or political party activities.
- (e) Political parties are encouraged to conclude coalition arrangements as early as possible to minimise uncertainty and facilitate the timeous establishment of governance structures.
- (f) Municipal councils are encouraged to give consideration to the establishment of governance arrangements that promote stability, accountability, transparency and continuity of service delivery. Parties entering coalition arrangements must align such arrangements with any national coalition governance guidelines issued by DCoG.

6.2 First Council Meeting

- (a) Municipalities must ensure that first council meetings are convened in compliance with applicable legislation and governance requirements.
- (b) Section 23(4) of the Municipal Structures Act requires that a local council must appoint its representatives to the district council within 14 days after the result of the election of the local council has been declared.
- (c) Item 16 of Schedule 2 of the Municipal Structures Act provides that the Chief Electoral Officer must manage the election of representatives of a local council to the district council.
- (d) Section 29(2) of the Municipal Structures Act requires the Municipal Manager of a municipality or, in the absence of the Municipal Manager, a person designated by the Member of the Executive Council (MEC) for local government in the province, to call

the first meeting of the council of that municipality within 14 days after the council has been declared elected or, if it is district council, after all the members to be appointed by local councils have been appointed.

- (e) Municipalities may utilise physical, virtual or hybrid meeting arrangements where appropriate and legally permissible in line with the Standing Rules and Orders.

6.3. Election of Municipal Office-bearers

The election of MOBs is provided for in Schedule 3 of the Municipal Structures Act.

(a) Speaker

The Speaker will be elected from among the members of the council; this election will be presided over by the person mentioned in 5.2(d) above.

(b) For Mayoral Executive Type Municipality

(i) Election of Executive Mayor and Executive Deputy Mayor

The council must elect an executive mayor, and if the MEC for local government in the province so approves (which will be provided for in the Section 12 Notice), also an executive deputy mayor, from among its members.

(ii) Appointment of MAYCO by the Executive Mayor

If a municipal council has more than nine members, its executive mayor must appoint a MAYCO from among the Councillors to assist the executive mayor. The MAYCO must consist of the deputy executive mayor (if any) and as many Councillors as may be necessary for effective and efficient government, provided that no more than 20 per cent of the councillors or 10 councillors, whichever is the least, are appointed.

(iii) Election of Whip of Council

Each municipal council may elect a whip from among the councillors. The speaker of the municipality presides over the election of the whip.

(iv) Establishment of MPAC

A municipal council must establish a committee called MPAC. The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the EXCO, any member of the MAYCO, speaker, whip and municipal officials are **not** allowed to be members of the MPAC.

(c) For Collective Executive Type Municipality

(i) Determination of Executive Committee

Section 43(1) of the Structures Act provides that if the council of a municipality establishes an **executive committee**, it must determine a number of councillors necessary for effective and efficient government, provided that no more than 20 per cent of the councillors (fractions to be disregarded) or 10 councillors, whichever is the least, are determined. An executive committee may not have less than three members.

Section 43(2) now requires that **the award of seats on the EXCO to political parties be determined by a uniform formula**. The award of seats on the executive committee to political parties or political interests must be determined in the following manner -

“the number of seats won by a political party or political interest divided by the total number of councillors determined for that municipality in terms of section 20 and multiplied by the number of seats on the executive committee”

It must be noted that, if after the application of the formula the calculation results in a surplus, then that surplus must compete with other similar surpluses, and the seat on the EXCO is to be then awarded to the highest surplus. However, if there is an equality of the surpluses, the result **must then be determined by lot**.

(ii) Election of Mayor and Deputy Mayor

The municipal council must elect a member of its EXCO as the mayor and, if the MEC for local government in the province so approves (which will be provided for in the Section 12 Notice), another member of the EXCO as the deputy mayor, of the municipality.

(d) Procedure for Determination by Lot

There are different methods that may be utilised when determining a winner by lot. Below are two methods that can be employed when determining a winner for the election of Office Bearers/ determination of EXCO in municipal councils:

(i) Tossing / Flipping a Coin

The two authorised representatives from the two contesting parties should gather around the table where the Presiding Officer (Municipal Manager for Speaker post and Speaker for the rest of the positions) is seated, but in a manner that allows for transparency.

Each representative must choose either heads or tails. The Presiding Officer must write down the choices and announce the same before tossing or spinning the coin. The Presiding Officer must flip the coin in the air with his/her thumb. Allow the coin to land/settle on the table. The choice facing upwards is the winner. The Presiding Officer announces the winner. **The determination is final.**

(ii) Drawing of Name from a Box / any Other Container

The Presiding Officer (Municipal Manager for Speaker post and Speaker for the rest of the positions) should write the names of the two candidates on two equal size (A4/A5) pages (one name on each paper).

The Presiding Officer should fold the papers in exactly the same way and place the papers in an empty box (all councillors must witness that the box [if possible, a transparent clear glass / plastic] is empty), and request an impartial third party (for example, a member of the South African Police Service member who may be on duty) to extract one of the papers from the box. The name of the candidate that is pulled from the box is declared the winner.

7. POST ESTABLISHMENT PHASE

7.1 Management of Section 139 Interventions

- (a) Pending the enactment of comprehensive intergovernmental monitoring, support and intervention legislation, interventions must continue to be managed in accordance with section 139 of the Constitution, Chapter 13 of the MFMA, applicable regulations, National Treasury guidance, relevant court judgments and the terms of the applicable executive decision.
- (b) The **Department and National Treasury will issue a separate comprehensive circular** intended to guide those municipalities that were placed under intervention in terms of section 139 of the Constitution (and in some instances, in conjunction with section 139 of the MFMA), prior to the LGEs.

7.2 Review of Systems of Delegations

- (a) As far as the delegation of functions to the administration is concerned, all delegations and functions of the administrative structures and management of the municipality remain in place during the election period.

- (b) Section 59(2)(f) of the Municipal Systems Act determines that the system of delegations of a municipality must be reviewed when a new council is elected or in the case of a district municipality, when it is elected and appointed. The system of delegations of each municipality will have to be reviewed by the newly elected council, within one year from taking office, but until this has been done, the delegations remain in place. All administrative actions allowed in terms of legislation and the municipality's system of delegations continue during the transition period, such as the implementation of the Supply Chain Management Policy and process.
- (c) The Municipal Manager should therefore, as soon as possible, prepare a process plan for the review of the system of delegations for submission to the first council meeting. He/She must also table the existing system of delegations for adoption as a temporary system of delegations, pending the review of the system of delegations, as contemplated in section 59(2)(f) of the Municipal Systems Act.
- (d) The review of the system of delegations must include:
 - (i) Alignment to governance reforms;
 - (ii) Risk control measures; and
 - (iii) Oversight strengthening mechanisms.

7.3 Development and Adoption of IDPs

- (a) The Municipal Systems Act requires municipalities to adopt an IDP which is a single, inclusive and strategic plan of a municipality that integrates planning and aligns the resources and capacity of a municipality. In the main, the IDP integrates all sectoral plans to facilitate the achievement of integrated development in communities.
- (b) It is acknowledged that the LGEs take place four (4) months after the commencement of the municipal financial year. This poses a latent challenge insofar as adherence to legislated timeframes with regard to the adoption of the 5-year IDP and its subsequent implementation.
- (c) Given the fact that the IDP and budget were reviewed and adopted by 30 June 2026, the current council had an obligation to ensure that these stipulations were complied with. In this regard, the current council was expected to continue the process of the review starting with the development and adoption of the process plan provided for in section 28 of the Municipal Systems Act.
- (d) Section 25(3) of the Municipal Systems Act allows a municipal council to adopt the IDP of the preceding council. But should the incoming councils be dissatisfied with the priorities set out by the predecessor council, the incoming municipal councils are advised to consider the existing adopted IDP and resolve whether to initiate an amendment procedure, as guided by the Municipal Systems Act and the Local Government: Municipal Planning and Performance Management Regulations, 2001. However, it is advisable to consider these amendments with effect from the start of the municipal financial year to ensure consistency with the requirements of the annual

Division of Revenue Act. Section 37 of the 2026 DoRA sets out transitional arrangements to guide municipal councils from a resource-allocation perspective.

7.4 Establishment of Ward Committees

- (a) In terms of the Structures Amendment Act, local and metropolitan municipalities will have 120 days after the LGEs and post the first council meetings to establish ward committees. To ensure credibility, the election of ward committee members should be conducted in line with democratic good practices.
- (b) Should the establishment of ward committees not take place within the 120-day period, the Speaker must, prior to the expiry of the 120 days, in writing request the MEC responsible for local government in the province, for an extension. The MEC must respond within 14 days of receipt of the request and provide detailed reasons for granting or refusing the extension.
- (c) Municipal councils are responsible for the formulation of policies regarding the ward committee establishment processes, operations, and determination of payment of allowances/out-of-pocket expenses for ward committee members.
- (d) Post the establishment of ward committees, provinces must support municipalities in the induction of newly elected ward committee members. The induction will form part of a broader capacity building programme to be rolled-out throughout the term of office.

7.5 Councillor Remuneration During the Transition Period

- (a) Incumbent councillors remain entitled to remuneration and benefits until the date on which the newly elected council is declared elected in terms of section 26 of the Municipal Structures Act.
- (b) Municipalities must ensure that remuneration due to outgoing councillors is calculated on a pro-rata basis up to and including the last day of office, and must make all reasonable efforts to finalise payment of remuneration and approved benefits due to outgoing councillors within normal payroll cycles.
- (c) No remuneration, allowance or benefit may be paid to a councillor beyond the period for which such person lawfully holds office.
- (d) Newly elected councillors become entitled to remuneration only from the date upon which they assume office in terms of applicable legislation and following compliance with administrative requirements relating to payroll registration and taxation.
- (e) Municipalities should make advance administrative arrangements to facilitate the timeous processing of remuneration for newly elected councillors and to avoid disruptions or delays following the first council meeting.

- (f) Municipal Managers must certify that appropriate controls have been implemented to prevent duplicate remuneration payments to outgoing and incoming councillors for the same period.

7.6 Non-returning Councillors

(a) Salaries, benefits and allowances

- (i) A councillor who has **not been re-elected to office** when the next council is declared elected, is entitled to receive any councillor remuneration or benefits (including bursaries) from the municipality. Failure to adhere to this principle will result in the municipality incurring irregular expenditure as contemplated in section 167(2) of the MFMA, and it is mandatory for such expenditure to be recovered from the councillor concerned.
- (ii) Municipal Managers must make special arrangements to expeditiously pay non-returning councillors for the number of days that they remained as councillors.

(b) Municipal-owned property and assets

- (i) Municipal Managers must ensure that the administration has a full record of all municipal assets in the possession of or under the control of all councillors, and that necessary arrangements are made to ensure that they recover from non-returning councillors, any municipal assets in their possession. These municipal assets will include mayoral vehicles, cellphones, laptops, tablets and other computers, office equipment, etcetera. As far as possible, all assets that are taken into custody of the municipality must then be re-allocated to the newly elected councillors.
- (ii) In instances where the municipality has contracted with service providers for the issuance of municipal assets or tools of trade, the Municipal Managers must ensure that such assets are managed or recovered in line with the terms and conditions of such contracts.

(c) Outstanding debts

Where an outgoing councillor owes amounts for rates and service charges to the municipality, the Municipal Manager must ensure that lawful recovery arrangements are instituted to recover amounts owed by non-returning councillors from the last salary payable to such councillors. Any deduction from remuneration or benefits must be supported by written consent or another lawful basis, taking account of applicable remuneration determinations, municipal credit-control policies and other relevant legislation.

(d) Councillor pension benefits

- (i) Most councillors are members of pension funds. Municipal Managers should assign an official from within the municipality's Human Resources (HR)

department to assist non-returning councillors to claim their benefits from the respective pension funds.

- (ii) Municipal Managers should contact the Pension Fund Administrators to ensure that correct and up-to-date contributions and schedules have been submitted to the pension fund to avoid any delays in payment by the pension fund to non-returning councillors. Where possible, municipalities should also assist retiring councillors to get their tax affairs in order with the South African Revenue Service (SARS).
- (e) **Payment of a once-off gratuity (OOG)**
- (i) The main purpose of the OOG is to assist non-returning councillors to adjust to circumstances as they no longer find themselves in office, and to assist them to meet already entered-into financial commitments.
 - (ii) The DCoG will issue a detailed circular relating to the implementation and the rollout of these payments. The OOG will be paid to eligible non-returning councillors who will not return to office after the 4 November 2026 LGEs.

7.7 Integrated Councillor Induction Programme (ICIP)

- (a) SALGA, in collaboration with DCoG, National Treasury and the National School of Government, will develop an ICIP that will be rolled out after the 4 November 2026 LGEs. The programme will provide incoming councillors with a broad overview of the municipal environment and will, inter alia, cover their roles and responsibilities; the policy and legal framework; and various municipal processes.
- (b) The topics to be covered will, amongst others, include councillor oversight; good governance principles; delegations; roles and responsibilities; cooperative governance; standing rules of order; compliance with the Code of Conduct for councillors; financial management; and strategic planning.

7.8. Funded Budgets and Financial Sustainability

- (a) Municipal councils must ensure that budgets are funded, credible and aligned to realistically anticipated revenue. Municipalities with unfunded budgets, adverse audit outcomes or persistent financial challenges may be subjected to interventions and funding-related measures in terms of applicable legislation.
- (b) Municipalities must prioritise the payment of creditors, including Eskom and Water Boards, to avoid service disruptions and financial instability.

7.9. Municipal Support and Intervention Plans (MSIPs)

- (a) Municipalities, provinces and national departments must continue implementing MSIPs to address governance, financial management and service delivery challenges. Newly

elected councils must institutionalise MSIPs within municipal planning and oversight systems.

- (b) DDM structures and intergovernmental forums must continue monitoring implementation and reporting on progress.

8. ENQUIRIES

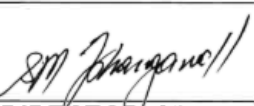
Enquiries relating to the various matters dealt with in this circular may be directed to the persons mentioned in the table below:

Department of Cooperative Governance	National Treasury	South African Local Government Association
Adv. Marna Dunkle-Kock Chief Director: Municipal Governance Telephone: (083) 452 0401 E-mail: MarnaK@cogta.gov.za	Mr Jan Hattingh Chief Director: Local Govt. Budget Analysis Telephone: (012) 3155 1155 E-mail: jan.hattingh@treasury.gov.za	Mr Lance Joel Chief Officer: IGR and Municipal Resilience Telephone: (012) 369 8000 E-mail: ljoel@salga.org.za

9. CONCLUDING REMARKS

We reaffirm our commitment to supporting provinces and municipalities in strengthening governance, accountability and service delivery during and after the 2026 LGEs. All stakeholders are urged to work collaboratively to ensure stability, ethical leadership, sound financial management and responsive local governance throughout the transition into the new term of municipal councils. **Any incidents of fraud, corruption, maladministration or governance failures must be addressed decisively and reported to the relevant authorities without delay.**

With kind regards,

MR MBULELO TSHANGANA	DR DUNCAN PIETERSE	MR SITHOLE MBANGA
	Signed by: Duncan Etienne Pieterse Signed at: 2026-09-30 09:36:37 +02:00 Reason: Witnessing Duncan Etienne Pieterse 	
DIRECTOR-GENERAL Department of Cooperative Governance	DIRECTOR-GENERAL National Treasury	CHIEF EXECUTIVE OFFICER South African Local Government Association
DATE: 02/10/2026	DATE: 30/09/26	DATE: 02/10/2026

ANNEXURE A:
LIST OF NATIONAL DDM POLITICAL CHAMPIONS

EASTERN CAPE	
DISTRICT	CHAMPION
Alfred Nzo	Minister Mzwanele Nyhontso Deputy Minister Nokuzola Capa
Amathole	Minister Siviwe Gwarube Deputy Minister Rev. Zolile Burns Ncamashe
Buffalo City Metro	Minister Mmamoloko Kubayi
Chris Hani	Minister Enoch Godongwana
Joe Gqabi	To be confirmed
Nelson Mandela Bay Metro	Minister Maropene Ramokgopa
OR Tambo	To be confirmed
Sarah Baartman	Deputy Minister Bantu Holomisa
FREE STATE	
Fezile Dabi	Deputy Minister Maggy Soty
Lejweleputswa	Minister Nomakhosazana Meth Minister Solly Malatsi
Mangaung Metro	Minister Parks Tau Deputy Minister Pinky Kekana
Thabo Mofutsanyana	Minister Ronald Lamola Deputy Minister Seiso Mohai
Xhariep	Deputy Minister Mapaseka Steve Letsike
GAUTENG	
City of Ekurhuleni Metro	Minister Thembisile Simelane Deputy Minister Zuko Godlimpi
City of Johannesburg Metro	Minister Pemmy Majodina Deputy Minister Ashor Sarupen Deputy Minister Ganief Hendricks
City of Tshwane Metro	Minister Dr Aaron Motsoaledi Minister Leon Schreiber Deputy Minister Peace Mabe
Sedibeng	Minister Angie Motshekga
West Rand	Deputy Minister Judith Nemadzinga-Tshabalala
KWAZULU-NATAL	
Amajuba	Minister Gwede Mantashe Deputy Minister Phumzile Mgcina
eThekweni Metro	Minister Stella Ndabeni-Abrahams Minister Dean MacPherson Deputy Minister Narend Singh
Harry Gwala	Minister Blade Nzimande Deputy Minister Richard Mkhungo
iLembe	Deputy Minister Sihle Zikalala
King Cetshwayo	Deputy Minister Njabulo Nzuza
Ugu	Deputy Minister David Masondo

uMgungundlovu	Deputy Minister Joe Phaahla Deputy Minister Kenny Morolong
Umkhanyakude	Deputy Minister Nomalungelo Gcina
uMzinyathi	Deputy Minister Ntuthuko Sibiya
uThukela	Deputy Minister Mkhuleko Hlengwa
Zululand	Minister Nkosi Mzamo Buthelezi
LIMPOPO	
Capricorn	Deputy Minister Dr Dickson Masemola
Mopani	Minister Nobuhle Nkabane
Sekhukhune	Deputy Minister Stanley Mathabatha Deputy Minister Lindiwe Ntshalintshali
Vhembe	Deputy Minister Dr Buti Manamela
Waterberg	Deputy Minister Thandi Moraka
MPUMALANGA	
Ehlanzeni	Deputy Minister Cassel Mathale Deputy Minister Bernice Swarts
Gert Sibande	Minister Sindisiwe Chikunga Deputy Minister Reginah Mhaule
Nkangala	Deputy Minister David Mahlobo Deputy Minister Polly Boshielo
NORTHERN CAPE	
Frances-Baard	Deputy Minister Nonceba Mhlauli
John Taolo-Gaetsewe	Deputy Minister Alvin Botes
Namakwa	Deputy Minister Sello Seithloho
Pixley Ka Seme	Minister Pieter Groenewald
ZF Mgcawu	To be confirmed
NORTH WEST	
Bojanala	Minister Kgosientsho Ramokgopa
Dr Kenneth Kaunda	Minister Khumbudzo Ntshavheni
Dr Ruth Mompati	Deputy Minister Jane Sithole
Ngaka Modiri Molema	Deputy Minister Mondli Gungubele
WESTERN CAPE	
City of Cape Town Metro	Minister Barbara Creecy Deputy Minister Andries Nel
Cape Winelands	Deputy Minister Thandi Mahambehlala
Central Karoo	Deputy Minister Mimmy Gondwe
Garden Route	Minister Gayton McKenzie
Overberg	Minister Patricia De Lille
West Coast	To be confirmed