

NORTH WEST PROVINCIAL LEGISLATURE



REPORT OF THE PORTFOLIO COMMITTEE OF CORPORATIVE
GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS FOR
2010/11- 2014/2015 STRATEGIC PLAN
2010/11- 2012/13 ANNUAL PERFORMANCE PLAN
FOR THE DEPARTMENT OF LOCAL GOVERNMENT AND TRADITIONAL
AFFAIRS

CHAIRPERSON: HON P SEBEGOE

MAY 2010

1. Introduction

The department of Local Government and Traditional Affairs made a presentation to the Portfolio Committee as provided for in the Constitution Chapter 6 number 133 section 3 (b) on the Annual Performance Plan for financial year 2010/11 and Strategic plan for financial year 2010/11- 2014/15. This was done to empower the portfolio committee to be more informed in processing the budget vote and to make recommendation to the House.

It must be noted that the Premier has appointed a new Head of department Mr Themba Fosie who resumed his duties on the 01 April 2010.

2. Strategic Objectives

During the presentation the department showed commitment to heed to the plans from the Minister to implement the Local Government Turnaround strategy. As the Minister has pronounced only the framework, provincial department and municipalities are expected to customize the Turnaround strategy to their locality. During the State of the Nation address by the President he emphasized on the need for drastic change at local government. Local government is the closest sphere of government to the communities the failure of local government will be equated to failure of governance polices as a whole.

The greatest constraint to bringing change to the department has been identified as limited financial resources and internal capacity within the department. This in itself has restricted optimal delivery of the mandate of the department. And this has resulted in the department being reactive to the numerous uprising that were instigated by backlogs in service delivery and non performance by the local sphere of government.

3. Local government Turnaround Strategy:

Post the Department of Corporative Governance and Traditional Affairs assessment of all provinces and the state of Local government these ten points plan to turn around the state of local government and have been outlined as follows:

- ❖ Improve the quantity and quality of basic services for all people in terms of water, sanitation , electricity , waste management, roads and disaster management
- ❖ Enhance the municipal contribution to job creation and sustainable livelihoods through local economic development (LEDs) utilizing cooperatives in every ward
- ❖ Deepening democracy through a refined ward committees system that will be based on the will of the people
- ❖ Municipalities that has reliable and credible integrated development plans(IDPs) that are used as a guide for every development, programmes and projects within that municipality
- ❖ Build and strengthen the administrative, institutional and financial capabilities of municipalities
- ❖ The creation of a single window of coordination, support, monitoring and intervention as to deal with uncoordinated interaction by other spheres of government with municipalities including unfunded mandates
- ❖ Uprooting of corruption, nepotism, maladministration in our system of local government
- ❖ Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system
- ❖ Develop and strengthen a politically administrative stable system of municipalities and
- ❖ Restore the institutional integrity and municipalities

- Monitoring of the four section 139 interventions through a steering committee
- Quarterly monitoring of section 106 investigations in the 4 priority municipalities
- ❖ Programme 3: Development and Planning
 - Assessment and review of second generation IDP's
 - The department will assist municipalities in developing LED strategies
 - The Portfolio Committee has to note that there has been a 100% MIG project registration and commitments for the 2011/2012 allocations
 - The department has to prioritise a report to monitor and reduce infrastructure backlogs
 - All 20 local municipalities indigent policies and registers to be reviewed and updated
- ❖ Programme 4: Traditional Affairs

The department has made some of these key priorities:

- The programme is undertaking a skills audit with a view of addressing administrative capacity challenge
- Administrative and technical support to all traditional councils and district houses
- Construction and renovation of office of traditional councils
- Supporting commission on traditional leadership disputes and claims

The department also unveiled its financial plans for the year 2010/2011 amounting to **R 302 326 000**. Below outlined is the comparative Budget allocation for 2009/2010 and budget allocation in 2010/2011

BUDGET ALLOCATION PER PROGRAMMES

Programme	Budget Allocation (R' 000) 2009/2010	Budget Allocation (R000) 2010/2011
1. Personnel	R162 303	R175 876
2. Local Government	R171 995	R 77 934

4. Presentation and Budget:

The department's presentation emphasized the policy context that the department is mandated from and the four programmes that it will embark on to realize its constitutional mandate. The programmes the department has identified is as follows and some of the key priorities aligned to be:

❖ Programme 1: Administration

The administration programme forms part of the support structure for care programmes like Local Government, Development & Planning and Traditional Affairs

❖ Programme 2: Local Government

The Key priorities of the Local Government programme are:

- Implementation of the Municipal Property Rates Act
- Implementation of Operation Clean Audit.
- Capacitation of BTO's (training through siyenza manje deployees)
- Promotion of public participation in municipal governance through established and functional ward committees.
- Promote access to government-wide services to the communities through the CDW programme.
- Coordination and monitoring of the development and implementation of Local Government Turn-Around Strategies and compilation of municipal status quo assessment report for 24 municipalities.
- Maintenance of Local Government network and resource centre for 24 municipalities.
- Continuous monitoring of the CDW programme through the developed Web-based M&E tool.
- Revenue enhancement and debt recovery project in 5 targeted municipalities
- MPRA support [supplementary valuations, appeals, compliance to act etc
- Support with skills audits in targeted municipalities

3. Traditional Affairs	R71 653	R76 546
4. Development & Planning	n/a	R 97479

The Committee has noted with serious concern and disappointment of a drastic decrease in the allocation made for Local Government for the financial year 2010/2011 as compared to the 2009/2010 financial year which was even reported as the lowest of all the provinces (including Northern Cape which is the smallest in size and population).

5. Service delivery challenges by the department:

- ❖ Infrastructure backlog
- ❖ The department is experiencing technical capacity problems in municipalities (also aggravated by wrong/irregular appointments).
- ❖ Failure or slow implementation of MPRA
- ❖ There is a high Traditional leadership succession disputes which are taking long time to resolve
- ❖ There is still a serious problem of access to basic quality services i.e water , sanitation and others to most of municipalities (particularly, small municipalities)
- ❖ There is still a problem of fraud, corruption and maladministration, especially with unresolved cases
- ❖ Inability of most municipalities to deal with service delivery challenges

6. Committee Concerns:

- ❖ The Department mentioned lack of technical capacity in the previous year's Annual Performance Plan and strategic plan, with very little signs of improvement and achievements. This is attributed largely to lack of capacity within the department.

- ❖ It is reflected that only 5 municipalities have been targeted for revenue enhancement plans, why only five have been identified as all municipalities need intervention?
- ❖ What was the criterion for the municipalities selected for revenue enhancement plans
- ❖ The National Treasury has made allocation to Human settlement for water and sanitation; what would be the specific role of COGTA in this instance with regards to the allocation
- ❖ The department should indicate if the Ten point plan have been costed and catered for in the plans of the department and how will the department operations be affected as a result of this prioritization.
- ❖ How soon will the traditional commission be put in place and what are the specific powers it will have. This need to be outlined in the brief and should be prioritized in the department key performance areas.
- ❖ It's of great concern that bogosi disputes are taking so long to resolve, how different would this new commission be as compared to the Nhlapho commission
- ❖ What would be financial implications of the department re-alignment and whether the current departmental financial constraints escape this challenge?
- ❖ How does the department intend prioritizing risk management as it is not catered for in the Ten Point plan.
- ❖ Department need to provide business case that demonstrates on how the Traditional Trust funds will be accessed and utilized.
- ❖ Department must explain to what extent that the SCOPA resolutions have been implemented in the department and how it intend addressing all outstanding cases.
- ❖ Department need to provide an integrated Human Resource and Training Plan that is towards addressing skill shortages identified.
- ❖ The department must produce a business case that is demonstrating on how its revenue enhancement programme within the deserving

municipalities will enable these municipalities to stand on their own and be self sustainable within a particular prescribed period.

7. RECOMMENDATIONS

- ❖ The Department should now submit quarterly reports to enhance and all tasks agreed upon accountability by the department to the Legislature in terms of its deliverables.
- ❖ A comprehensive Turnaround strategy should be submitted by the department to the Portfolio Committee and it should include:
 - The proposed structure realignment plan for the pursuit of the portfolio committee
 - A comprehensive report on the roles and functionality of CDW's and indicate where there are conflicts and how they are being managed. Special focus should be to all those municipalities which are in need of these functions as a result of accessibility problems by members of the public.
 - Must indicate and provide functionality of all the 24 municipalities, Audit committees, and indication of where SCOPA resolutions have not been implemented and reasons should be availed in this instance
 - Department should provide updated Municipality Assessment Report
 - Department should provide a comprehensive report on all outstanding labour dispute at each municipality and those recently finalized and how they have been resolved.
 - Department must submit capacity building plan for each municipality based on the audit done.
 - Since Nhlapo commission has been dissolved a hand over Report on the matters that were referred to them which are specific to the province should be availed indicating progression of each referral

- ❖ The department needs to demonstrate progress with regard to SIU investigations within municipalities as proclaimed by the President.
- ❖ There is noticeable shortage of CDW's in the province.
- ❖ The department need to therefore demonstrate on how they can ensure proper utilization of the current available CDW's with specific focus to needy municipalities, particularly those who are predominantly rural.
- ❖ Department need to demonstrate how many CDW's does the department intends on recruiting and employing in the current financial year (especially in the first quarter).
- ❖ Department should indicate how ward committees are being supported to carry out their mandate to reflect an improvement from the current situation.
- ❖ Department should reflect on clear plans in addressing the capacity problem currently being experienced.
- ❖ Department should come up with an audit plan and programme in addressing wrongful appointments within municipalities
- ❖ There must be an establishment of a special team to deal with all gross irregularities pointed out by the Auditor-General (especially where ther is an indication of lack of improvement).
- ❖ The department must develop a performance assessment and reporting of all the section 139 and 106 interventions within municipality to determine the extent to which these interventions are assisting to change the situation.
- ❖ With the construction of tribal offices the department must provide a report reflecting how many have been rehabilitated and how many have been constructed
- ❖ It has been noted that some of the contributing factors to municipality debt is the nonpayment by councilors, what plans have been put in place to recoup the outstanding amounts

- Income and Expenditure report on all municipalities tracking expenditure on allocation and allowable grants to the municipality should be provided with comments on reasons for under expenditure or over expenditure and actions taken.
- A more detailed report should be submitted to the Portfolio Committee substantiating a need for additional funding within 14 days for a further discussion with the provincial Treasury.
- A progress report on all intervention by provincial government where Section 139 and 306 have been invoked
- A report should be submitted on uncollected debt from councilors and employees of the municipality with clear intended actions
- A report on Lost recovery issues should be submitted
- A report on Evaluation Performance Development should be submitted

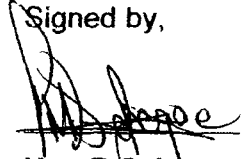
CONCLUSION

In conclusion, Hon. Speaker upon receiving these countless reports, the Committee will consider and engage with them. After interrogation, your House will be informed on the new development of our deliberations.

The portfolio committee therefore recommend to this House to accept the Strategic Plan(2010/11-2014/15) and Budget for the financial year 2010/11 and that the Provincial Treasury should seriously consider extra and appropriate funding for the department to be able to address amongst others assisting municipalities in terms of putting effective systems in place otherwise this will just be a compliance exercise.

Thank you

Signed by,



Date: 17/05/2010

Hon P Sebegoe

PC-Developmental Local Government, Housing and Traditional Affairs