

REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS IN RELATION TO THE 3RD QUARTERLY REPORT OF THE DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA) – MEETING HELD ON 15 MARCH 2016

1. INTRODUCTION

As stated in Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature, the Member of the Executive Council responsible for a provincial department must table the quarterly report of the department to the Speaker, within thirty (30) calendar days after the end of a quarter.

The Committee considered the 3rd quarterly report of the Department of Co-operative Governance and Traditional Affairs (the department) for the 2015/16 financial year, reporting period October – December 2015. Interaction with the Department was aimed at assessing the Department's performance for the quarter.

2. METHOD OF WORK

The Honourable Speaker referred the 3rd quarterly report of the Department of Co-operative Governance and Traditional Affairs to the Portfolio Committee for consideration and report back to the House.

On 09 March 2016, the Committee was briefed by the researcher on the 3rd quarterly report of the Department. The Committee interacted with the Department during the deliberations, which were held on 15 March 2016. The analysis questions were sent to the Department and the written responses were submitted to the Legislature.

The Honourable MEC for COGTA, the Acting Head of Department (HOD) and his senior management team, the Provincial Treasury, the Office of the Auditor-General, South African Local Government Association (SALGA), Provincial Service Commission (PSC) and House of Traditional Leaders (HTL) were invited to the meeting. Subsequently, the Committee considered and adopted its report on 20 April 2016.

3. GENERAL OBSERVATIONS BY THE COMMITTEE ON 3rd QUARTERLY REPORT

- ❖ The Department has managed to spend R 359 223 000 i.e. 75.4 % which is within the Treasury benchmark for the period under review.
- ❖ The Committee commended the Department for producing quality reports to the Committee and requested the Department to submit outstanding Annexures as per its report.
- ❖ The Department submitted an updated progress report on the 2nd quarterly report of 2015/16 financial year.

4. ANALYSIS ON THE BUDGET EXPENDITURE

The Committee considered the department's 3rd quarterly expenditure trend and made the following observations:

Expenditure summary per Programme during the 3rd quarter

R'000	Main Budget 2015/16 (R'000)	Actual to end of December 2015 – (R'000)	Outcome % Budget	Projections from 01 Jan 2016 – 31 March 2016	(Over)/under spending	%(Over)/Under spending
Programmes						
1. Administration	111 219	79 625	71.6 %	29 871	1 723	1.5 %
2. Local Governance	153218	113 580	74.1 %	39 638	-	0.0 %
3. Development & Planning	48 726	35 558	73.0 %	13 492	-324	-0.7 %
4. Traditional Institutional Management	146 651	117 557	80.2%	28 967	127	0.1 %

5. The House of Traditional Leaders	16 478	12 903	78.3%	5 101	-1 526	-9.0 %
Total	476 292	359 223	75.4%	117 069	-	0.0 %
Economic Classification						
Compensation of employees	352 207	256 104	72.7%	91 775	4 328	1.2%
Goods & Services	62 713	47 414	75.6%	19 606	4 307	-6.9%
Total transfers & subsidies	20 893	19 260	92.2%	1 633	-	0.0%
Payment for Capital Assets	40 130	36 075	89.9%	4 055	-	0.0 %
Total	476 292	359 223	75.4%	117 069	-	0.0%

The Committee noted the above-mentioned summary of actual expenditure per programme and the total adjusted appropriation per programme for the 2015/16 financial year. The Committee further noted that the above table shows that Programme 4: Traditional Institutional Management and Programme 5: House of Traditional Leaders have exceeded the 75% of the Treasury bench-mark whereas Programme 1: Administration; Programme 2: Local Governance and Programme 3: Development and Planning have spent below the 75 % during the period under review.

It was further noted that the compensation of employees is below the 75 % Treasury bench-mark whereas, during the Mid-Term Report, total transfers and subsidies and payment for capital assets have exceeded both the Treasury benchmark and the acceptable norm of 2 % over expenditure.

The Committee requested the Department to provide an explanation on the measures that have been put in place to prevent the over expenditure for Programmes 4 and 5 during the final quarter of the current financial year. In its response the Department reported that it has intensified its cost containment measures on the high spending items in the two programmes. Additional budget has been allocated during budget adjustment estimate, and virements will be effected in accordance with the Public Finance Management Act (PFMA) and Treasury Regulations requirements to defray possible over expenditure on these two programmes.

The Department will also continue to monitor its spending through monthly and quarterly performance review sessions and remedial actions will be taken to correct areas of over/under performance on both financial and non-financial matters. The Department further reported that as at 29 February 2016, the spending for programme 04 and 05 was standing at 88.4 and 90.3% per cent respectively, which is well within the treasury benchmark of 92 per cent.

The Committee further wanted to know as to what extent does the over expenditure of Programmes 4 and 5 affected other programmes and the impact of over expenditure on the other programmes. The Department reported that the over expenditure for the two programmes did not affect the other Programmes within the Department as additional funding was allocated during the budget adjustment estimate and virements were effected without compromising service delivery in the other programmes.

5. PRESENTATION BY ACTING HEAD OF THE DEPARTMENT (HOD) AND INTERACTION ON THE MAIN PROGRAMMES

The Acting HOD, Mr G Ntombela briefed the Committee on the Departmental performance on the financials and non-financials. The Acting HOD presented the 3rd quarterly report as it was tabled to the Committee. After the presentation, the Committee welcomed the presentation and interacted on it programme by programme.

5.1. PROGRAMME 1: ADMINISTRATION

The purpose of the Programme is to provide overall political, strategic and administration support and management to all unit and programmes of the department in terms of political guidance, strategic management, risk management, legal services, financial management, security management, human resource management, transversal services, planning and programme management and communication and IT services in accordance with applicable Acts and policies of the department.

Programme 1: Administration

Corporate Services	Planned Targets	Actual Outputs	%
Finance	2	2	100%
Human Resource Management	1	1	100 %
Legal Services	10	17	170%
Security Management	1	1	100%
Planning and Programme Management	2	2	100%
Communication & IT Support	-	-	-
Total	16	23	143.8%

The Committee noted that the above Table shows the performance of the sub-programme on corporate services. Programme 1: Administration had total planned targets of sixteen (16) and twenty three (23) actual outputs which translate to 143.8 % during the period under review. The legal services during the second quarterly report have registered its planned targets as shown on the table above. The Committee was satisfied that Programme 1 did not encounter challenges as reported in the 3rd quarterly performance.

5.2. PROGRAMME 2: LOCAL GOVERNANCE

The Programme provides for the implementation of an institutional, administrative, financial and public participation framework. The Programme has (seven) 7 sub-Programmes which are mentioned as follows:

- Municipal Administration;
- Intergovernmental Relations;
- Municipal Finance;
- Public Participation;
- Capacity Development;
- Municipal monitoring, reporting and evaluation;
- Service delivery improvement;

Programme 2: Local Governance

Sub-programmes	Planned Targets	Actual Outputs	%
Municipal Administration	63	72	114.2%
Intergovernmental Relations	20	20	100 %
Public Participation	412	23	6%
Capacity Development	24	23	96%
Municipal Monitoring Report and Evaluation	11	09	81.8%
Service Delivery Improvement	05	06	120%
Total	535	130	24.2%

The Committee noted that the above table shows the summary of the planned targets and actual outputs under Programme 2. The Department provides support to municipalities through Programme 2: Local Governance.

Public Participation

The Committee also noted some of the reasons provided by the Department for non-achievement, are adequate, that the sub-programme on public participation has grossly under achieved its planned targets even during the second quarterly reporting.

The Committee raised a serious concern of the reasons that the under achievement was on account of the failure of Ward 15; 16 and 17 in Mbombela Local Municipality wherein they did not review their operational plans owing to the fact that ward councilors were not cooperative and the Committee further wanted to know on what corrective measures has the Department put in place to ensure that the Ward Councillors do cooperate. The Department reported that the affected municipality is Mbombela Local Municipality. The MEC for COGTA, Ms RM Mtshweni has written a letter on 12 December 2015, directing the Speaker of Mbombela Local Municipality to enforce the relevant applicable legislations (Municipal Systems Act and the Municipal Structures

Act), policies and the code of conduct for councilors to the councilors of the affected wards. The Speaker of Mbombela Local Municipality was further requested to implement the corrective measures to councilors and ward committees that are not in compliance with the legislation.

The Committee also requested the Department to explain a plan that will be able to strengthen public participation. In its response the Department reported that, a draft Provincial Public Participation Policy has been developed and circulated to municipalities for inputs. The Department coordinates provincial public participation forums on a quarterly basis, with all twenty one (21) municipalities to discuss issues of public participation in the province. Public participation is also one of the Targeted Key Focus Area (KFA) of the scorecard in line with the Back-to-Basics programme. Municipalities are measured on this KFA using the scorecard.

The Committee further requested the Department to explain if municipalities have an effective public participation strategy and to submit the copy thereof. The Department reported that only thirteen (13) out of the twenty one (21) municipalities have effective public participation strategy. The Department working together with the District Municipalities continue to assist the remaining eight (8) Municipalities to develop their public participation strategies. Municipalities with effective public participation strategies are Ehlanzeni, Gert Sibande and Nkangala District Municipalities: Umjindi, Bushbuckridge, Thaba Chweu, Mbombela, Victor Khanye, Steve Tshwete, Govan Mbeki, Msukaligwa, Dipaleseng, and Emakhazeni Local Municipality. Whereas Thembisile Hani, Emalahleni, Dr JS Moroka, Nkomazi, Mkhondo, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli and Lekwa Local Municipalities do not have effective public participation strategies.

5.3. PROGRAMME 3: DEVELOPMENT AND PLANNING

The purpose of the programme is to facilitate and support integrated development planning at provincial level and within municipalities

Development and Planning

Sub-Programmes	Planned Targets	Actual Outputs	%
Strategy Development, Research, Policy & Planning (IDP Coordination)	03	03	100%
Spatial Planning	31	31	100%
Land Use Management	46	77	167%
Local Economic Development	2006	6084	303%
Municipal Infrastructure Grant Programme	33	34	103%
Water Services	8	7	88%
Disaster Management	15	15	100%
Total	2142	6223	290.5%

The Committee noted that that the Programme had the total planned targets of 2142 and achieved the total actual outputs of 6223 which translate to 290%. The Department should be commended for the overall performance of Programme 3 although there is only one sub-programme that has achieved below 100%, which are water services. There should be room for improvement on the sub programme because it deals with basic services that affect the community.

Water Services

The Committee wanted to know the measures being put in place to ensure that provision or supply of water services is provided across the Province. In its response the Department reported that during the 2015/16 financial year, an amount of R2, 7 billion was contributed by National Department of COGTA, provincial and local governments to help accelerate the provision of water and sanitation services in the Province. The funding was directed at accelerating the implementation of water and sanitation projects in the Province.

The key amongst the major interventions were the total of 256 water and sanitation bulk and reticulation infrastructure projects which are under implementation, (six) 6 at planning and appraisal stages, 204 under construction, 46 completed and benefited 120 701 households. In addition (nine) 9 Steel Reservoirs have been completed for Mbombela, Nkomazi and Bushbuckridge municipalities. 13 Additional storage steel tanks were acquired for Bushbuckridge with capacities ranging from 350kl to 700kl. Villages such as MP stream, Xanthia, Ga-Relani, Matsikitsane, Tekamahala, Soweto, Nhlalakahle, Komana, Edinburg, Mathibela and Marite.

This is in line with enhancing the storage capacity in areas where acute shortage of water has been encountered. A total of 278 boreholes are being drilled as a temporary arrangement for areas without permanent water infrastructure in our municipalities; to date a total of 132 boreholes have already been delivered in municipalities such as in Chief Albert Luthuli, Dr Pixley Ka Isaka Seme, Lekwa, Mkhondo, Msukaligwa, Thembisile Hani, Emakhazeni, Victor Khanye, Umjindi, Thaba Chweu and Mbombela.

The Department has reported the following progress achieved so far regarding access to basic water services in the Province. A total of 87% (1 032 235 out of 1 193 573) households have access to water. The Department has also formed a Provincial Task Team that will be assisting with the planning and support for the roll-out of water and sanitation projects in the Province.

The team comprises of the Departments of Water and Sanitation, Human Settlements, Department of Cooperative Governance (with its Municipal Infrastructure Support Agent), the district municipalities. Comprehensive Infrastructure Plans are developed targeting areas without bulk infrastructure or reticulation where infrastructure is available. The Team contributes with financial and/or technical skills where available.

The strategic interventions are largely on the full value chain from source to source of water supply. This means, from rivers and dams to consumption taps and back to the eco-system after waste water has been purified. It is for this reason that the support measures include the following:

- ❖ Availability and sustainability of water source, eg. dams, rivers or ground water.
- ❖ Availability and functionality of bulk infrastructure, eg Purification Plants, Storage Reservoir and bulk networks.
- ❖ Functionality and sustainability of reticulation networks as well as household accessibility of such network and
- ❖ Maintenance and proper operations of the total water supply value chain.

The Department further reported that in 2016/17 financial year, municipalities will be receiving various grant funding where more than R2 billion is set aside to address water related challenges. Contributions are mainly from Municipal Infrastructure Grant, (MIG), Municipal Water Infrastructure Grant (MWIG), Regional Bulk Infrastructure Grant (RBIG), Accelerated Community Infrastructure Programme (ACIP), Water Services Operating Subsidy Grant (WSOSG), and Rural Households Infrastructure Grant (RHIG). Municipalities have been advised to prioritize all households in both urban and rural areas by ensuring that sufficient source, bulk infrastructure, storage facilities and distribution networks are in place.

The Department has ensured that out of R1, 6 billion Municipal Infrastructure Grant (MIG) allocations of R1.4 billion is committed to water projects to deal with all outstanding work in villages.

Part of the other portion of the fund will be geared at accelerating bulk sanitation infrastructure to all our communities in pursuit for decent sanitation as was promised by Government. The Department of Water and Sanitation working closely with the Department of Co-operative Governance and Traditional Affairs (COGTA), Department of Human Settlements (DHS) and all municipalities is currently ensuring that credible plans are put in place for 2016/17 financial year and all outstanding work is accelerated and properly monitored.

War on Leaks Programme

The War on Leaks programme will also be expanded during the 2016/17 financial year to benefit (six) 6 additional municipalities. These are Chief Albert Luthuli Municipality, Dr JS Moroka municipality, Thembisile Hani municipality, Emakhazeni municipality, Nkomazi municipality and Bushbuckridge municipality. The Department also reported that it will also ensure that all municipalities prioritize the outstanding work and that all measures are incorporated in the Integrated Development Plans (IDPs).

PROGRAMME 4: TRADITIONAL INSTITUTION MANAGEMENT

The purpose of this programme is to support, strengthen and capacitate the developmental capacity and capability of Traditional and royal councils to accelerate rural development. The programme comprises of four sub-programmes, namely, Traditional Institutional Administration; Rural Development Facilitation and Traditional Land Administration.

Traditional Institution Management

Sub-Programmes	Planned Targets	Actual Outputs	%
Traditional Institutional Administration	16	16	100%
Traditional Resource Administration	01	01	100%
Rural Development Facilitation	04	02	50%
Traditional Land Administration	03	03	100%
Total	24	22	91.6%

The Committee noted that the Programme had twenty four (24) planned targets and achieved twenty two (22) (91.6%) total planned targets. Under the sub-programme: Rural Development Facilitation has achieved half of its planned targets. The Committee further noted that the challenge the Department reported was with regards to the delay in the delivery of the building materials by the suppliers. The Committee commends the Department for the better achievement of planned targets.

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS

The purpose of this programme is to provide strategic and political leadership to the House of Traditional Leaders. The Programme has two key sub-programmes, namely, administration of the House of Traditional Leaders and Committees and Local Houses of Traditional Leaders.

Programme 5: House of Traditional Leaders

Sub-Programmes	Planned Targets	Actual Outputs	%
Administration of the House Traditional Leaders	9	8	89%
Committees of Local House of Traditional Leaders	9	9	100%
Total	18	17	94.4%

The Committee noted and commended the Department for achieving on this programme. The programme had a total of eighteen (18) planned targets and achieved seventeen (17) (94.4 %) actual outputs. The Committee also requested the Department to plan on time when purchasing the cars of the Traditional Leaders.

6. PETITIONS

The Committee noted that the latest report the Department submitted on 16 February 2016 only responded to fifty one (51) petitions, out of 149 outstanding petitions. The Committee raised a concern that the Department does not comply with submission dates and two (2) follow up letters were written to the Department. The Department should prioritise the importance of petitions and to further develop clear guidelines of dealing with petitions in the Province right from Municipal to Provincial level.

7. FINDINGS

After the interaction, the Committee found that;

- a) The Department has a challenge in monitoring its spending through monthly and quarterly performance review sessions and has areas of over/under performance on both financial and non-financial matters.
- b) There was a delay in the delivery of building materials for the construction of the Traditional Councils' offices which are at Barolong Ba Lefifi Traditional Council; Mjindi Traditional Council, Moreiputso Traditional Council and Malele Traditional Council.
- c) The Department has under achieved on public participation due to the failure of Wards 15; 16 and 17 in Mbombela Local Municipality for not reviewing their operational plans owing to the fact that ward councilors were not cooperative.
- d) During the 2015/16 financial year, the Department had received R2, 7 billion which was contributed by National Department of COGTA, provincial and local governments to help accelerate the provision of water and sanitation services in the Province. And the following major interventions are under implementation: the 256 water and sanitation bulk and reticulation infrastructure projects;
- e) Still to assist the remaining (eight) 8 Municipalities to develop their public participation strategies. Thembisile Hani, Emalahleni, Dr JS Moroka, Nkomazi, Mkhondo, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli and Lekwa Municipalities.
- f) The Department has provided progress report on fifty one (51) petitions out of the 149 petitions given to the Department in November 2015.

8. RECOMMENDATIONS

The Committee recommends that the Department must:

- a) Ensure that monitoring and a remedial action is taken in order to correct areas of over/under performance on both financial and non-financial matters.
- b) Ensure that the delivery of building materials for the construction of the Traditional Councils' offices at Barolong Ba Lefifi Traditional Council; Mjindi Traditional Council, Moreiputso Traditional Council and Malele Traditional Council is finalised by 30 May 2016.
- c) Strengthen the monitoring system in ensuring that the Ward Councillors are co-operating and complies with the responsibilities given to them.
- d) Ensure that the challenge of water shortage in the province is addressed as progress on water provision to date has been reported that 87% (1 032 235 out of 1 193 573) households have access to water. A progress report be submitted to the Committee by 30 May 2016, thereafter on a quarterly basis;
- e) Must fast track and finalise the public participation strategies in order to assist the remaining eight (8) Municipalities which are Thembisile Hani, Emalahleni, Dr JS Moroka, Nkomazi, Mkhondo, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli and Lekwa Municipalities so that they can be effective in providing service delivery to the communities.
- f) Comply with the due date for submitting the reports to the Select Committee on Petitions for timeous feedback to the petitioners.

A progress report must be submitted to the Legislature on or before 30 May 2016.

9. CONCLUSION

The Chairperson wishes to express his gratitude to the MEC RM Mtshweni, the Acting HOD, Mr. GS Ntombela, representatives from SALGA and the senior officials of the Department of Co-operative Governance and Traditional Affairs for their active involvement during the deliberations of the third quarterly report of the Department.

The Chairperson further wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations and also thank the Legislature staff for the support they provided to the Committee during the deliberations.

Lastly, the Chairperson requests the august House to adopt the report with its recommendations.



HON. WT MADILENG
CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS

22/04/2016
DATE