

**NORTH WEST PROVINCIAL LEGISLATURE**



REPORT OF THE PORTFOLIO COMMITTEE OF DEVELOPMENTAL LOCAL  
GOVERNMENT, HOUSING AND TRADITIONAL AFFAIRS ON STRATEGIC  
AND ANNUAL PERFORMANCE PLAN FOR THE DEPARTMENT OF  
DEVELOPMENTAL LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS FOR  
THE FINANCIAL YEAR 2009/2010

**CHAIRPERSON: HON P SEBEGO**

**June 2009**

## **1. INTRODUCTION**

During its presentation to the portfolio committee, the department of Developmental Local Government and Traditional Affairs has demonstrated its commitment to support and monitor the local sphere by building viable developmental local and sustainable communities within the province. The department tabled its strategic plan and budget for 2009/2010 to the portfolio committee for scrutiny. This was done in order for the portfolio committee to be more informed in processing the budget and to be passed by the Provincial Legislature.

## **2. STRATEGIC OBJECTIVES**

The objective of the meeting was for the department to present its Annual Performance Plan and budget briefing for the 2009/2010. The following are the strategic objectives of the department, as presented:

- ❖ Strengthening intergovernmental Relations
- ❖ Strengthening democratic practices and partnerships with communities
- ❖ Financial viability of municipalities
- ❖ Accelerating service delivery, i.e. Infrastructure Development
- ❖ Develop priority plans for immediate action.
- ❖ Establishment of CDW Unit and working structure
- ❖ Build capacity at municipalities by visiting municipalities, identify problems and work on the gaps.
- ❖ Undertake a campaign at municipalities to encourage rates payments by users.
- ❖ Revisit powers allocated to some municipalities in line with the prescripts of the structures act
- ❖ Speed-up the establishment of separate Deputy Director Generals, to accommodate both Local Government and Traditional Affairs.
- ❖ Assist municipalities to implement the Performance Management System
- ❖ Facilitate and promote the establishment and revival of ward committees and support the functionality thereof

- ❖ Support municipalities with the Deeds Administration processes
- ❖ Develop an monitor performance of by-laws and policies
- ❖ Provide hands-on support to municipalities with regards to financial planning
- ❖ Intervention with local municipalities experiencing problems through various interventions which include Section 106 and 154 wherever it is necessary.
- ❖ Reference to Western Cape in terms of establishment of finance personnel

### 3. DEPARTMENTAL PRESENTATION

The department tabled its presentation on how it is planning to achieve the above mentioned objectives during the financial year 2009/2010. The strategic plan (Annual Performance Plan) was drafted in line with the manifesto of the ruling party as well as the President and the Premier's State of the Nation Address. The Annual Performance Plan basically aims at ensuring that the above strategic objectives of the department are implemented hand in hand with the portfolio committee in making sure that all the relevant bodies are committed and participating fully in this regard.

Inter alia, the presentation also contains the key clients and partners of the department. The latter refers to the beneficiaries who receives services and service delivery directly from the department e.g. communities at local level and government structures.

The annual Performance Plan was reviewed in line with the past experiences gained during the implementation in 2008/09. However, the department highlighted that there are still some challenges facing not only the department but the country as a whole. The department also unveiled its financial plans for the year 2009/2010 amounting to **R291 323 000**. The HOD highlighted that the department is still to go on a strategic plan retreat; since the Honorable Premier has announced that Housing is now a Department on its own. The Department also highlighted that it has inherited Traditional Affairs from the Premier's Office.

#### BUDGET ALLOCATION PER PROGRAMMES

Programme	Budget Allocation (R' 000)
1. Personnel	R162 303
2. Local Government	R171 995

3. Traditional Affairs	R71 653
<b>4. Total</b>	<b>R291 323</b>

#### **4. MAJOR CHALLENGES FACED BY THE DEPARTMENT**

- ❖ Skills shortage and reliance on consultancy for service delivery
- ❖ Increasing levels of municipal debt which has a negative impact on quality of service delivery expected.
- ❖ Budget constrains
- ❖ Financial viability of municipalities.
- ❖ Low tax and revenue capacity in municipalities
- ❖ A need for the Province to be provided sufficient funds to be able to assist municipalities in terms of putting effective systems for purpose of collection of property rates
- ❖ The need for an average of R3m per municipality to conduct forensic investigation whenever needed.
- ❖ Lack of capacity of municipalities to speedily provide services to the public
- ❖ Lack of adequate resources
- ❖ The department is perceived to be slow in its responses to satisfy its stakeholder requirements
- ❖ There is high staff turnover and the replacement thereof is slow
- ❖ Inability by the department to implement section 154
- ❖ Lack of capacity to effectively monitor the performance of these 24 municipalities.
- ❖ Organizational structure not responsive to challenges.

#### **5. COMMITTEE CONCERNS**

- ❖ About reports of allegations of malicious corruption at municipalities
- ❖ Modus operanti of municipalities not satisfactory
- ❖ There is difficulty to draw conclusion about the level of performance of the department given the current challenges facing municipalities.
- ❖ That there is a perception of high dissatisfaction of services received from municipalities.

- ❖ That the department should look at possibilities of invoking section 154 where it is necessary.
- ❖ Some of the municipalities exceeding their budget share
- ❖ Fewer women at senior managerial level at the department
- ❖ Slow progress with regard to building of offices for traditional leaders
- ❖ Vacant posts for traditional leaders a concern
- ❖ Lack of measurable objective on the CDW (including targets for all quarters)
- ❖ Vacant posts of CDW's in Ditsobotla municipality a concern
- ❖ Uncleanliness of municipalities, and unavailability of By- laws
- ❖ Continuous audit queries on municipalities a concern
- ❖ Centralized municipality functions
- ❖ Non accountability in line with PFMA as far as LED & SMME projects are concerned
- ❖ Challenges relating to backlog on transfer of land to municipalities
- ❖ Low cost houses build and not being electrified
- ❖ Township development application disputes not resolved by the MEC

## **6. RECOMMENDATIONS**

- ❖ Development of a comprehensive plan to assist in addressing problems in all municipalities such as Ngaka Modiri Molema, the Portfolio Committee be forwarded a plan.
- ❖ High capacity personnel to be deployed at municipalities to convene workshops for at least six months
- ❖ Establish internal audit units within municipalities
- ❖ Arrange an urgent meeting between the MEC and the Tshwane municipality to deal with Moretele and Madibeng water issues.
- ❖ Introduce Independent municipal revenue collection
- ❖ Encourage municipalities to integrate the Auditor General's report, prior to the development of their strategic plans and annual performance plans
- ❖ Develop intensive capacity building programme
- ❖ Ensure municipal accountability on performance
- ❖ Shorten municipal evaluation to quarterly, or half yearly
- ❖ Decentralization of municipal functions

- ❖ Revisit municipal supply chain management system.
- ❖ Fast track the process of transferring land to relevant municipalities, a team of high capacity personnel be put together, including the department of Local Government, department of Land Affairs, the department of Public Works, Roads and Transport, State Legal Advisors and Municipal officials (ad hoc based on their specific cases from development planning and finance). A report be presented to the Portfolio Committee in three (3) months time, i.e. by 25 September 2009.
- ❖ Provide interventionist approach towards resolving current problems within municipalities with reference to Section 106(Municipal Systems Act) along with Section 154 of the Constitution.
- ❖ Progress report with regard to implementation of a package of interventions in Mafikeng Local municipality and Madibeng Local municipality
- ❖ Provide improvement plan in the roll-out of CDW programme to strengthen the capacity, monitoring and supporting municipalities in addressing the needs of communities
- ❖ Provide infrastructure development plan that is specific on a municipality by municipality basis
- ❖ Provide report on institutional capacity which focuses on a specific challenges and recommended actions
- ❖ Provide full report on departmental early warning system in terms of data warehouse for municipal reporting. The report must reflect actions taken by the municipality and the current results to date within the 25 municipalities
- ❖ Provide report on how to ensure that funding to Municipal Infrastructure Grant (MIG) to ensure that they assist or are responsive to municipal plans (IDP`s)
- ❖ Provide Backlog Study, rural water programme reports and the action plans for all the 24 municipalities
- ❖ Provide plan demonstrating alignment of electrification to municipal housing projects

- ❖ Present a report in addressing integrated municipal services and action on all township development applications reflecting the date they were submitted and their progress status
- ❖ Submit proposed programme on municipal revenue enhancement programme , it must be included as a performance indicator and it be allocated more weight to receive sufficient attention
- ❖ The department to provide the Auditor General report and commitment plan by the MEC (strategic plans)
- ❖ The department to provide spatial land use to municipalities, the department need to improve on the spatial planning challenges faced by the municipality
- ❖ Provide infrastructure development plan
- ❖ Provide improvement plan indicating roll out on CDW's, in order to strengthen their capacity
- ❖ Prepare early warning systems reports, intended in addressing experienced challenges
- ❖ Provide back lock study report
- ❖ Provide rural water programme reports
- ❖ Establishment of municipal revenue enhancement programme
- ❖ Provide the Portfolio Committee with a profile of 25 municipalities in the Province, with specific focus on challenges, departmental intervention, outcomes and recommended action.

## **CONCLUSION**

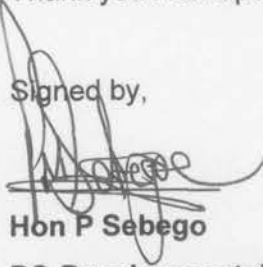
In conclusion, Hon. Speaker upon receiving of these countless reports, the Committee will consider and engage them. After interrogation, your House will be informed on the new development of our deliberations.

The portfolio committee therefore recommend to this House to accept the Strategic Plan and Budget for the financial year 2009/10 and that the Province should give extra funding for the department to be able to address amongst others assisting municipalities in terms of putting effective systems for the purpose of collection of property rates, conducting of forensic units at

municipalities and increased capacity to effectively monitor the performance of 24 municipalities.

Thank you Hon Speaker,

Signed by,



Hon P Sebegu

Date: 07-07-2009

**PC-Developmental Local Government, Housing and Traditional Affairs**