



13 OCTOBER 2015

ANALYSIS OF TAKING PARLIAMENT TO THE PEOPLE FEEDBACK

1. INTRODUCTION

South Africa’s local government has been the main driver of service delivery. The country has promoted development through a developmental local government, which translates into a government that places economic development and job creation as top priorities. Therefore, the powers of local government to initiate and lead development, empower their citizens, and act as primary link between central government and the country’s citizens are passed and monitored by Parliament.

2. BACKGROUND

The National Council of Provinces (NCOP) embarked on its public participation programme, Taking Parliament to the People (TPTTP) on 13 April 2015 in Oudtshoorn Local Municipality. Through an engagement with the community, a number of concerns were raised, in response to those concerns government proclaimed a number of undertakings. After conclusion of the programme the NCOP created a report and made follow up with the relevant executive members concerning the undertakings that were proclaimed to the people.

The Money Bills Amendment Procedure and Related Matters Act No. 9 of 2009 mandates the Committee on Finance: To consider and report on-

- macro-economic and fiscal policy;
- amendments to the Fiscal Framework;
- Revenue proposals and Bills; and
- Actual revenue published by National Treasury.

Therefore, this paper aims to highlight issues raised during the TPTTP that relate to above mandate and responsibilities of the Select Committee on Finance. It will focus on service delivery issues raised, undertakings made by government, progress thus far and interventions to be undertaken going forward.



3. OUDTSHOORN SERVICE DELIVERY ISSUES

Below is a table containing information summarised from the TPTTP report, and correspondence with the Western Cape Ministry of Finance. During the proceedings in April 2015 the Western Cape Minister of Finance declared that infrastructure in the Eden District had been allocated R1.43 billion. The table below outlines the different types of infrastructure and indicative allocations demonstrating how the budget would be utilized.

Table 1: Service delivery issues and progress thereon

Key service delivery issue ¹	Undertakings by the Executive/Government ²	Responses by the Executive/Government ³	Progress to Date ⁴	INTERVENTION GAP	Short- medium-long term intervention
Transport infrastructure financial information					
Road infrastructure in the area (rehabilitation of the road linking the town with the N2) amounts to R40 million.	The project cost amounted to R130 million for the 2014/15 financial year it was allocated R40 million. However, the R40 million has not been spent thus far.	The road rehabilitation project had not commenced yet because a contractor was not appointed.	The Minister should provide a document with clear timelines, indicating dates of contractor appointment, date for project commencement and planned finish date.	Committees responsible- Finance and Appropriation under the NCOP should monitor this project.	Committees responsible for Finance and Appropriation under
Road infrastructure in the area (rehabilitation of the road linking the town with the N2) amounts to R40 million.	The project cost amounted to R130 million for the 2014/15 financial year it was allocated R40 million. However, the R40 million has not been spent thus far.	The road rehabilitation project had not commenced yet because a contractor was not appointed.	The Minister should provide a document with clear timelines, indicating dates of contractor appointment, date for project commencement and planned finish date.	Committees responsible- Finance and Appropriation under the NCOP should monitor this project.	Committees responsible for Finance and Appropriation under
Blanco was allocated R22 million for rehabilitation and resurfacing the road.	The cost of the project over the 2014/15 MTEF is R103.4 million. For this financial year R22 million was allocated and	Construction has been completed and the project is currently in the retention stage.			Committees responsible for Finance and Appropriation under

¹ TPTTP Report 2015

² Western Cape Minister of Finance response letter 2015

³ Ibid

⁴ Ibid



		expenditure to date is R19.6 million.			the NCOP should monitor this project.
	Glentana road rehab and upgrade was allocated R 26 million.	For this project, the 2014/15 MTEF budget is R104.9 million. From that, R26 million is allocated for 2015/16. To date R23 million has been spent	The project was projected to be completed on the 1st of September 2015.		Committees responsible for Finance and Appropriation under the NCOP should monitor this project.
Key service delivery issue⁵	Undertakings by the Executive/Government⁶	Responses by the Executive/Government⁷	Progress to Date⁸	INTERVENTION GAP	Short- medium-long term intervention
Education Infrastructure Financial information					
	Thembaletu Senior Secondary School(New school).	This new school is budgeted R 57.5 million for the 2014/5 MTEF and for the 2015/16 financial year R9.3 million was allocated. Thus far R1.4 million has been spent.	The transfer of land is still in progress.	The WC Minister of Finance should provide a document with clear timelines, indicating dates of contractor appointment, date for project commencement and planned finish date.	Committees responsible for oversight are Finance, Education and Appropriation in the NCOP should monitor this project.
	Pacaltsdorp Secondary School existing school with inappropriate structures.	To deal with the inappropriate structures of the school, R1 million was budgeted. For the 2014/5 MTEF and this current financial year there is no allocation as yet.	This project is planned to be implemented for the two outer years of the current MTEF.		Committees responsible for Finance, Education and Appropriation in the NCOP should monitor this project.
	Rhenendal Primary School	This primary school is also has inappropriate	Progress so far indicates that a		Committees responsible for

⁵ TPTTP Report 2015

⁶ Ibid

⁷ Western Cape Minister of Finance response Letter 2015

⁸ Ibid



<p>Finance, Education and Appropriation in the NCOP should monitor this project.</p>		<p>consultation team is to be appointed.</p>	<p>structures. An amount of R39.5 million has been budgeted for this 2014/15 MTEF and R21.8 million for this current year (2015/16). As at the end of July 2015, R2.3 million has been spent.</p>		
<p>Committees responsible, which are Finance, Education, and Appropriation in the NCOP should monitor this project.</p>		<p>Site hand-out is to be done in April 2016.</p>	<p>This is a new primary school to be built. It has a budget of R55 million for the 2014/15 MTEF and for this current financial year R13 million was allocated. No expenditure has been incurred thus far.</p>	<p>Concordia Primary School</p>	
		<p>Land acquisition is still in progress.</p>	<p>This is also a new school, which has been budgeted for a total of R35.9 million for the 2014/15 MTEF and R19 million for the current financial year. Expenditure so far is R 3.9 million as at end of July 2015</p>	<p>Concordia Secondary School</p>	
<p>Committees responsible which are Finance, Education and Appropriation in the NCOP should monitor this project.</p>		<p>Consultation team is still to be appointed.</p>	<p>This school has inappropriate structures and it is budgeted for an amount of R 50 million for the 2014/15 MTEF. For this current financial year R5 million was</p>	<p>Diaz Primary School</p>	



Key service delivery issue ⁹	Undertakings by the Executive/Government ¹⁰	Responses by the Executive/Government ¹¹	Progress to Date ¹²	INTERVENTION GAP	Short- medium-long term intervention
Health financial information					
	Health technology infrastructure at George Regional Hospital (R1.84 million).	This project was budgeted R23.3 million over the 2014/15 MTEF. The R1.84 million is for this financial year. None of R1.8 has been spent thus far.	Project has reached practical completion.	The WC minister of Finance should provide a document with clear timelines, indicating dates of contractor appointment, date for project commencement and planned finish date.	Committees responsible for Finance, Health and Appropriation in the NCOP should monitor this project.
	Mossel Bay District Hospital (R2. 5 million). --	The project is budgeted R2.5 million for the 2015 MTEF and the whole amount was allocated for this financial year. Thus far nothing has been spent.	Specifications of the project has been completed and advertised via the integrated procurement system. Practical implementation has not started.		Committees responsible for Finance, Health and Appropriation in the NCOP should monitor this project
	Oudtshoorn District Hospital (R2 million).	The project was budgeted for R2 million for the 2014/15 MTEF.	Specifications of the project has been completed		

⁹ TPTTP Report 2015

¹⁰ Western Cape Minister of Finance response Letter 2015

¹¹ Ibid

¹² Ibid

RESEARCH UNIT

PO Box 15 Cape Town 8000 Republic of South Africa
 Tel: 27 (21) 403 8273 Fax: 27 (21) 403 8118

www.parliament.gov.za

PARLIAMENT
 OF THE REPUBLIC OF SOUTH AFRICA



<p>All the funds was allocated for this financial year. However no expenditure has taken place this year.</p>	<p>The project is divided into two, the first project is the upgrade of the nurses' hostel and the second one is the health technology in the nursing college. For the upgrade of the hostel an amount of R20 million for the 2015 MTEF was budgeted. For 2015/16 financial year, R5 million was allocated and this amount has not been spent thus far. For health technology, the budget amounts to R2 million for the 2014/15 MTEF. R1 million was allocated for this financial year which has not been spent thus far.</p>
<p>and advertised via the integrated procurement system.</p>	<p>The design development report has been resubmitted for approval by the Health Technology Procurement Office and is in progress.</p>
<p>New Eden Nursing College in George (R6million for 2015/16) and R15.3 million for 2016/17 and 2017/18, respectively.</p>	<p></p>



Key service delivery issue ¹³	Undertakings by the Executive/Government ¹⁴	Responses by the Executive/Government ¹⁵	Progress to Date ¹⁶	INTERVENTION GAP	Short- medium-long term intervention
Housing and related infrastructure					
	Bitou-Housing project	This project will provide 521 units in Qolweni/Bossies and 640 units in Kwanokuthula. This project was budgeted an amount of R78 million for the 2014/15 MTEF and for this current financial year it was allocated R 43.5 million. At the end of July 2015, R14 million was spent.	Implementation of the project is on track, The municipality has spent 33 per cent of its allocation.		Committees responsible for Finance, Housing and Appropriation in the NCOP should monitor this project
	George-Housing project	In Uniondale a 183 units are to be constructed and in Haarlem farm 20 sites are to be reserved for a developer driven project. The project has a budget of R179.4 million for the 2014/15 MTEF and for 2015/16 an amount of R95 million has been allocated of which R8.3 million has	Implementation is on track and progress is being monitored by the WC Department of Finance		

¹³ TPTTP Report 2015

¹⁴ Western Cape Minister of Finance response Letter 2015

¹⁵ Ibid

¹⁶ Ibid



		Hessequa-Implementation of an Integrated Residential Development Programme (IRDP) for Kwanokuthula andHeidelberg.		
	Knya-Upgrading of informal settlement (1393 sites).	This project has been budgeted R137.6 million on track and progress is being monitored by WC Department of Finance	The project has a budget of R13 million for the 2014/15 MTEF. The budget was allocated in full for this financial year. Thus far, none of the funds have been spent.	The project has been budgeted R104.4 million for the 2014/15 MTEF. For this current financial year it has been allocated R49.7 million and thus far nothing has been spent.
	Mossel Bay-Integrated Residential Development Programme (IRDP) in Wolwedans	This project budget is R121.6 million for the MTEF and in the current progress is being monitored by WC Department of Finance	This project has been budgeted R104.4 million for the 2014/15 MTEF. For this current financial year it has been allocated R49.7 million and thus far nothing has been spent.	This project has been budgeted R104.4 million for the 2014/15 MTEF. For this current financial year it has been allocated R49.7 million and thus far nothing has been spent.
	Oudtshoorn- Integrated Residential Development Programme and Upgrading of informal settlement.	This project has been budgeted R104.4 million for the 2014/15 MTEF. For this current financial year it has been allocated R49.7 million and thus far nothing has been spent.	This project has been budgeted R104.4 million for the 2014/15 MTEF. For this current financial year it has been allocated R49.7 million and thus far nothing has been spent.	This project has been budgeted R104.4 million for the 2014/15 MTEF. For this current financial year it has been allocated R49.7 million and thus far nothing has been spent.

The minister should provide a document with clear timelines, date indicating, date for project commencement, milestones and planned finish date.

Committees responsible for Finance, Housing and Appropriation in the NCOP should monitor this project.



	Kannaland- Integrated Residential Development Programme and disaster relief.	The budget of this project amounts to R 5.2 million for the MTEF. The budget was allocated in full for this financial year. Thus far nothing has been spent.	This project is in the planning phase and no payment claims have been submitted.		
Key service delivery issue¹⁷	Undertakings by the Executive/Government¹⁸	Responses by the Executive/Government¹⁹	Progress to Date²⁰	INTERVENTION GAP	Short- medium-long term intervention
Government intervention needed to resolve high bills for water rates: Residents of Mossel Bay need government to intervene in resolving the exorbitant amount of water rates that they owe the municipality High municipal water bills: More than 25 residents of the Eden District complained that	Funding allocations are made according to priorities, however, government acknowledged the water problem in Kannaland and Ladysmith hence an amount of R9 million has been allocated to address the water shortage in these areas, including the installation of boreholes.			The Municipal Mayor/and Western Cape fiancé minister should clearly state the interventions that will take place to solve this problem. He/She must submit a document indicating what the R9 million will be utilised for in addition to installing boreholes.	Committees responsible for Finance in the NCOP should monitor this project.

¹⁷ TPTTP Report 2015

¹⁸ Deputy Minister of Water and Sanitation

¹⁹ Ibid

²⁰ Ibid



<p>their municipal water bills were very high and not affordable</p>	<p>A strategic partner in Oudtshoorn (name known by the Executive province was allocated a budget of R100 million for CASP, R64 million for illima and R164 million for agricultural funds earmarked for agricultural production of the cooperative. Transformation within the agricultural sector already been undertaken in the Western Cape is almost non-existent.</p>		<p>Black farmers constitutes only 1% in the province and The province was allocated a budget of R100 million for CASP, R64 million for illima and R164 million for agricultural funds earmarked for disaster funding. A total of R250 million has been allocated to emerging farmers and a Feasibility study has already been undertaken with regard to the Agri-park Project, which will be piloted in George</p>						<p>In addition to the response by the WC Minister of Finance, the Appropriation and Agriculture in the NCOP should monitor allocations for agricultural committees responsible for Finance, Appropriation and Agriculture in the NCOP should monitor budget for agricultural allocations made by the community.</p>		<p>Committees responsible for Finance, Appropriation and Agriculture in the NCOP should monitor budget for agricultural allocations made by the community.</p>
--	--	--	--	--	--	--	--	--	---	--	--

4. ANALYSIS

The NCOP report states a number of key service delivery issues. However, most of them are sector related and not specific to finance related issues. When scrutinising the public hearing section of the TPTTP report, the community did not raise many issues related to the Finance Committee jurisdiction as per the Money Bills Amendment Procedure and Related Matters Act. In site visit section, matters relating to finance were minimal and are not related to responses from Western Cape Ministry of Finance. Further, the Western Cape Minister of Finance undertakings during his address was not related to public hearings and site visits. Therefore, with that understanding the above table does not have key service delivery issues related directly to WC Minister of Finance undertakings proclaimed during the TPTTP.



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

RESEARCH UNIT

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 8273 Fax: 27 (21) 403 8118
www.parliament.gov.za

That said, it is important for municipalities to make it a priority to inform communities about government funds and the allocation methods thereof. This will address the concerns raised on inequalities concerning the distribution of the equitable share allocation to municipalities, which many perceive to be derived at by political influence on municipal allocations. Secondly, municipalities should communicate their rationale for prioritizing or allocating funds to different places for transparency and accountability. Municipalities should also improve their revenue collection and billing systems in order to prevent incorrect billings and increase municipal revenue.

5. REFERENCES

Report Of The Taking Parliament To The People Held At Oudtshoorn, Eden District Municipality, Western Cape Province, 13 – 17 April 2015 and Corresponding Letters between NCOP and Western Cape Ministry of Finance

