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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 3634**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 14 OCTOBER 2022**

**INTERNAL QUESTION PAPER NUMBER: 38 - 2022**

**3634. Ms B S Masango (DA) to ask the Minister of Social Development:**

(a) What total number of SA Social Security Agency offices have outstanding (i) rent and/or (ii) other expenses (aa) in each province and (bb) nationally and (b) for what period has the specified rent and/or expenses been outstanding in each case? NW4452E

**REPLY:**

1. The total number of SASSA offices with outstanding rent, and other expenses are displayed in the table below:

|  |  |  |
| --- | --- | --- |
| **Province** | 1. **Rent** | 1. **Other Expenses** |
| Eastern Cape | 1 (one) office | (0) Nil |
| Free State | 3 (three) offices | 2 (two) offices |
| Gauteng | 1 (one) office | (0) Nil |
| Kwazulu-Natal | 7 (seven) offices | 1 (one) office |
| Limpopo | 3 (three) offices | (0) Nil |
| Mpumalanga | (0) Nil | (0) Nil |
| Northern Cape | 2 (two) offices | 4 (four) offices |
| North West | 2 (two) offices | (0) Nil |
| Western Cape | (0) Nil | (0) Nil |
| **Total Nationally** | **19 offices** | **7 offices** |

1. The period of outstanding rent and other expenses per provinces are displayed in the tables below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Office** | **Rent** | **Other Expenses-** **Municipal service costs** | **Reasons and Amount outstanding** |
| **Eastern Cape** | | | | |
| 1 | Nelson Mandela Metro District Office | 10 months | (0) Nil | The SASSA Nelson Mandela District Office occupies the 6th floor of South African Post Office Main building in Gqeberha. The lease still has 3yrs to go but there has been security, health and Occupational Health and Safety (OHS) related issues that have resulted in actions by organized labour. SAPO has failed to attend to problems that were raised on numerous occasions.  It also come to the attention of SASSA Eastern Cape Region that the Department of Labour has also raised OHS non-compliance issues with SAPO.  To get SAPO’s attention, SASSA Regional Management resolved to invoke the lease penalty clause and hold back the monthly rental until SAPO attends to matters raised.  Amount: R1 026 169.60. |
| **Free State** | | | | |
| 2 | Hertzogville Local Office |  | 6 months | The invoices submitted were invalid. SASSA is waiting for the Local Municipality to correct these before payment can be processed. Amount: R68 603.10. |
| 3 | Zastron Local Office | 6 months | 6 months | There are delays in receiving rental invoices from the local municipality for payment. Due Amount: R36 155,20.  The municipality submitted invalid invoices for municipal services. The local municipality needs to correct the invoices before payment can be processed (municipal services).  Amount: R10 046.10 |
| 4 | Welkom Local Office | 8 months |  | Delays on signing of the lease agreement by the Provincial Department of Public Works and infrastructure. Amount: R 711 000.00. |
| 5 | Bethlehem Local Office | 8 Months |  | Delays on signing of the lease agreement by Provincial Department of Public Works and Infrastructure. Amount: R 447 096. 00. |
| **Gauteng** | | | | |
| 6 | Kempton Park Satellite Office | 7 months |  | There were delays in receiving invoices from the Ekurhuleni municipality, even after consistent follow-ups were made. The invoices were received on 21 October 2022 and payment will be effected by 28 October 2022. Amount: R87 500.00. |
| **Kwazulu**-**Natal** | | | | |
| 7 | Mbazwana Office | 1 year, 6 months |  | Invoices have not yet been received. SASSA was told there is dispute between the District Municipality and Local Municipality as to who holds the centre. There is no lease agreement therefore, the costs have been provided as a contingent liability.  Amount: R 284 903.14. |
| 8 | Archie Gumede Office | 9 years, 10 months |  | Invoices have not yet been received. There is also an outstanding lease agreement therefore, they have been provided for as contingent liability. |
| 9 | Gamalakhe Office | 7 years, 2 months |  | No invoices have been received. There is no lease agreement that has been finalised between Ray Nkonyeni Municipality and SASSA. SASSA considered the amount owed as a contingent liability.  Amount: R 290 344.76. |
| 10 | Highflats Office | 3 years |  | Invoices have not been received. There is no lease agreement therefore, the amount has been provided for as a contingent. The lease agreement has not been signed by the local Municipality. Amount: R192 544.13. |
| 11 | Umnini Office | 2 years |  | SASSA has not received invoices. The amounts indebted for have been provided for in the provisions and contingent liability. There is a dispute with the municipality over their standard lease clause on insurance for space occupied by SASSA. The municipality is insisting on having the clause included in the lease agreement whilst this is unattainable. The matter is receiving the necessary attention. Amount: R 439 775.54. |
| 12 | Durban District Office | 5 years,1 month |  | Partial payment is being made for space confirmed as correct by SASSA as per invoices for the Local Office. The amounts outstanding have been provided for in the provisions and contingencies as there is a dispute between DPWI acting on behalf of SASSA and PRASA on the actual space provided by PRASA as well as the effective date of the lease. DPWI has been facilitating the addendum to address same.  Amount: R 6, 219, 519.29. |
| 13 | Mbonambi Office | 6 months |  | Invoices have not been received. The lease has not been finalised, but SASSA is utilising the space and is obligated to pay for the period agreed upon. Amounts due, have been provided in the contingency and provisions.  Amount: R 95 760.00. |
| 14 | Umlazi Local Office |  | 13 years | Payments have been made as per what SASSA determined as the accurate amount owing but there is a dispute as to the amount owed and amounts paid. The amount has not yet been determined. SASSA is in continuous engagements with the municipality in this regard. |
| **Limpopo** | | | | |
| 15 | Mabatlane | 12 months |  | The lease was extended in September 2021 and the expense has not been interfaced with Property and Accounts Payable modules. Facilities Management Unit at Head Office has been contacted for assistance. The lease for the previous financial year was accrued. Amount: R62 520.00. |
| 16 | Limpopo Regional Office | 03 months | None | The lease was extended in August 2022, payment will be finalised during October and November 2022. |
| 17 | Limpopo Records Management Centre | 02 months | None | The lease was extended in September 2022 and payment is in the process of being finalised for payment in October and November 2022. |
| **Northern Cape** | | | | |
| 18 | Northern Cape Regional | 9 months |  | National Department Public Works and Infrastructure has not finalised negotiations with the landlord on certain conditions of the lease agreement. No invoice has been issued by landlord yet. Amount: R2 976 177.00. |
| 19 | Ritchie Local Office | 10 years |  | The Municipal building was previously occupied by DSD. Thus, with establishment of SASSA, it was then shared with DSD and other organisations. Thus, there was no lease agreement between all parties. Various attempts were made with the municipality to correct this matter.  The municipality wants to charge SASSA for the entire building instead of a portion that is being occupied. SASSA is disputing the R150 576.18 as it is not apportioned correctly.  Amount: R150 576.18. |
| 20 | Prieska Local Office |  | 7 years, 9 months | Siyathemba Municipality (Prieska): In the SLA, SASSA is supposed to pay for municipal services. However, invoices are not forthcoming despite follow-ups made to determine amounts outstanding to make the necessary provisions. |
| 21 | Phillipstown Local Office |  | 6 years, 3 months | Renosterberg Municipality (Phillipstown) SASSA is sharing the building space with the Municipality. Three (3) SASSA officials occupy the building, and the rest of the building is occupied by the Municipality. There is one (1) meter for electricity and water, however SASSA is expected to pay for all municipal services. SASSA has challenged this therefore the correct amount due by SASSA has not been determined. |
| 22 | Hanover Local Office |  | 6 years, 9 months | The Emthanjeni Local Municipality SASSA – In terms of the SLA, SASSA is responsible for 50% of municipal services costs. In SASSA’s books the municipal services have been paid up, whilst on the Municipality’s books SASSA is in arrears. The Hanover Municipality is reconciling its books. The amount to be paid has not been determined. |
| 23 | Noupoort Local Office |  | 8 years, 2 months | Umsobomvu Municipality (Noupoort)  In terms of the SLA, SASSA is responsible for 50% of municipal services costs. In SASSA’s books the municipal services have been paid up, whilst in the Municipality’s books SASSA is in arrears. The Umsobomvu Municipality (Noupoort) is reconciling its books. The amount to be paid has not been determined. |
| **North West** | | | | |
| 24 | Moretele Local Office | one year |  | The landlord is a Traditional Council and payment could not be effected as they are not registered on the Central Supplier Database. Intervention from COGTA was obtained to assist them to be CSD complaint, the matter was resolved on 14 October 2022 and as such they will be included in next payment cycle. Amount: R 20 160.00. |
| 25 | Ratlou Local Office | five months |  | The municipality has not been submitting the invoices on time and in line with the contract conditions. Invoices for the Ratlou Local Office were only received on 05October 2022 for rental backdating to 01 April 2022.  Due Amount: R135 072.52. |
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