



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

Ref: WCPP 11/6/13

COMMITTEE REPORT

Report of the Standing Committee on Local Government, Environmental Affairs and Development Planning on the Annual Report of the Department of Local Government for the 2023/24 financial year.

The Standing Committee on Local Government, having deliberated on the Annual Report of the Department of Local Government for the 2023/24 financial year, reports as follows:

1. Introduction

The Annual Report of the Department of Local Government (the Department) for the financial year ended 31 March 2024 was tabled on 18 September 2024 in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

As part of its oversight function, the Standing Committee on Local Government, Environmental Affairs and Development Planning (the Committee) deliberated on the Annual Report of the Department on 11 October 2024. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each programme that was implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides standing committees with the mandate to consider departmental annual reports submitted in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2023/243 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management, after which the Chairperson afforded an opportunity to the public to ask questions to the Department.

The Committee proceeded to engage with the Department by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered and the Committee was satisfied that the Department achieved its predetermined objectives for the 2023/24 financial year and that it was accurately reported on.

2. Overview

The country's economy has been on a recovery path following the severe impact of COVID-19, with municipalities, being closer to the people, feeling the effects more acutely. Recognizing the need to safeguard service delivery, the Department has made significant strides in supporting municipalities to fulfill their mandates, yielding positive results.

Key achievements include:

Financial Stability: According to Ratings Africa's financial sustainability index, five of the most financially stable municipalities in the country are in the Western Cape. This index, which tracked the financial performance of 104 of the largest municipalities and all eight metros for the year ending June 2022, highlights these municipalities' strong financial policies, long-term strategies, budgetary processes, financial control, and revenue collection, even under challenging economic conditions.

Audit Outcomes: The Auditor-General South Africa's report on the 2021/22 municipal financial year shows that the Western Cape accounts for 19 out of 38 municipalities in South Africa that received clean audit outcomes. While clean audits do not directly reflect service delivery, they demonstrate the Province's and municipalities' commitment to financial and administrative practices that comply with relevant laws and regulations, forming a solid foundation for effective service delivery.

These accomplishments underscore the Department's ongoing efforts to support municipalities and ensure efficient service delivery that benefits communities.

The Annual Report outlines the Department's performance for the 2023/24 financial year, achieving 97% of its targets and partially achieving 3% due to reasons detailed in the following sections. Despite significant financial pressures and budget cuts, the Department successfully navigated these challenges to fulfill its mandate. The unwavering commitment of senior management and staff is commendable, as evidenced by the eleventh consecutive unqualified audit.

To address service delivery challenges in a constrained fiscal environment, the Department partnered with municipalities, providing necessary resources to ensure the provision of basic services. Efforts to secure additional infrastructure financing were enhanced, with the French and Swedish governments joining the Sustainable Infrastructure Development and Financial Facility. This program aims to raise grant funding for catalytic infrastructure projects in municipalities, laying a strong foundation to attract potential funders.

In response to global water scarcity, the Province developed a 15-year Western Cape Integrated Water Resource Plan. This plan aims to ensure sustainable water resource management and guide the Province's response to water security.

The 2023 Blue Drop, Green Drop, and No Drop report, released by the National Department of Water and Sanitation in December 2023, highlights the outstanding performance of the Western Cape Water Services Authorities. They emerged as overall winners, excelling in all categories related to drinking water quality and water resource management. The Blue Drop and Green Drop certification programs, administered by Water Services Authority South Africa, aim to enhance water quality.

Climate change is an urgent reality, necessitating a shift from traditional methods to innovative survival strategies. In 2023, the Province faced a series of severe weather-related incidents, including heavy rains, gale-force winds, and sea surges, which led to significant flooding and infrastructure damage. The Province's resilience in these disasters can be credited to substantial investments in disaster management systems, which facilitated the coordination of multi-sectoral response plans.

The energy crisis has significantly impacted service delivery and business operations. Over the past year, the Department has supported municipalities through the Emergency Loadshedding Relief Grant, ensuring the operation of water reservoirs and Wastewater Treatment plants. Additionally, municipalities received technical advisory services, developed response strategies, and assessed key infrastructure components.

To better manage and mitigate the effects of load-shedding on essential services and the provincial economy, the Department is prioritizing several initiatives. These include exploring alternative energy generation, supporting municipalities with Energy Master Plans, and promoting load-shedding free towns.

Addressing the challenges faced by local governments, which are the first point of contact for communities, requires a united and swift response from all stakeholders to ensure efficient service delivery that benefits everyone.

The Department emphasized their efforts in Integrated Governmental Relations, particularly through the Joint District and Metropolitan Approach. By working closely with municipalities, they have identified catalytic projects and collaborated to minimize overlap and duplication.

3. Resolutions

The Committee RESOLVED to:

- 3.1 Invite the City of Cape Town to brief the Committee on the measures they have implemented to ensure that the water supplied to households is safe and of high quality as well as how they ensure that the water quality along the coastline, Milnerton Lagoon, and the Diep River meets national standards.; and
- 3.2 Request the Department to brief the Committee on their strategy to address the issue of aging infrastructure in municipalities, with a particular focus on the risks in the energy sector and water management, and the measures to mitigate these risks effectively.

4. Information requested

The Committee REQUESTED that the Department provides the Committee with:

- 4.1 The number per year of all sexual harassment cases and grievances in the Department since 2016 and whether they have been resolved;

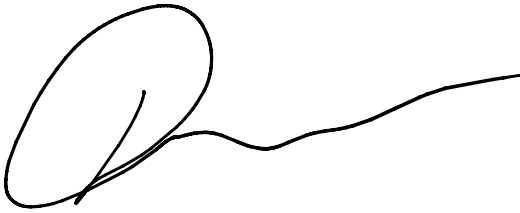
- 4.2 A copy of the strategy to curb vandalism at municipalities and information on the Rapid response teams;
- 4.3 A list of the projects that were implemented through the Joint District and Metro Approach and the municipalities that benefitted;
- 4.4 A list of the municipalities that were provided with technical and administrative support on all ICT and GIS-related programmes;
- 4.5 A list of all vacancies including critical posts from 1 April 2023 to 31 October 2024 highlighting when the vacancy occurred, when the vacancy was filled and how long the post was vacant; and
- 4.6 Detailed reasons for the funds unspent by the Entity in respect of conditional grants and earmarked funds received as reflected in the cases on pages 71, 72 and 73.

5. Conclusion

The Committee expressed concern over the challenges in retaining and recruiting staff due to salary scales, recognizing the risk this poses to service delivery. The Committee encourages the Department to make representations at MINMEC to address this issue.

The Committee congratulated the Department on their performance for the 2023/24 financial year, wherein they achieved 97% of their planned indicators. The Committee further highlighted that it took note that the Department achieved its eleventh consecutive unqualified audit opinion without findings.

The Chairperson thanked the Members of the Committee, the Minister, the Head of Department and all the officials of the Department for their preparation and responses to the questions raised by the Committee.



MR D BRYANT, MPP

CHAIRPERSON: STANDING COMMITTEE ON LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING