

# REPORT OF THE SELECT COMMITTEE ON PETITIONS AND EXECUTIVE UNDERTAKINGS ON THE EXECUTIVE UNDERTAKINGS MADE BY THE MINISTER OF SOCIAL DEVELOPMENT DURING THE HOUSE SITTING OF 7 JUNE 2017, DATED 9 OCTOBER 2019

## 1. BACKGROUND

On 7 June 2017, the Honourable Minister of Social Development (Minister) made the following executive undertakings during the Policy Debate on Budget Vote: Social Development held on 12 June 2017 in the National Council of Provinces (House):

- 1.1 Executive Undertaking 1: “Through this budget, we will continue to invest in the improvement of pay point infrastructure. We intend to use this investment to stimulate further local economic development, by way of introducing alternative pay points and local health shops.”
- 1.2 Executive Undertaking 2: “Our long term goal is to ensure that we render services to our people in better conditions, which uphold human dignity. In this regard, we will continue to work hard to ensure that long queues, dilapidated and inaccessible buildings, particularly for persons with disabilities are thing of the past.”
- 1.3 Executive Undertaking 3: “We will during the course of this financial year and over the *Medium Term Expenditure Framework*, MTEF, period focus on deepening comprehensive social security as part of implementing outcome 13.”
- 1.4 Executive Undertakings 4: “On a related matter, I would like to inform this House that we have been allocated a conditional grant of R181 million to absorb 556 social work graduates in this financial year. We will sustain this number over the MTEF period. We have requested all MECs and heads of departments to move with sense of urgency on this matter.”
- 1.5 Executive Undertakings 5: “We will implement the recommendations of the Ministerial Committee on Foster Care. These include strengthening parental support for foster parents, prevention and early interventions, as well as exploring the feasibility of specialized foster care services.”
- 1.6 Executive Undertakings 6: “Over the MTEF period, a conditional grant to the value of R812 million has been allocated for the expansion of ECD services, focusing on rural and informal settlements. The allocation for this financial year is more than R317 million.”
- 1.7 Executive Undertakings 7: “To this end, we will introduce the Social Service Practitioners Bill to Parliament. The Bill seeks to regulate all social service practitioners, and includes measures to support emerging professionals in the sector.”

## 2. PROCEDURE OF THE COMMITTEE

The concerned executive undertakings were referred to the Select Committee on Petitions and Executive Undertakings (Committee) by the Chairperson of the National Council of Provinces, on 12 June 2017, for it to scrutinise and subsequently report to the House on their implementation.

After their referral to the Committee, proceeded to extend an invitation to the Minister to appear before it and report on the progress made by the Department of Social Development (Department) in implementing the concerned executive undertakings, which falls under its respective portfolio.

## 3. MEETING OF THE COMMITTEE

On 5 September 2019, relevant officials of the Department appeared before the Committee to report on the progress made in implementing the executive undertakings under consideration.

The following Committee Members were present at the meeting with the relevant officials of the Department:

- 3.1 Hon Z V, ANC, Eastern Cape (Chairperson);

- 3.2 Hon S Shaikh, ANC, Limpopo;
- 3.3 Hon M P Mmola, ANC, Mpumalanga;
- 3.4 Hon A B Gxoyiya, ANC, Northern Cape;
- 3.5 Hon S Zandamela, EFF, Mpumalanga; and
- 3.6 Hon S E Mfayela, IFP, KwaZulu-Natal

The Committee Members present, at the meeting, were supported by the following Committee officials:

- 3.7 Mr N Mkhize, Committee Secretary;
- 3.8 Adv. T Sterris; Committee Research;
- 3.9 Mrs N Fakier; Executive Secretary;
- 3.10 Ms F Lombard; Communication Services; and
- 3.11 Mr M Nkwali, Researcher, Office of the Chairperson of the National Council of Provinces.

The following representatives of the Department of Social Development appeared before the Committee during the meeting:

- 3.12 Mr. M Ton, Director General,
- 3.13 Ms C Nxumalo, Deputy Director-General, Welfare Services,
- 3.14 Ms D Dunkerley; Executive Manager for Grants Administration; South African Social Services Agency (SASSA),
- 3.15 Ms B Sibeko, Deputy Director General, Comprehensive Social Security;

#### **4. PROGRESS REPORT BY THE DEPARTMENT OF SOCIAL SETTLEMENTS**

In their progress report to the Committee, the relevant Officials reported as follows:

##### **4.1 Executive Undertakings 1:**

Ms Dianne Dunkerley (Ms Dunkerley), commenced her submissions, stating that there have been interventions put in place in an effort to address the challenges that had happened at SASSA pay points. Reporting that the Agency had stopped its contract with CPS in September 2018. Indicating, that most South Africans used cash pay points, and CPS had been servicing around 10 000 of these cash points. Further indicating, that since the exiting contract, only around 2 000 of those cash points were being serviced. She then informed that part of new agreement with the post office was finding ways to reduce the risk that was associated with having cash pay points.

##### **4.2 Executive Undertakings 2:**

The Agency reported it had yet to find a plan that would adequately address the issue of long queues. The Agency was resolute that beneficiaries tended to withdraw all of their funds at once, hence the very long lines at the first of every month. And added that working with the post office will see gradual improvement in addressing the problem. But indicating, that one needs to take into account that the further hindrance is the increase in population meant an increase in the number of applicants. Unfortunately, however, based on the SASSA budget, that did not mean an increase in the number of trained staff to help with the queues.

In November 2016, the Department tabled the Consolidated Government Paper on Comprehensive Social Security at the NEDLEC, paving way for consultation process among the social partners. NEDLAC has since established a Task Team on Comprehensive Social Security, in which all the constituencies (Government, business, community and labour) are represented to engage on the challenges, gaps and recommendations contained in the government paper. The robust engagements with social partners are expected to result in positions that will shape and transform our social security system.

In April 2018, NEDLAC indicated "in principle" support for the proposal social security reforms, and proposals for refinement and confirmation of some of the fiscal and economic implications. The detailed report was submitted to the Minister of Social Development.

The Department submitted that to address suggested refinements, Government has partnered with the ILO to update and finalise the policy proposals, while NEDLAC has also commissioned various

research to assess the fiscal and economic impacts of the proposals. The research is expected to be completed during 2019/20, and the results incorporated into final policy proposals for Cabinet consideration.

Furthermore, on 06 December 2017 Cabinet approved the submission of the Social Assistance Amendment Bill, 2018 to Parliament for further processing.

The objects of the Social Assistance Amendment Bill, 2018 are as follows:

- *To empower the Minister, with the concurrence of the Minister of Finance, to make additional amounts available to social grants. This provision will enable the Minister to legally vary the amounts paid for social grants, e.g. the R20 extra paid on the Old Age Pension for those over 75 years of age. In addition, it will enable the Minister to implement an increased payment on the CSG for orphan children in the care of family members as well as children in the Child-Headed Households. This policy was approved by Cabinet in 2017, and will provide some relief to foster care system and orphans who can't access the higher value of foster care grant.*
- *To repeal the process of reconsideration within the South African Social Security Agency and provide for the direct appeal to the Independent Tribunal for Social Assistance Appeals by an applicant or beneficiary thereby expediting the process of recourse to administrative justice.*
- *To introduce the Inspectorate for Social Assistance as a Government Component as opposed to a Government Department as it currently is depicted and align it to the Public Service Act. The Inspectorate was created under the provisions of section 24 of the Social Assistance Act.*

#### 4.3 Executive Undertaking 4:

The progress made in relation to the fulfilment of this particular executive undertaking can be summarised as follows:

During the 2017 Medium Term Strategic Framework a conditional grant to the value of R591 269 million was approved to be implemented over the three-year period commencing 2017/18 to 2019/20. Funds would therefore be spent as follows during the MTEF period

- 2017/18 = R181 million
- 2018/19 = R196 million
- 2019/20 = R212 million

The grant was as a result of the suspension of recruitment of new students in the scholarship programme over the same period, which resulted in funds being allocated towards employment of graduates. This grant prioritised social work graduates who benefitted from the departmental scholarship programme.

Provincial departments of Social Development commenced with implementation of the grant and therefore had the responsibility to recruit and place graduates based on their needs assessment. All graduates were employed during the 2017/18 financial year with full entry level salary packages. All other provinces appointed graduates on permanent basis Only Western Cape employed graduates on contract (due to the unavailability of vacant funded posts in the staff establishment). The same number of graduates employed in 2017 were carried over, implying that no other graduates were employed in 2018/19.

As at end March 2019, a total of 746 social work graduates were employed through the grant, an increase of 82 more graduates from the initially targeted number of 566. Limpopo province was able to increase its target to 209 due to savings accrued from the implementation in 2017/18. The savings were as a result of some graduates not taking all benefits in their salary packages. The financial year 2019/20 is the last year of the three-year cycle of implementation of this grant. Approval was therefore granted that the grant been transferred to provincial departments as part of the baseline budget for compensation of employees. This implies that funds are included in provincial departments' personnel expenditure.

#### 4.4 Executive Undertaking 4:

The progress made in relation to the fulfilment of this particular executive undertaking can be summarised as follows:

##### **1. Strengthening parental support for foster parents:**

- i) The Department began to strengthen parental support for foster parents through the

engagement of foster parents through intergenerational dialogues. The foster parents are being trained on parenting programmes to support them in their parenting roles and responsibilities. Parental programmes includes, parenting for teenagers and families matter programme amongst others.

**2. Strengthening prevention and early intervention:**

- ii) The Department is engaged in processes that contribute toward strengthening the prevention and early intervention services and has increased access to social welfare support programmes that include parenting, Community Based Prevention and Early Intervention Programme, Yolo, Ezabasha programmes.
- iii) The provinces are encouraged to elevate the Committee’s recommendation to establish child care and protection units;
- iv) Inputs made to the Children’s Amendment Bill to make provision for the establishment of well-resourced child care and protection units with quality assurance units;
- v) A 365 days programme of action is being implemented in the provinces.

**3. In relation to exploring the feasibility of establishing specialized foster care services:**

National DSD encourages provinces to elevate the Committee’s recommendation to establish child care and protection units. Processes in provinces are at various stages in relation to the implementation of this recommendation, these include:

- Proposal for establishing specialized unit tabled at a Provincial Branch Strategic Planning Meetings.
- Provinces provided recommendations to Human Resources Units for revised human resource plans to incorporate the specialized units.
- Some provinces are testing the implementation of specialized Unit, particularly with Statutory Services Unit that quality assures recommendations for placement of children in alternative care and issuing of statutory administrative orders including foster care.
- Fully implemented Unit with social workers specializing on Foster Care is in at least one province, Mpumalanga.

4.5 Executive Undertaking 5:

The progress made in relation to the fulfilment of this particular executive undertaking can be summarised as follows:

The purpose of the grant is to:

- To increase the number of poor children accessing subsidised ECD services through partial care facilities
- To assist existing conditionally registered partial care facilities providing an ECD programme to meet basic requirements in order to attain full registration to increase the number of children accessing

The grant has two components which is a subsidy component and a maintenance component.

**1. Budget Allocation**

	2017/18	2018/19	2019/20
	<u>R' 000</u>	<u>R' 000</u>	<u>R' 000</u>
Early Childhood Development Grant	317 612	490 800	518 228
ECD subsidy expansion	248 892	412 055	435 101
ECD centre maintenance	68 720	78 746	83 127

The total budget allocation for the grant was R808 412 000 for the two financial years namely 2017/18 and 2018/19.

The grant is extending over the MTEF from 2019/20 to 21/22.

## 2. Performance on the grant

The grant started in the 2017/18 financial year which was the first year of implementation. The conditional grant framework was published in the Division of Revenue Act which set the conditions for implementation of the grant by Provinces.

### 2.1 Overall Financial Performance for 2017/18

2017/18 Financial Performance

Province	Allocation	Transfer	Spent	Percentage
Eastern Cape	56 365 000	56 365 000	27 238 000	48%
Free State	18 398 000	18 398 000	12 937 000	70%
Gauteng	34 489 000	34 489 000	35 938 000	93%
KwaZulu Natal	71 879 000	71 879 000	71 870 000	100%
Limpopo	41 085 000	41 085 000	36 034 000	88%
Mpumalanga	25 799 000	25 799 000	23 645 000	92%
Northern Cape	13 761 000	13 761 000	11 710 000	85%
North West	32 686 000	32 686 000	20 344 000	62%
Western Cape	19 150 000	19 150 000	18 770 000	98%
<b>Total</b>	<b>317 612 000</b>	<b>317 612 000</b>	<b>258 446 000</b>	<b>81%</b>

### 4.2 Overall Financial Performance 2018/19

2018/19 Financial Performance

Province	Allocation	Transfer	Spent	Percentage
Eastern Cape	78 715 000	78 715 000	76 556 024	97%
Free State	21 656 000	21 656 000	26 115 733	121%
Gauteng	62 777 000	62 777 000	44 336 397	71%
KwaZulu Natal	109 519 000	109 519 000	109 519 000	100%
Limpopo	68 561 000	68 561 000	67 216 987	98%
Mpumalanga	41 998 000	41 998 000	41 094 837	98%
Northern Cape	16 496 000	16 496 000	14 028 425	85%
North West	52 185 000	52 185 000	61 214 239	117%
Western Cape	38 893 000	38 893 000	38 312 214	99%
<b>Total</b>	<b>490 800 000</b>	<b>490 800 000</b>	<b>478 393 856</b>	<b>97%</b>

### 1.1 Achievement of targets for 2017/18 and 2018/19

#### 1.1.1 Overall Achievement of the Subsidy Component (2017/18 and 2018/19)

Years	Target	Actual performance
2017/18	72 388	62870

2018/19	103 078	107 153
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Province	Target	Number of Children Benefiting
Eastern Cape	14 035	8 420
Free State	2 085	2 084
Gauteng	8 135	9 079
KwaZulu-Natal	14 615	14 615

Limpopo	12 785	9 414
Mpumalanga	4 625	4 625
Northern Cape	1 221	1 221
North West	6 592	9 147
Western Cape	8 295	4 265
<b>TOTALS</b>	<b>72 388</b>	<b>62 870</b>

### 1.1.2 Subsidy Component performance (2017/18) per province

The target achieved was 87% and there was an under-achievement of the target given that it was the first year of implementation and there was a lack of capacity to implement the grant.

### 1.1.3 Subsidy Component performance (2018/19) per province

Province	Target	Number of Children Benefiting
Eastern Cape	20 472	20 429
Free State	3 610	3 560
Gauteng	14 570	11 543
KwaZulu-Natal	24 622	24 622
Limpopo	11 756	12 029
Mpumalanga	8 425	8 440
Northern Cape	1 640	1 640
North West	10 983	17 616
Western Cape	7 000	7 274

<b>TOTALS</b>	<b>103 078</b>	<b>107 153</b>
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There was a roller of funds of funds that was not spent in the 2017/18 financial year which allowed more children to be reached.

### Maintenance Component

#### 1.1.4 Overall achievement for the maintenance component for the period (2017/18 and 2018/19)

Years	Target	Actual performance
2017/18	593	459
2018/19	369	539

#### 1.1.5 Maintenance Component performance (2017/18) per province

Province	Target	Achieved
EC	96	0
FS	79	79
GT	15	15
KZN	117	117
LP	98	98
MP	62	62
NC	65	65
NW	48	10
WC	13	13
<b>Total</b>	<b>593</b>	<b>459</b>

The target achieved was 77% because Provinces experienced challenges given that it was the first year of implementation with procurement processes and delays in appointing the required capacity to manage the grant.

#### 3.4.2 Maintenance Component performance (2018/19) per province

Province	Target	Achieved
EC	19	15
FS	25	32
GT	20	15
KZN	52	63
LP	99	184
MP	35	35
NC	40	38
NW	33	38
WC	46	119
<b>Total</b>	<b>369</b>	<b>539</b>

There was an over-achievement of the target because there was a saving on the costing of each centre for maintenance which resulted in more centres being assisted. Furthermore, some centres in Limpopo only benefited from early learning material which allowed the province to assist more centres than planned.

#### 4.6 Executive Undertaking 6:

The Social Service Practitioners Draft Bill (Bill), is envisaged to create an intermediary grant for children who stayed with guardians, who qualified for foster care but could not wait for the long period it took to have a foster care grant executed. Reduce the times it took to appeal a decision by SASSA. And this would be done by having an appeals tribunal directly within the DSD.

The Bill was not introduced to parliament due to cabinet changes and the fact that it was an election year, which resulted in most cabinet matters set aside. The Bill is ready for cabinet consideration, therefore will be submitted to cabinet for consideration in order to gazette for public comments. This Bill will only be introduced to parliament in 2020/2021 financial year due to delays of processing it in 2018/19.

### **Draft input for commitments made at NCOP**

#### **1. Utilisation of savings to promote local economic development through alternative pay points and local health shops**

Since the period in which this commitment was made, the payment environment for social grant beneficiaries to access their money has changed significantly. The contract with CPS for social grant payments ended on 30 September 2018. This change brought with it the reduction in cash pay points – from approximately 10 000 in 2017/18, SASSA currently has 1 740 approved pay points. Work is underway to reduce this further as the number of citizens who continue to utilise this channel has reduced from over 3 million

to less than 300 000 per month. The cash payment channel is also both expensive and inefficient, while at the same time being prone to serious security risks.

The changed environment resulted in SASSA abandoning its project to establish alternative pay points in locally owned shops. However, work is underway, together with SAPO, to identify alternative channels. This will include aspects such as mobile money; working with community based and South African owned spaza shops for them to become part of the network while not increasing their risk by having them handle large amounts of cash (looking at increasing the acceptance of electronic transactions); expanding the network of SAPO ATMs and other options which will be driven by technology. This will require an investment into local communities, but should also see social grant money remaining in local communities rather than taking flight to the large towns and cities.

The above innovations are aimed at reducing the dependence on cash, while at the same time improving security and convenience for the clients we serve.

#### **2. Addressing long queues, dilapidated buildings and promoting dignity**

As explained above, SASSA, through the partnership with SAPO, currently services less than 300 000 social grant beneficiaries through the historic cash payment channels. There is a commitment to further reduce the number of cash pay points, while providing safe and convenient options to those beneficiaries who reside long distances from any national payment infrastructure.

Many of the pay points which were in the open have been discontinued. However, even within the remaining 1 740 approved pay points, there are still some which operate from less than ideal buildings and some which are still in the open. The intention is to move the beneficiaries who are serviced at these points to alternative channels, where these are within easy reach, or to look at other options, such as empowering the local spaza shop to become an alternative, where social grant beneficiaries can transact electronically.

Continuous beneficiary education is required, to strengthen the beneficiaries' trust in electronic payments, and also to empower them to use the power of the debit card they now have, rather than withdrawing the total grant in cash and then transacting with cash.

SAPO, as part of their commitment to the contract for the payment of social grants, also has a medium to long term plan to upgrade post office outlets, to ensure that these meet minimum standards for dignified grant payment services. This will also encourage grant beneficiaries to voluntarily go to post offices to access cash, when cash is required.

## **5. OBSERVATIONS AND KEY FINDINGS**

In noting the progress report given by the officials in relation to the implementation of the executive undertakings under review, the Committee made the following observations and key findings:

- 5.1 There were many issues that were hindering the success of graduate programme. Some provinces were not hiring social workers as they should, and this was defeating the objectives that the Department wanted to achieve (e.g. Western Cape had employed social workers on contracts, when other provinces had employed them on permanent).
- 5.2 The Ministerial Committee on Social Welfare brought critical recommendations that the Department would have to implement to strengthen the fostering programme.
- 5.3 The DSD wanted to have a specialised unit that would monitor the success of these programmes, namely, "You Only Live Once" (YOLO), programme, which teaches sexual and reproductive rights to children, Ezabasha ("Of the youth") programme
- 5.4 The proposal of a culmination of inter-departmental task team between the DSD, the Department of Transport, the National Treasury and the Department of Labour, all of which had a form of social security responsibility, to make sure that no one fell through the cracks.
- 5.5 Approval in principle the idea of creating a social security retirement fund for everyone who is working. And a proposal for a comprehensive institutional framework to ensure not only that no one fell through the cracks, but also to make sure that there was no "double dipping" of benefits.
- 5.6 The introduction of the Social Assistance Bill, which is meant to address the current backlogs in foster care. The bill will create an intermediary grant for children who stayed with guardians, who qualified for foster care but could not wait for the long period it took to have a foster care grant executed.

## **6. RECOMMENDATIONS**

- 6.1 The Committee concluded that a time frame of three months within for the Department to report back to the NCOP on the implementation of pay point infrastructure by providing the NCOP with a progress report in this regard.
- 6.2 The Department to provide the NCOP with the exact provincial figures in relation to the Early Childhood Development (ECD) grant from 2017/18, 2018/19 and 2019/20 financial year and the conditions for implementation of the grant by Provinces.
- 6.3 All provinces are requested to apply and align a uniform approach regarding the employment of social workers. In this regard, the Committee recommends engagement between the Department and Provinces to create uniformity in the appointment, retention and conditions of services of social workers.
- 6.4 The Department of Basic Education and the Department of Social Development are to provide the NCOP with a report indicating who the custodian of the ECD programme is. The report should outline the role and responsibility of both the Department of Basic Education and the Department of Social Development in the ECD programme.

*Report to be considered.*