

**NATIONAL COUNCIL OF PROVINCES  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 266 [CW358E]  
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**266. Mr F Essack (Mpumalanga: DA) to ask the Minister of Finance:**

- (1) With reference to a reply to Question 196 on 20 May 2015 by the Minister of Cooperative Governance and Traditional Affairs, how much of the capital budget was returned by each (a) district and (b) local municipality in Mpumalanga in the past three financial years;
- (2) whether the National Treasury will intervene in these municipalities to ensure that they spend their capital budgets to improve service delivery; if not, why not; if so, what are the relevant details?

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**REPLY:**

- (1) (a) and (b)The table below reflects the unspent conditional grants (Capital grants) that were offset against the equitable share of the Mpumalanga Local Municipalities for the past three financial years. Municipalities receive conditional grants through the Division of Revenue Act and these funds are mainly used to finance municipalities' operating and capital budget.

**Unspent Conditional Grants**

<b>Number</b>	<b>Municipality</b>	<b>Total unspent for 2013/14</b>	<b>Total unspent for 2012/13</b>	<b>Total unspent for 2011/12</b>	<b>Total unspent</b>
<b>MPUMALANGA</b>					
B	MP301 Albert Luthuli	21 971		2 063	24 034
B	MP302 Msukaligwa	17 816		-	17 816
B	MP303 Mkhondo			-	-
B	MP304 Pixley Ka Seme	29 359	6	8 837	44 350
B	MP305 Lekwa			15 233	15 233
B	MP306 Dipaleseng	641		1 889	2 530
B	MP307 Govan Mbeki		800	-	800
C	DC30 Gert Sibande District Municipality			-	-
<b>Total: Gert Sibande Municipalities</b>		<b>69 787</b>	<b>6</b>	<b>28 022</b>	<b>104 763</b>
B	MP311 Victor Khanye				-
B	MP312 Emalahleni	350	33	-	33 805
B	MP313 Steve Tshwete			-	-
B	MP314 Emakhazeni			1 012	1 012
B	MP315 Thembisile		760	10 178	10 938
B	MP316 Dr JS Moroka	15 566	669	11 218	27 453
C	DC31 Nkangala District Municipality			15 737	15 737
<b>Total: Nkangala Municipalities</b>		<b>15 916</b>	<b>34</b>	<b>38 145</b>	<b>88 945</b>
B	MP321 Thaba Chweu			-	-
B	MP322 Mbombela	2 186		97 661	99 847
B	MP323 Umjindi	-		-	-
B	MP324 Nkomazi	7 455		-	7 455
B	MP325 Bushbuckridge	-		149 825	149 825
C	DC32 Ehlanzeni District Municipality	362		677	1 039
<b>Total: Ehlanzeni Municipalities</b>		<b>10 003</b>	<b>-</b>	<b>248 163</b>	<b>258 166</b>
<b>Total: Mpumalanga Municipalities</b>		<b>95 706</b>	<b>41</b>	<b>314 330</b>	<b>451 874</b>

- (2) National Treasury is providing support to municipalities in terms of the requirements provided in terms of section 216 of the constitution. This is done by prescribing measures to ensure both transparency and expenditure control against grant allocations and in instances where these controls are not adhered to by the receiving municipalities, measures to either delay or stop the funds be invoked.

National Treasury has been engaging with all national departments that administer conditional grants in assisting municipalities that had their funds offset due to slow spending. These departments will consider options of re-allocating additional funds especially against municipalities that show improved spending patterns against their capital project. For the past two years, about R165 million has been shifted from municipalities which are underspending to municipalities which are fast spending in the province. This process reduces the extent in which funds are being offset, because when municipalities are underperforming against the grants the funds are stopped and reallocated to those municipalities that have accelerated on their projects.

Secondly, provinces (both provincial local governments and provincial treasuries) have taken some of the monitoring responsibilities in order to assist their municipalities. The role includes the monthly monitoring of the budgets (capital and operating), conditional grants support, and roll over process of unspent conditional grants, mid-year budget assessments and municipal budget benchmarks.

National treasury has also requested the national departments (as the transferring national officers) to strengthen their monitoring and support in order to fast track the implementation of the projects. The Back to Basics programme implemented by the department of Cooperative Governance is one particular support that considers this assistance.