



# MPUMALANGA PROVINCE

## REPORT ON GRANTS AND CAPITAL EXPENDITURE

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070223 mpumalanga

**DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND ACTUAL EXPENDITURE OF CONDITIONAL GRANTS**

<b>HOUSING GRANT</b>						
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Allocation	309,434	242,038	275,408	296,457	321,123	421,002
Roll Overs	41,800	101,634	87,600	4,276	29	N/A
Adjusted Est	N/A	11,225	1,872	4,292	N/A	N/A
<b>TOTAL</b>	<b>351,234</b>	<b>354,897</b>	<b>364,880</b>	<b>305,025</b>	<b>321,152</b>	<b>421,002</b>
Received	309,434	242,038	277,280	305,025	321,123	313,000
Expenditure	249,600	267,297	360,604	304,996	262,070	184,000
<b>UNSPENT</b>	<b>101,634</b>	<b>87,600</b>	<b>4,276</b>	<b>29</b>	<b>59,053</b>	<b>129,000</b>

**DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND ACTUAL EXPENDITURE OF CONDITIONAL GRANTS**

<b>HUMAN SETTLEMENT REDEVELOPMENT GRANT</b>						
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Allocation	5,000	6,000	7,000	7,420	N/A	N/A
Roll Over	N/A	2,920	8,690	6,468	9,123	1,876
Adjusted Est.	N/A	120	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>5,000</b>	<b>9,040</b>	<b>15,690</b>	<b>13,888</b>	<b>9,123</b>	<b>1,876</b>
Received	N/A	350	9,208	4,765	9,123	1,876
Expenditure	2,080	350	9,222	4,765	5,443	969
<b>UNSPENT</b>	<b>2,920</b>	<b>8,690</b>	<b>6,468</b>	<b>9,123</b>	<b>3,680</b>	<b>907</b>



## 2.MONITORING CAPACITY

### ■ 2.1 UNDERSPENDING AT 31/12/06

- R129 million
- Expenditure at 59% instead of 75%
- Challenges with the capacity of the contractors
- Planning and project management incapaci
- The low baseline of our budget does not enable us to attract skilled personnel.





## 2.MONITORING CAPACITY

### ■ 2.2 CORRECTIVE MEASURES

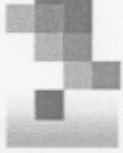
- Review of organogram
- Requested the review of the baseline allocation by Provincial Treasury
- Treasury appointed 2 Engineers from Africon to assist us in Housing
- Appointment of Cuban professionals



## 2.MONITORING CAPACITY

### ■ 2.2 CORRECTIVE MEASURES

- Termination of poor performing contractors
- Purchasing of properties for inner city regeneration and land for BNG projects
- Move towards Social Housing (Rental stock) as an instrument of choice for delivery
- Bridging finance for municipalities for serviced sites



# **MUNICIPAL INFRASTRUCTURE GRANT**



## **PURPOSE OF THE GRANT**

- **THE GRANT IS AIMED AT PROVIDING ALL SOUTH AFRICANS WITH AT LEAST A BASIC LEVEL OF SERVICE BY THE YEAR 2013 THROUGH THE PROVISION OF GRANT FINANCE TO COVER THE CAPITAL COST OF BASIC INFRASTRUCTURE FOR THE POOR.**





## **MEASURABLE OBJECTIVES**

- Assist in enhancing the developmental capacity of municipalities to deliver on MIG.
- Provide a mechanism for the co-ordinated pursuit of National policy priorities with regards to basic municipal infrastructure programmes and monitor adherence to labour intensive construction methods.



# CONDITIONS OF THE GRANT

- Prioritizing residential infrastructure in line with MIG and sector policies
- The requirement for three year capital and operational budgets from Municipalities
- The need to adhere to labour-intensive construction methods.

## **Allocation Criteria:**

- The allocation criteria is as per Division of Revenue Act Schedule No 4 which sets the framework for allocation to Municipalities.



# CHALLENGES

- Delays in submission of registration forms and technical reports for water and sanitation Projects
- Slow processes with regards to procurement of consultants and contractors, and
- Delays in appointment of consultants and contractors.
- Insufficient capacity for Local Municipalities that operated as Water Services Authorities for the first time.



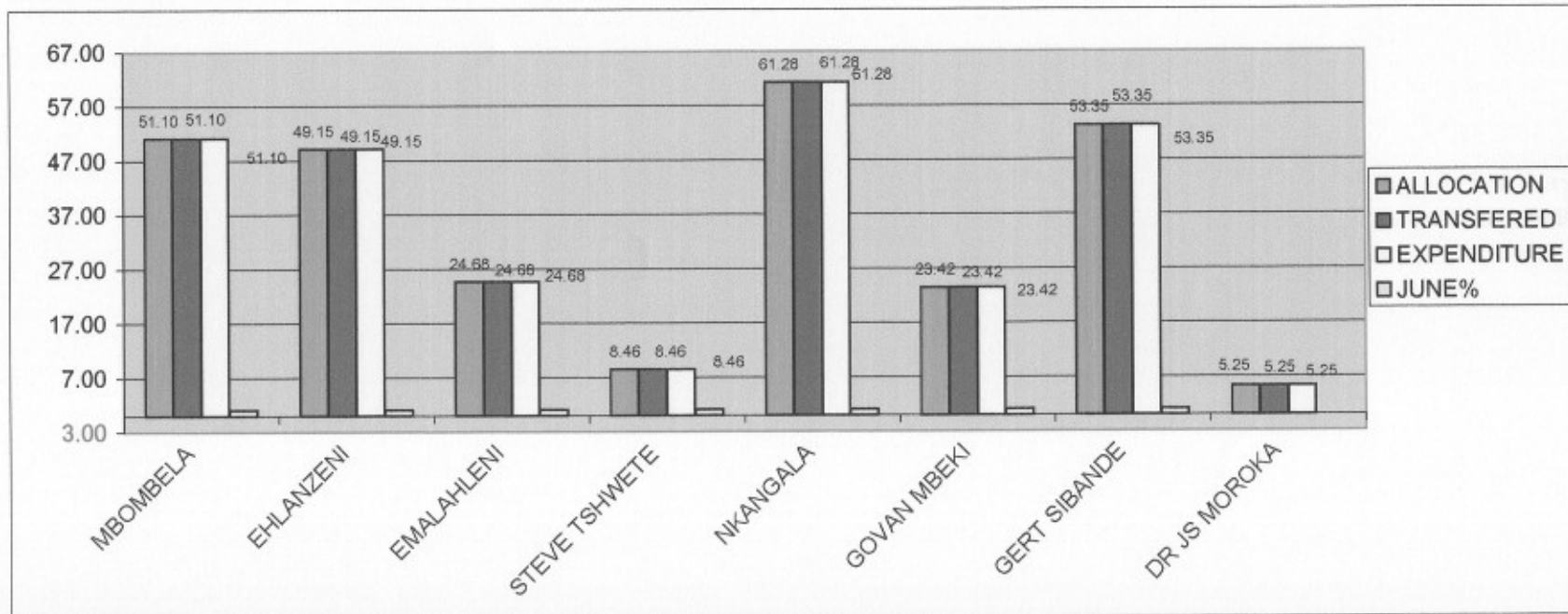
# Remedial Steps

- Requested additional financial and technical resources to improve Provincial Monitoring.
- DPLG and DBSA appointed Siyenza Manje Engineers to assist Albert Luthuli, Nkomazi and Mkhondo Municipalities.
- DWAF and Departmental Technical Teams continue to give assistance with infrastructure business plans.



**DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
MIG EXPENDITURE REPORT: JUNE 2004/05**

	ALLOCATION	TRANSFERED	EXPENDITURE	JUNE %	SEPT%	DEC %	JUNE%	BALANCE
MBOMBELA	51.10	51.10	51.10	7.70	10.27	47%	100%	0.00
EHLANZENI	49.15	49.15	49.15	11.46	11.46	39%	100%	0.00
EMALAHLENI	24.68	24.68	24.68	3.51	4.72	32%	100%	0.00
STEVE TSHWETE	8.46	8.46	8.46	0.76	9.26	33%	100%	0.00
NKANGALA	61.28	61.28	61.28	2.78	2.78	21%	100%	0.00
GOVAN MBEKI	23.42	23.42	23.42	1.79	11.67	63%	100%	0.00
GERT SIBANDE	53.35	53.35	53.35	15.4	19.58	58%	100%	0.00
DR JS MOROKA	5.25	5.25	5.25	0.00%	0.00%	48%	100%	0.00

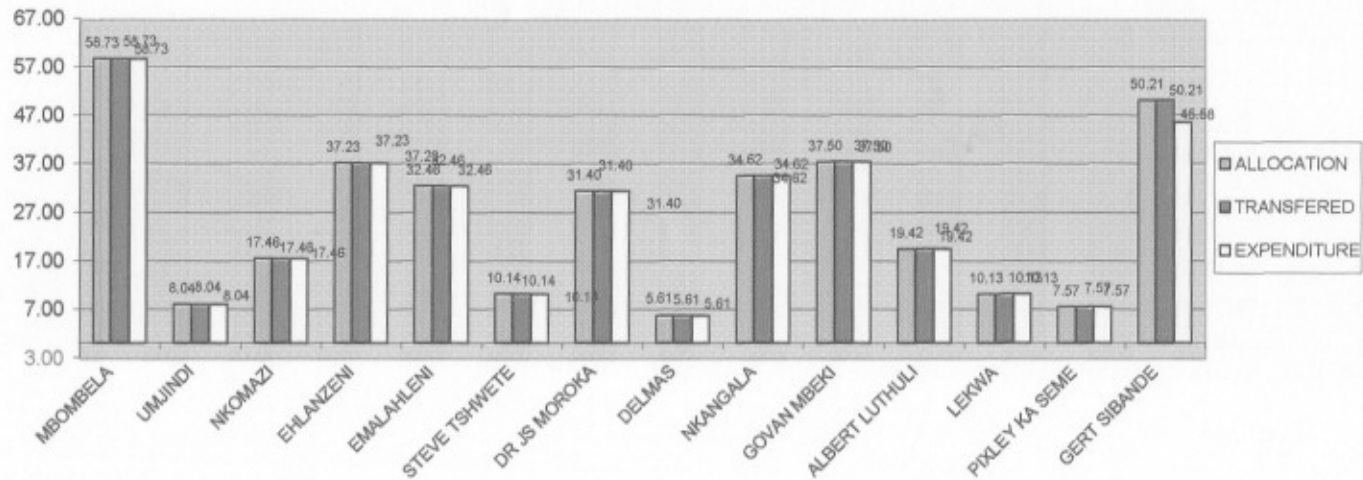


<b>MPUMALANGA</b>	
<b>ALLOCATION</b>	<b>276.69</b>
<b>TRANSFERRED</b>	<b>276.69</b>
<b>EXPENDITURE</b>	<b>276.69</b>
<b>%</b>	<b>100%</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

2005/ 06 FINANCIAL YEAR: MIG EXPENDITURE REPORT FOR THE MONTH OF SEPTEMBER 2006

MUNICIPALITY	ALLOCATION	TRANSFERED	EXPENDITURE	BALANCE	JANUARY %	FEBRUARY %	MARCH %	APRIL %	JUNE%	JULY%	AUG%	SEP%
MBOMBELA	58.73	58.73	58.73	0.00	21%	33%	42%	49%	100%	100%	100%	100%
UMJINDI	8.04	8.04	8.04	0.00	6%	25%	49%	58%	100%	100%	100%	100%
NKOMAZI	17.46	17.46	17.46	0.00	27%	37%	44%	51%	100%	100%	100%	100%
EHLANZENI	37.23	37.23	37.23	0.00	27%	32%	41%	45%	84%	87%	89%	100%
EMALAHLENI	32.46	32.46	32.46	0.00	23%	32%	64%	71%	100%	100%	100%	100%
STEVE TSHWETE	10.14	10.14	10.14	0.00	6%	23%	49%	53%	98%	100%	100%	100%
DR JS MOROKA	31.40	31.40	31.40	0.00	53%	56%	60%	63%	100%	100%	100%	100%
DELMAS	5.61	5.61	5.61	0.00	37%	53%	57%	65%	100%	100%	100%	100%
NKANGALA	34.62	34.62	34.62	0.00	26%	35%	72%	75%	100%	100%	100%	100%
GOVAN MBEKI	37.50	37.50	37.50	0.00	44%	52%	67%	75%	100%	100%	100%	100%
ALBERT LUTHULI	19.42	19.42	19.42	0.00	6%	9%	24%	26%	56%	64%	69%	100%
LEKWA	10.13	10.13	10.13	0.00	9%	12%	27%	39%	73%	74%	73%	100%
PIXLEY KA SEME	7.57	7.57	7.57	0.00	33%	33%	37%	37%	83%	87%	93%	100%
GERT SIBANDE	50.21	50.21	45.58	4.63	42%	45%	51%	56%	81%	81%	84%	91%

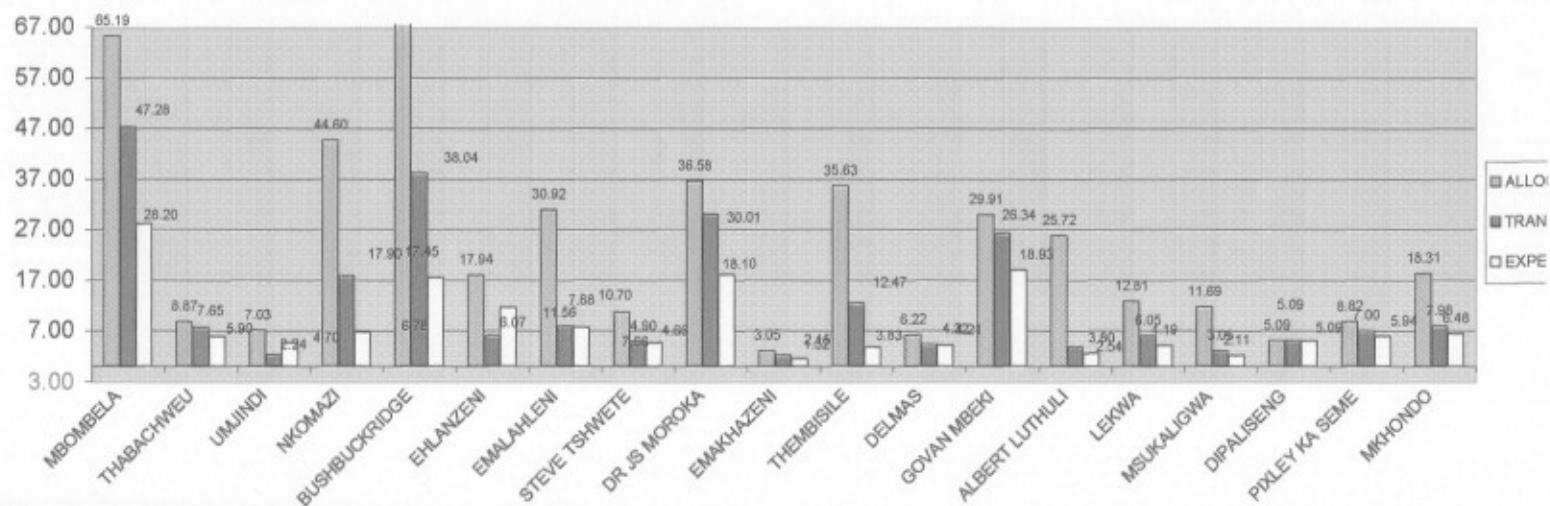


MPUMALANGA	
ALLOCATION	360.51
TRANSFERRED	360.51
EXPENDITURE	355.87
BALANCE	4.63
%	99%

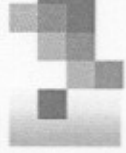
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

2006/ 07 FINANCIAL YEAR : MIG EXPENDITURE REPORT FOR THE MONTH OF JANUARY 2007

MUNICIPALITY	ALLOCATION	TRANSFERED	EXPENDITURE	BALANCE	JULY%	AUGUST%	SEPTEMBER%	OCTOBER%	NOVEMBER%	JANU/
MBOMBELA	65.19	47.28	28.20	19.08	7%	17%	20%	30%	34%	43
THABACHWEU	8.87	7.65	5.90	1.75	8%	10%	10%	17%	25%	67
UMJINDI	7.03	2.24	4.70	-2.46	1%	3%	3%	7%	13%	67
NKOMAZI	44.60	17.90	6.78	11.13	1%	3%	7%	8%	11%	15
BUSHBUCKRIDGE	91.21	38.04	17.45	7.00	0%	0%	0%	3%	4%	19
EHLANZENI	17.94	6.07	11.56	-5.49	1%	2%	2%	5%	6%	64
EMALAHLENI	30.92	7.88	7.66	0.21	2%	3%	4%	6%	9%	25
STEVE TSHWETE	10.70	4.90	4.66	0.24	0%	2%	2%	2%	16%	44
DR JS MOROKA	36.58	30.01	18.10	11.92	18%	25%	32%	38%	41%	45
EMAKHAZENI	3.05	2.15	1.52	0.63	0%	0%	0%	14%	21%	50
THEMBISILE	35.63	12.47	3.83	8.64	0%	0%	0%	0%	0%	11
DELMAS	6.22	4.32	4.21	0.11	0%	0%	0%	10%	37%	68
GOVAN MBEKI	29.91	26.34	18.93	7.40	19%	22%	42%	48%	55%	62
ALBERT LUTHULI	25.72	3.80	2.54	1.26	3%	3%	3%	3%	8%	10
LEKWA	12.81	6.05	4.19	1.86	0%	0%	0%	1%	1%	32
MSUKALIGWA	11.69	3.05	2.11	0.95	0%	0%	6%	6%	6%	18
DIPALISENG	5.09	5.09	5.09	0.00	0%	0%	10%	10%	96%	10
PIXLEY KA SEME	8.82	7.00	5.94	1.06	0%	0%	21%	21%	35%	67
MKHONDO	18.31	7.98	6.48	1.49	0%	0%	21%	21%	21%	37



MPUMALANGA	
ALLOCATION	470.28
TRANSFERRED	240.23
EXPENDITURE	159.86
%	34%



# **MIG Commitments over the MTEF**



COMMITMENTS END OF JANUARY 2007

		<u>Allocation</u>	<u>Commitments</u>	<u>% Commitment</u>	<u>Allocation</u>	<u>Commitments</u>	<u>% Commitment</u>	<u>Allocation</u>	<u>Commitments</u>	<u>Cc</u>
		2006 /2007	2006 /2007		2007/2008	Commitment	%2007	2008/2009	2008 /2009	
<u>Province</u>		<u>Allocation</u>	<u>Commitments</u>	<u>%2006 /2007</u>	<u>Allocation</u>	<u>s</u>	<u>/2008</u>	<u>Allocation</u>	<u>Commitments</u>	<u>% 2</u>
Lekwa	MP	12,805,000	12,805,000	100%	14,390,000	2,247,484	0	17,776,000	-	
Pixley Ka Seme	MP	8,817,000	8,817,000	100%	9,908,000	9,192,620	93%	12,239,000		
Albert Luthuli	MP	25,723,000	21,085,366	82%	28,782,000		-	34,320,000	-	
Govan Mbeki	MP	29,906,000	29,906,000	100%	33,606,000	10,945,154	33%	41,514,000		
Mkhondo	MP	18,306,000	18,306,000	100%	20,571,000	16,228,158	79%	25,411,000		
Msukaligwa	MP	11,694,000	11,694,000	100%	13,141,000	3,112,093	24%	16,233,000		
Dipaleseng	MP	5,089,000	5,089,000	100%	5,718,000	5,718,000	100%	7,064,000	1,772,087	
Gert Sibande	MP	-	10,622,000		-			-		
Dr JS Moroka	MP	36,582,000	36,582,000	100%	41,108,000	41,108,000	100%	50,781,000	46,514,899	
Emalahleni	MP	30,921,000	30,921,000	100%	34,746,000	34,746,000	100%	42,923,000	9,323,795	
Steve Tshwete	MP	10,696,000	10,696,000	100%	12,019,000	8,596,160	72%	14,847,000		
Delmas	MP	6,221,000	6,221,000	100%	6,990,000	6,990,000	100%	8,635,000	51,979,000	
Emakhazeni	MP	3,052,000	3,052,000	100%	3,430,000	156,531	5%	4,237,000		
Thembisile	MP	35,631,000		0%	40,039,000		0%	49,461,000		
Nkangala District	MP	-	19,770,149		-					
Mbombela	MP	65,189,000	65,189,000	100%	70,754,000	70,754,000	100%	87,404,000	57,624,348	
Thaba Chweu	MP	8,866,000	8,866,000	100%	9,963,000	9,963,000	100%	12,308,000	9,062,000	
Umjindi	MP	7,030,000	7,030,000	100%	7,899,000	7,899,000	100%	9,758,000	13,111,159	
Nkomazi	MP	44,601,000	44,601,000	100%	50,119,000	21,548,125	43%	61,913,000		
Bushbuckridge	MP	91,212,000	91,212,000	100%	98,167,000	57,627,000	59%	127,620,000		
Ehlanzeni District	MP	17,942,000	17,942,000	100%	20,162,000	7,094,000	35%	24,907,000		
		<b>470,283,000</b>	<b>460,406,515</b>	<b>98%</b>	<b>521,512,000</b>	<b>313,925,325</b>	<b>60%</b>	<b>649,351,000</b>	<b>189,387,288</b>	