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Author: Rapula Moatshe

Tshwane forfeits millions meant for service delivery

RAPULA MOATSHE
rapula.moatshe@inl.co.za

THE cash-strapped City of Tshwane is on the brink of forfeiting millions of rand to the National Treasury after it failed to spend a huge chunk of its conditional grants meant for capital projects such as water supply and upgrading of informal settlements.

This came to light during yesterday's ordinary council sitting at Tshwane House, where the City's capacity to spend grants allocated by the Gauteng provincial government came into question.

ANC councillor Floyd Thema remarked that failure by the municipality to utilise conditional grants and other subsidies meant it faced the bleak prospect of returning them to the National Treasury.

He said: "Failure to spend conditional grants may result in decrease of funds in the following year. It can negatively impact the quality of services received by residents."

Thema said the City forfeited the community library grant of about R22 million due to late submission of service level agreements to Gauteng province.

The City's R22m allocated as the financial management grant was among the unspent budgets.

Only R7m of the R133m received

by the City as the Expanded Public Works incentive was spent.

Thema said that not a single cent of the R62m for project preparation support was used.

The City was unable to use half a million meant for energy efficient demand site management, which is about awareness campaigns and training programmes.

A whopping R140m allocated to the City as a neighbourhood development partnership grant has not been used for its purposes, which include public employment programmes and for helping communities fight crime and safeguard their environment.

At least R34m grant allocated to human development settlement was unused.

The City was allocated R150m as an informal settlements upgrading partnership grant and was only able to spend R17m.

Also in trouble for failing to use their grant funding were health and utilities departments.

Thema said: "In this city infrastructure projects are non-existent. Public facilities are suffering while there are grant infrastructure projects and money allocated from the Gauteng province led by the ANC."

ActionSA's councillor Tshepiso Modiba said: "When funds intended

for basic services such as municipal health-care services, infrastructure, water supply and other critical areas go unutilised, we witnessed a direct decline in the quality of service delivery within the municipality. This deprivation affects the quality of life of Tshwane residents."

He said the municipality finds itself in a situation where the under-spending of grants has become an alarming trend.

He also echoed sentiment that unspent funds would find their way back to the National Treasury.

This, Modiba said, would translate into reduced subsidies for Tshwane in the following year and consequently diminished service delivery.

Finance MMC Jacqui Uys acknowledged underperformance on the part of the municipality, adding that such challenges have already been discussed.

"However, it is our responsibility that these get corrected and therefore we are creating a section 80 that will be led by the deputy executive mayor to specifically track capital projects. Of course, the strike had an impact on the performance, but we cannot deny that over the past 10 years or even longer than that this City has had issues with spending its capital grants."



SPEAKER Mncedi Ndzwanana convened an ordinary sitting of the Tshwane council sitting yesterday. | JACQUES NAUDE / Independent Newspapers

