

**RUSTENBURG  
LOCAL MUNICIPALITY**



**OFFICE OF THE EXECUTIVE MAYOR  
COMMUNICATIONS UNIT**

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**MEDIA STATEMENT**

**To : All media Houses**

**Date : 05 April 2023**

**Subject : Right of Reply – Response - ‘The stopping and re-allocation of conditional grants’**

The Rustenburg Local Municipality (RLM) has noted with concern media reports regarding performance of municipalities in the North West province, with special reference to Grant Funding provided by other levels of government. The RLM can confirm that a total of R65 million was re-directed from the allocations to the municipality for the current financial year.

However, the municipality denies that all of these results from the ineptitude or incapacity of municipal officials to spend. Also, the often cited are debts owed by municipalities to Eskom brought up to cloud issues pertaining to expenditure on the Integrated National Electification Programme (INEP). We must state that, whereas for RLM 29.5% of the allocated amount was spent as at 31 December 2022, by 31 March 2023 expenditure stood at 62% of the total allocation.

As regards to the Neighbourhood Development Partnership Grant (NDPG), non-performance does not result from inability to spend, but rather from the improper allocation by National Treasury itself. In this instance, whereas the municipality requested a total of R30.3 million for the widening of Marikana Road (D1325) in Central Business District, National Treasury only made a commitment of R2 million. With a R28.3 million shortfall, the municipality could not proceed with project implementation.

In the case of performance with regard to Municipal Infrastructure Grant (MIG), already on 23 February 2023, National Treasury was provided with appointment letters indicating that the procurement processes were completed and service providers appointed. The municipality provided a portfolio of evidence to National Treasury with a view to impress on the latter that the funds would be exhausted within the current financial year. Hence, at the end of the Third

Quarter of the financial year (31 March), indications are that the expenditure is increasing tremendously based on output performance by contractors. Regrettably, the withholding of over R39 million by national government imposes on the municipality the unfortunate need to reprioritise project choices.

Needless to say, community disturbances and interference with project implementation also contribute significantly towards project stoppages which impacts on expenditure. These often manifest in demands for sub-contracting and allegations of employment biases.

The underspending in respect Water Services Infrastructure Grant (WSIG), results from delays in the approval of Business Plans by the transferring Department, which impeded the municipality's ability to procure and implement projects.

The above notwithstanding, the municipality is in the process of improving its capacity to fulfil its developmental mandate by filling senior managers and key strategic service delivery positions.

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