

## **REPORT TO PARLIAMENT**

Over- and underspending of municipalities as at 30 June 2011  
September 2011

### **PURPOSE:**

1. To inform Parliament of municipalities' financial performance in relation to over-and underspending of budgets for the 2010/11 municipal financial year ended 30 June 2011; and
2. To highlight the trends in spending with respect to operating and capital budgets for 2010/11.

### **BACKGROUND:**

3. In 2009, the National Treasury produced its first report on the over-and underspending of municipalities for the financial year ending 30 June 2009. Since then, National Treasury has institutionalised the process of reporting on over- and underspending on an annual basis – at the end of each municipal financial year.
4. This report to Parliament is National Treasury's third submission to raise awareness about the issues affecting the quality of municipal budgets and expenditure management. The report is aimed at assisting Parliament to perform its oversight role of local government more effectively. In line with National Treasury's commitment to promoting transparency the report will also be published on National Treasury's website.
5. The financial results for the fourth quarter of the 2010/11 municipal financial year were published by the National Treasury on 2 September 2011. National Treasury publishes this quarterly financial information in terms of sections 71 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), and 30(3) of the 2011 Division of Revenue Act on a quarterly basis.

### **DISCUSSION:**

6. The publication covers revenue and expenditure including conditional grants for the twelve months of the 2010/11 financial year ended 30 June 2011. It indicates that municipalities have underspent their total budget by R28.4 billion for the financial year ending 30 June 2011, of which R12.4 billion was under-spending on capital budgets and R16 billion on operating budgets. With respect of revenue, aggregated billing amounted to R232.2 billion or 93.8 per cent of the R247.5 billion revenue budget. Total debt owed to municipalities increased by 15.2 per cent to R64.6 billion over this period, of which R36.6 billion is owed to metropolitan municipalities.

**EXPENDITURE PERFORMANCE: TOTAL BUDGET**

7. Table 1 below indicates that for the 2010/11 municipal financial year, aggregate underspending amounted to R28.4 billion. Taking into account the effect of R3.9 billion in aggregate overspending by other municipalities, net underspending of the total municipal budget amounted to R24.6 billion. The 2009/10 outcome reflected net underspending of R16.7 billion and this shows that the municipalities' ability to spend according to their annual budgets has deteriorated by 47.3 per cent.

**Table 1 : Over and underspending of total adjusted budget for the 4th Quarter ended 30 June 2011 (Preliminary results)**

	<b>Adjusted Budget</b>	<b>Year to date: 30 June 2011</b>	<b>(Over)</b>	<b>Under</b>	<b>(Over) as % of adjusted budget</b>	<b>Under as % of adjusted budget</b>
<b>R thousands</b>						
<b>Province</b>						
Eastern Cape	22 051 224	18 613 383	(552 322)	3 990 163	-2.5%	18.1%
Free State	11 501 160	8 421 451	(204 090)	3 283 798	-1.8%	28.6%
Gauteng	79 433 725	74 846 839	(114 346)	4 701 233	-0.1%	5.9%
Kwazulu-Natal	44 441 514	39 671 081	(282 881)	5 053 314	-0.6%	11.4%
Limpopo	10 857 426	9 686 439	(1 095 356)	2 266 343	-10.1%	20.9%
Mpumalanga	11 584 511	10 191 875	(991 718)	2 384 354	-8.6%	20.6%
North West	10 342 265	8 847 980	(59 476)	1 553 760	-0.6%	15.0%
Northern Cape	4 255 991	4 091 791	(571 574)	735 774	-13.4%	17.3%
Western Cape	43 514 026	39 036 248	(2 576)	4 480 354	0.0%	10.3%
<b>Total</b>	<b>237 981 842</b>	<b>213 407 087</b>	<b>(3 874 337)</b>	<b>28 449 093</b>	<b>-1.6%</b>	<b>12.0%</b>

Source: National Treasury Local Government Database

8. A percentage basis comparison between 2009/10 and 2010/11 reveals that municipalities in the Eastern Cape, Free State, KwaZulu-Natal, Limpopo and Western Cape all reported percentage increases in levels of underspending. In terms of rand values, the most significant underspending in 2010/11 has been observed in Kwazulu-Natal where municipalities underspent by R5.1 billion, on aggregate.
9. Municipal expenditure performance in the Free State continues to deteriorate. The Free State has now overtaken the North West as the worst performing province. The province reported aggregate underspending of 28.6 per cent or R3.3 billion. It is interesting to note that six municipalities in the Free State, together constituting 56 per cent of the provincial aggregated budget, increased their capital expenditure in their adjustment budgets. All six then underspent against their adjusted budgets. The single biggest contributor to this upward adjustment is Mangaung. The Mangaung capital budget more than doubled while capital spending was reported at just 56.7 per cent of the adjusted budget for 2010/11. In other words, the municipality was unable to spend the additional funds added by the adjustments budget. This is great cause for concern as it highlights a clear lack of planning capacity in this new metro.
10. Table 2 shows the following in relation to the number of municipalities that have over or underspent their total adjustments budgets:

- a. 22 municipalities achieved on-target spending performance within 5 per cent of their adjusted total budgets. This is a 62 per cent decrease from the 58 municipalities who were within this range in the 2009/10 financial year;
- b. 42 municipalities over-spent on their total adjusted budgets by more than 5 per cent; and
- c. 219 municipalities underspent on their total adjusted budgets by more than 5 per cent.
- d. Of the 219 municipalities that underspent on their adjusted total budgets, 20 underspent by between 10 and 15 per cent, while 166 municipalities underspent by more than 15 per cent of their total adjusted budget; and
- e. Of the 42 municipalities that overspent their total adjusted budgets, 5 overspent by between 10 and 15 per cent, while 27 municipalities overspent by more than 15 per cent of their total adjusted budgets.

**Table 2: Over and underspending of adjusted total budget for the 4th quarter ended 30 June 2011 (Preliminary results)**

	(Over)			On Target		Under		
	More than 15%	Between 10% and 15%	Between 5% and 10%	Between 0% and -5%	Between 0% and 5%	Between 5% and 10%	Between 10% and 15%	More than 15%
<b>Number</b>								
<b>Province</b>								
Eastern Cape	4	2	1	5	2	3	4	24
Free State	3	-	-	1	-	4	1	16
Gauteng	1	-	1	-	2	3	1	7
Kwazulu-Natal	5	1	3	-	4	9	4	35
Limpopo	3	-	2	-	-	1	3	21
Mpumalanga	4	1	-	-	-	3	3	10
Northern Cape	7	1	3	2	-	1	1	17
North West	-	-	-	2	2	3	1	16
Western Cape	-	-	-	1	1	6	2	20
<b>Total</b>	<b>27</b>	<b>5</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>33</b>	<b>20</b>	<b>166</b>

Source: National Treasury Local Government Database

11. National Treasury evaluated all municipalities' 2010/11 budgets against the funding compliance criteria set out in the Municipal Budget and Reporting Regulations. Based on the information municipalities submitted in their approved budgets, only 123 municipal budgets were adequately funded. Of the remaining budgets, 90 were unfunded and for 70 there was insufficient information to carry out the evaluation.
12. The main implication of unfunded budgets, in an expenditure analysis context, is that certain municipalities who have underspent did not have the 'cash in bank' that would equate to the level of underspending reported. In these instances it is incorrect to assume that municipalities are accumulating unspent funds.
13. On the budget perspective, there are three contributors to unfunded budgets: high operating expenditure, over-ambitious capital budgets and unrealistic revenue projections. In most cases there are problems in all three areas. Often these budgeting problems are compounded by poor budget implementation, especially in the area of revenue management and the control of unauthorised expenditure.

14. Problems with implementing the revenue side of the operating budget find expression in uncollected debts. The situation at 30 June 2011 is reflected in table 3.

**Table 3: Debtor Age Analysis for fourth quarter ended 30 June 2011**

<b>R thousands</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>	<b>%</b>
<b>By Income Source</b>						
Water	1 534 949	642 589	656 636	13 950 263	16 784 436	26.0%
Electricity	4 390 111	767 892	521 623	5 164 245	10 843 872	16.8%
Property Rates	2 001 151	770 492	707 226	11 902 536	15 381 405	23.8%
Sanitation	698 938	298 334	281 008	5 185 623	6 463 903	10.0%
Refuse Removal	348 582	136 779	173 271	3 330 130	3 988 761	6.2%
Other	403 962	155 157	326 388	10 288 977	11 174 483	17.3%
<b>Total</b>	<b>9 377 691</b>	<b>2 771 242</b>	<b>2 666 152</b>	<b>49 821 774</b>	<b>64 636 859</b>	<b>100.0%</b>
<b>By Customer Group</b>						
Government	390 430	166 379	249 211	2 109 992	2 916 011	4.5%
Business	4 050 128	801 291	600 380	7 695 986	13 147 785	20.3%
Households	4 206 076	1 571 425	1 434 105	33 714 932	40 926 537	63.3%
Other	729 286	232 010	382 308	6 302 922	7 646 525	11.8%
<b>Total</b>	<b>9 375 919</b>	<b>2 771 104</b>	<b>2 666 004</b>	<b>49 823 832</b>	<b>64 636 859</b>	<b>100.0%</b>

Source: National Treasury Local Government Database

15. The debtors age analysis for the fourth quarter ended 30 June 2011 shows:
- Total consumer debts amounted to R64.6 billion at the end of 2010/11. Municipalities reported the worst debt levels on the water trading service and on the households consumer category. Overall municipal debt has grown from R56.1 billion in 2009/10. Household consumer debt is the only category to have deteriorated in 2010/11 financial year.
  - As the amounts owing in the 0 to 30 days category should be technically equivalent to the current month's billings, the management of the debtors' book needs to focus primarily on reducing the amounts owed in the periods between 30 days and 90 days and beyond.
16. A year-on-year comparison of debt levels between 2010/11 and 2009/10 shows a growth 15.3 per cent overall increase in total consumer debt. In terms of the age of debt, the most significant year-on-year increase is observed in the 61 to 90 days category – in 2010/11 the debt level in this category is 48.6 per cent higher than the same period in 2009/10.

**EXPENDITURE PERFORMANCE: OPERATIONAL BUDGET**

17. The national aggregated figures indicate that, municipalities underspent their 2010/11 adjusted operating budgets by 9.1 per cent or R17.8 billion.

**Table 4: Over and underspending of adjusted operating budget for the 4th Quarter ended 30 June 2011 (Preliminary results)**

	Adjusted Budget	Year to date: 30 June 2011	(Over)	Under	(Over) as % of adjusted budget	Under as % of adjusted budget
<b>R thousands</b>						
<b>Province</b>						
Eastern Cape	16 635 882	15 163 788	(779 673)	2 251 768	-4.7%	13.5%
Free State	9 371 452	7 058 935	(166 377)	2 478 894	-1.8%	26.5%
Gauteng	69 969 742	66 825 385	(207 188)	3 351 545	-0.3%	4.8%
Kwazulu-Natal	34 603 934	32 153 078	(399 152)	2 850 008	-1.2%	8.2%
Limpopo	7 696 384	7 416 470	(863 898)	1 143 812	-11.2%	14.9%
Mpumalanga	8 711 595	8 365 577	(1 175 469)	1 521 486	-13.5%	17.5%
North West	8 181 814	7 772 200	(408 394)	818 007	-5.0%	10.0%
Northern Cape	3 491 606	3 461 161	(552 851)	583 297	-15.8%	16.7%
Western Cape	37 073 557	34 245 552	(13 913)	2 841 918	0.0%	7.7%
<b>Total</b>	<b>195 735 965</b>	<b>182 462 146</b>	<b>(4 566 915)</b>	<b>17 840 735</b>	<b>-2.3%</b>	<b>9.1%</b>

Source: National Treasury Local Government Database

18. Analysis of the operational expenditure indicates that, collectively, municipalities in the Free State underspent their 2010/11 adjusted operational budgets by 26.5 per cent or R2.5 billion. Having underspent by 20.9 per cent in 2009/10, this indicates a significant deterioration in spending outcomes.
19. The Northern Cape serves as perhaps the best illustration of the need to be cautious when interpreting consolidated information in the highly diverse local government environment. If one adds the over- and underspending of municipalities in the province together it shows a net position of 0.9 per cent underspending. Underpinning this apparently good position is a near perfect alignment between the percentage of the aggregated municipal budget that was either over or underspent.
20. A very significant risk going forward is that municipalities' operational expenditure plans outstrip realistically collectable revenues – especially given the economic environment which is negatively impacting significant employment creation. If municipalities are to avoid getting into cash-flow problems when implementing their 2011/12 budgets they will need to align their spending plans to 'realistically expected revenues to be collected' in the upcoming adjustments budgets.
21. In terms of the number of municipalities that have over- or underspent on operating budgets, table 5 shows the following:
- 38 municipalities are considered to be on target, having over- or underspent within 5 per cent of their adjusted operating budgets. This represents a 45.7 per cent decrease from the 70 municipalities in this category in 2009/10;

- b. 196 municipalities underspent on their adjusted operating budgets by more than 5 per cent, with 139 municipalities underspending by more than 15 per cent; and
- c. 49 municipalities overspent on their adjusted operating budgets by more than 5 per cent, with 34 municipalities overspending by more than 15 per cent.

**Table 5: Over and underspending of adjusted operating budget for the 4th quarter ended 30 June 2011 (Preliminary results)**

Number	(Over)			On Target		Under		
	More than 15%	Between 10% and 15%	Between 5% and 10%	Between 0% and -5%	Between 0% and 5%	Between 5% and 10%	Between 10% and 15%	More than 15%
<b>Province</b>								
Eastern Cape	5	3	3	5	1	3	4	21
Free State	2	-	-	-	4	2	1	16
Gauteng	-	1	-	2	3	2	1	6
Kwazulu-Natal	11	1	1	1	9	8	2	28
Limpopo	3	3	-	-	2	3	4	15
Mpumalanga	5	-	-	-	2	3	3	8
Northern Cape	6	-	1	1	2	4	1	17
North West	1	1	1	1	2	3	5	10
Western Cape	1	-	-	1	2	6	2	18
<b>Total</b>	<b>34</b>	<b>9</b>	<b>6</b>	<b>11</b>	<b>27</b>	<b>34</b>	<b>23</b>	<b>139</b>

Source: National Treasury Local Government Database

## EXPENDITURE PERFORMANCE: CAPITAL BUDGET

22. In aggregate municipalities underspent their adjusted capital budgets for 2010/11 by R12.4 billion or 29.3 per cent. Municipalities overspending of their adjusted capital budgets was very limited, at just R1 billion or 2.5 per cent.

**Table 6: Over and underspending of adjusted capital budget for the 4th Quarter ended 30 June 2011 (Preliminary results)**

	Adjusted Budget	Year to date: 30 June 2011	(Over)	Under	(Over) as % of adjusted budget	Under as % of adjusted budget
<b>R thousands</b>						
<b>Province</b>						
Eastern Cape	5 415 342	3 449 595	(120 343)	2 086 089	-2.2%	38.5%
Free State	2 129 708	1 362 516	(69 162)	836 354	-3.2%	39.3%
Gauteng	9 463 984	8 021 454	(154 716)	1 597 246	-1.6%	16.9%
Kwazulu-Natal	9 837 580	7 518 003	(44 649)	2 364 225	-0.5%	24.0%
Limpopo	3 161 042	2 269 968	(438 710)	1 329 784	-13.9%	42.1%
Mpumalanga	2 872 916	1 826 297	(87 676)	1 134 295	-3.1%	39.5%
North West	2 160 451	1 075 781	(38 633)	1 123 304	-1.8%	52.0%
Northern Cape	764 385	630 631	(106 217)	239 971	-13.9%	31.4%
Western Cape	6 440 469	4 790 696	-	1 649 773	0.0%	25.6%
<b>Total</b>	<b>42 245 877</b>	<b>30 944 941</b>	<b>(1 060 105)</b>	<b>12 361 041</b>	<b>-2.5%</b>	<b>29.3%</b>

Source: National Treasury Local Government Database

23. Collectively, municipalities in the North West underspent their capital budgets by 52 per cent or R1.1 billion. Although this denotes an improvement over the 62.5 per cent underspending

reported for the 2009/10 financial year, municipalities in the North West still have the worst performance on capital expenditure for the second consecutive year.

24. Municipalities in the Eastern Cape, Free State, Kwazulu-Natal, Limpopo and Western Cape all display percentage increases in their levels of underspending in 2010/11 compared to 2009/10. In terms of rand values, the most significant underspending in 2010/11 has been reported by Kwazulu-Natal and the Eastern Cape where municipalities underspent by R2.3 billion and R2 billion respectively.
25. On aggregate, municipalities in Limpopo are experiencing a trend-reversal, given the shift from net overspending of 9.7 per cent in 2009/10 to underspending by 42.1 per cent or R1.3 billion in 2010/11.
26. Table 7 shows the number of municipalities that over or underspent their adjusted capital budgets. Spending within 5 per cent of their adjusted capital budgets is regarded to be on target. Given the uncertainties around planning, procurement and project implementation, spending within 10 per cent of the adjusted capital budgets is still regarded as acceptable.

**Table 7: Over and underspending of adjusted capital budget for the 4th quarter ended 30 June 2011 (Preliminary results)**

Number	(Over)		Acceptable	On Target		Acceptable	Under	
	More than 15%	Between 10% and 15%	Between 5% and 10%	Between 0% and -5%	Between 0% and 5%	Between 5% and 10%	Between 10% and 15%	More than 15%
<b>Province</b>								
Eastern Cape	4	-	2	5	2	2	2	28
Free State	3	-	-	1	1	3	2	15
Gauteng	-	-	-	4	1	1	1	8
Kwazulu-Natal	5	-	2	-	4	1	-	49
Limpopo	2	1	-	1	-	1	-	25
Mpumalanga	3	-	1	1	-	1	1	14
Northern Cape	6	-	-	4	-	1	1	20
North West	2	-	-	1	1	-	-	20
Western Cape	-	-	-	-	1	4	3	22
<b>Total</b>	<b>25</b>	<b>1</b>	<b>5</b>	<b>17</b>	<b>10</b>	<b>14</b>	<b>10</b>	<b>201</b>

Source: National Treasury Local Government Database

27. In terms of the number of municipalities that have over or underspent on capital budgets, the following observations were made:
  - a. 27 municipalities are considered to be on target, having over or underspent within 5 per cent of their adjusted capital budgets;
  - b. 19 municipalities underspent their capital budget by between 5 and 10 per cent, which is considered an acceptable level of performance;
  - c. 201 municipalities underspent their adjusted capital budgets by more than 15 per cent (82 of these municipalities underspent their adjusted capital budgets by more than 50 per cent); and
  - d. 26 municipalities overspent their adjusted capital budgets by more than 10 per cent, while 25 underspent their adjusted capital budgets by more than 15 per cent.

28. For details of individual municipalities' underspending of their 2010/11 capital budgets see **Annexure B**.
29. The following table highlights the impact of the capital underspending by function (note that this table reports net spending, i.e. over- and underspending added together).

**Table 8: Capital expenditure by function for the fourth quarter ended 30 June 2011 (Preliminary results)**

	Adjusted Budget	Actual Expenditure	Total Expenditure as % of adjusted budget	Under	Under as % of adjusted budget
<b>R thousands</b>					
<b>Capital Expenditure</b>	<b>42 245 877</b>	<b>30 944 941</b>	<b>73.2%</b>	<b>11 300 936</b>	<b>26.8%</b>
Water and Sanitation	11 199 534	8 858 828	79.1%	2 340 706	20.9%
Electricity	5 997 039	4 598 579	76.7%	1 398 460	23.3%
Housing	2 558 241	2 041 956	79.8%	516 285	20.2%
Roads, pavements, bridges and storm water	8 691 303	6 988 931	80.4%	1 702 371	19.6%
Other	13 799 761	8 456 646	61.3%	5 343 114	38.7%

Source: National Treasury Local Government Database

30. The above table shows that:
- Underspending is worst in relation to 'Other' capital spending, which includes community and social services, sport and recreation and housing.
  - Underspending is least in relation to roads, pavements, bridges and storm water.
  - The underspending in relation to electricity and water infrastructure is of particular concern given that these are essential services.
31. The factors that typically lead to underspending of the capital budgets include:
- Shortage of planners and engineers that can draft appropriate specifications and prepare tenders of sufficient quality to attract bids for projects;
  - Poor capital expenditure planning – the tendency to start planning the implementation of the capital budget at the beginning of the financial year which leads to a slow start to spending;
  - Badly managed procurement processes – the widespread mismanagement of these processes mean further delays to spending;
  - Perceived political interference in procurement processes; and
  - Uncertainty created during the LG elections, officials appear to have been reluctant to take spending decisions due to political considerations.



**EXPENDITURE PERFORMANCE: CONDITIONAL GRANTS**

32. Table 9 indicates that underspending of conditional grants remains a persistent trend in this area of municipal expenditure. Total underspending on conditional grants transferred to municipalities for 2010/11 amounts to 28.2 per cent or R5.1 billion.

**Table 9: Over and underspending of conditional grants for the 4th quarter ended 30 June 2010 (Preliminary results)**

	Revised allocation	Year to date: 30 June 2010	(Over)	Under	(Over) as % of adjusted budget	Under as % of adjusted budget
<b>R thousands</b>						
<b>Province</b>						
Eastern Cape	3 483 658	2 881 557	(132 916)	735 016	-3.8%	21.1%
Free State	1 180 987	1 084 676	(44 471)	140 782	-3.8%	11.9%
Gauteng	2 459 615	1 900 232	(3 900)	563 283	-0.2%	22.9%
Kwazulu-Natal	3 209 364	2 175 752	(38 188)	1 071 800	-1.2%	33.4%
Limpopo	2 482 003	2 279 459	(238 818)	441 362	-9.6%	17.8%
Mpumalanga	1 372 870	797 227	(3 639)	579 282	-0.3%	42.2%
North West	1 279 261	844 865	(36 877)	471 273	-2.9%	36.8%
Northern Cape	474 191	393 291	(43 284)	124 184	-9.1%	26.2%
Western Cape	2 042 438	1 131 701	(42 135)	952 871	-2.1%	46.7%
<b>Total</b>	<b>17 984 387</b>	<b>13 488 760</b>	<b>(584 226)</b>	<b>5 079 853</b>	<b>-3.2%</b>	<b>28.2%</b>

Source: National Treasury Local Government Database

Schedule 7 grants are excluded

33. In terms of the number of municipalities that have over or underspent on the revised conditional grant allocations, the following observations were made:

- a. 35 municipalities are considered to be on target, having over or underspent within the 5 per cent acceptable range;
- b. 196 municipalities underspent on their conditional grant allocations, with 151 municipalities underspending by more than 15 per cent; and
- c. 52 municipalities overspent on their adjusted conditional grant allocations, with 29 municipalities overspending by more than 15 per cent.

**Table 10: Over and under spending of conditional grants adjusted allocations for the 4th quarter ended 30 June 2011 (Preliminary results)**

Number	(Over)			On Target		Under		
	More than 15%	Between 10% and 15%	Between 5% and 10%	Between 0% and -5%	Between 0% and 5%	Between 5% and 10%	Between 10% and 15%	More than 15%
<b>Province</b>								
Eastern Cape	6	2	2	4	1	5	7	18
Free State	4	1	3	1	3	2	3	8
Gauteng	1	-	-	2	1	1	2	8
Kwazulu-Natal	5	1	3	3	4	4	3	38
Limpopo	2	1	2	-	1	5	2	17
Mpumalanga	-	-	-	2	1	-	1	17
Northern Cape	5	2	2	1	2	1	1	18
North West	3	-	1	1	1	2	-	16
Western Cape	3	2	1	2	5	3	3	11
<b>Total</b>	<b>29</b>	<b>9</b>	<b>14</b>	<b>16</b>	<b>19</b>	<b>23</b>	<b>22</b>	<b>151</b>

Source: National Treasury Local Government Database

Schedule 7 grants are excluded

34. Overspending of conditional grant allocations raises serious questions about these municipalities systems to manage unauthorised expenditure. Any overspending of conditional grants is for the municipalities own account, and does not mean more funds were allocated to the municipality from national government to cover the difference.

**UNDERSPENDING OF CONDITIONAL GRANTS – MIG AND EPWP:****Table 11: Aggregated conditional grant expenditure per programme for the 4th quarter ended 30 June 2010 (Preliminary results)**

R thousands	Code	Revised allocation	Year to date: 30 June 2010	(Over)	Under	(Over)/Under as % of adjusted budget
<b>Summary per Province</b>						
Municipal Infrastructure Grant	MIG	9 924 806	7 774 969	-	2 149 837	21.7%
Finance Management Grant	FMG	364 589	378 577	(13 988)	-	(3.8%)
Neighbourhood Development Partnership Programme: Capital	NDPG 6	1 030 000	508 274	-	521 726	50.7%
Neighbourhood Development Partnership Programme: Technical <sup>1</sup>	NDPG 7	125 000	-	-	-	-
Municipal Systems Improvement Grant	MSIG	212 000	197 860	-	14 140	6.7%
Public Transport Infrastructure and Systems Grant	PTIS	3 699 462	2 074 248	-	1 625 214	43.9%
Rural Transport Infrastructure Grant	RTIS	10 400	8 757	-	1 643	15.8%
Expanded Public Works Programme Incentive Grant <sup>1</sup>	EPWP	622 999	-	-	-	-
Intergrated National Electrification Programme: Municipal	INEP 6	1 020 105	893 330	-	126 775	12.4%
Intergrated National Electrification Programme: Eskom <sup>1</sup>	INEP 7	1 751 776	-	-	-	-
Backlogs for electrification at schools and Clinics <sup>1</sup>	BESC	-	-	-	-	-
Electricity Demand Side Management (Municipal)	EDSM 6	220 000	164 492	-	55 508	25.2%
Electricity Demand Side Management (Eskom) Grant <sup>1</sup>	EDSM 7	108 900	-	-	-	-
Water Services Operating and Subsidy Grant: Direct	WSOS 6	670 102	863 490	(193 388)	-	(28.9%)
Water Services Operating and Subsidy Grant: Indirect <sup>1</sup>	WSOS 7	188 564	-	-	-	-
Regional Bulk Infrastructure Grant <sup>1</sup>	RBIG	860 382	-	-	-	-
Municipal Drought Relief Grant	MDRG	320 357	124 750	-	195 607	61.1%
Backlogs for sanitation and water at schools and clinics <sup>1</sup>	BSWS	-	-	-	-	-
2010 World Cup Host City Operating Grant	WCHCO	210 280	289 382	(79 102)	-	(37.6%)
2010 FIFA World Cup Stadiums Development Grant	FWCSD	302 286	210 632	-	91 654	30.3%
Rural Households Infrastructure Grant	RHIG	88 000	-	-	-	-
Unallocated amounts						
<b>Total<sup>2</sup></b>		<b>21 730 008</b>	<b>13 488 760</b>	<b>(286 477)</b>	<b>4 782 104</b>	<b>37.9%</b>

Sources: DoRA Monthly reports by the national transferring officer and Municipal sign-offs and electronic verification

1. Spending of these grants is done at National department level and therefore no reporting is required from municipalities.

2. Total includes schedule 7 and 8 allocations

3. All the figures are unaudited.

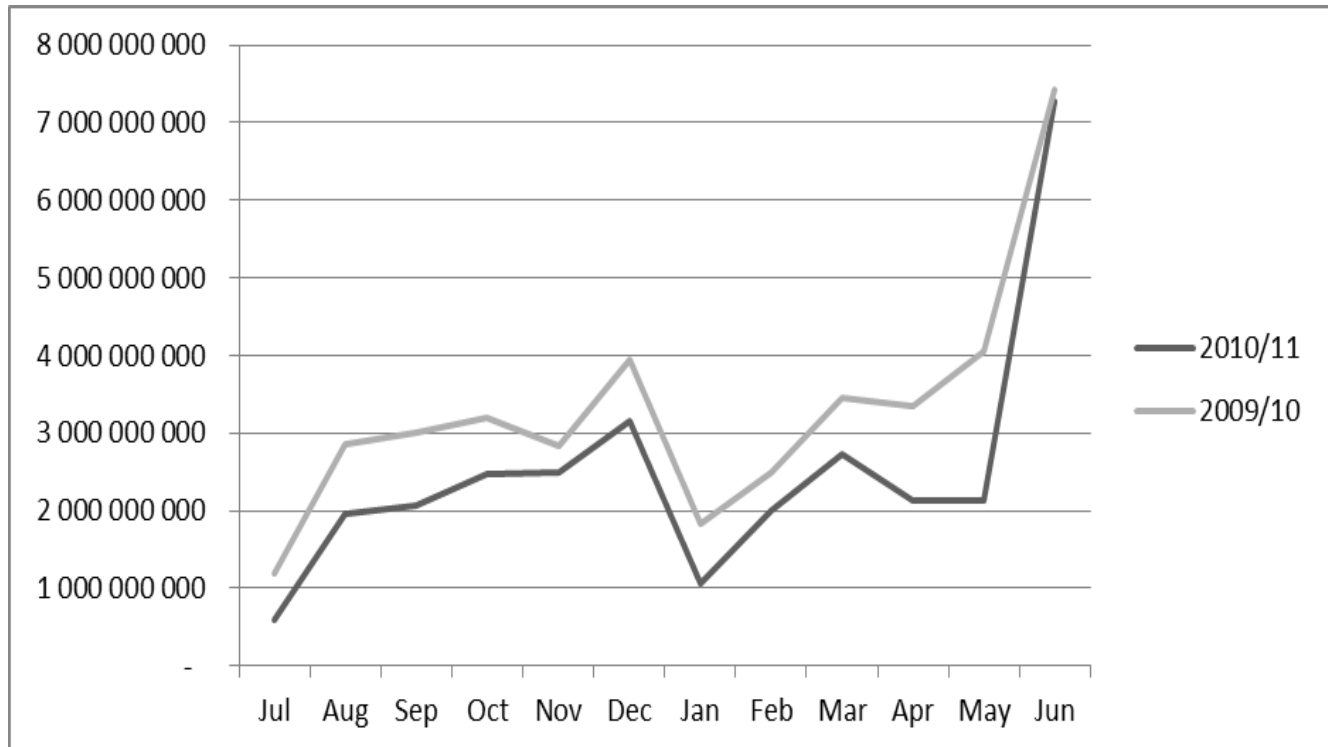
4. Over and under spending percentages exclude schedule 7 and 8 allocations

35. The Expanded Public Works Programme was introduced by the Department of Public Works in 2004. Under the EPWP, all government departments, provinces, municipalities and state entities involved in infrastructure provision are required to take steps to increase the employment creation resulting from their infrastructure programmes. There is a particular focus on relatively simple infrastructure which are particularly amenable to labour-intensive methods, and where the most additional work opportunities can be created, i.e. rural roads, local municipal roads, water and sewer pipelines and stormwater drainage.
36. Specific to municipalities, the EPWP infrastructure projects are funded through the Municipal Infrastructure Grant (MIG) allocated to municipalities by the Department of Co-operative Governance. Municipalities must identify infrastructure projects through the IDP process and from these identify projects those that are amenable to labour-intensive methods. There are no business plans to be submitted to the National Department of Public Works as funds come directly to the municipalities through MIG.
37. As indicated in Table 10, municipalities reported aggregate underspending of 21.7 per cent on the Municipal Infrastructure Grant for 2010/11. This represents a slight deterioration from the 2009/10 performance against this grant, of 21.1 per cent underspent.
38. In reply to a parliamentary question, the Department of Public Works reported that 226 231 job opportunities were lost in 2009/10 due to municipal underspending on the EPWP.

**CAPITAL EXPENDITURE TRENDS – THE ‘JUNE SPIKE’:**

39. Figure 1 illustrates the year-on-year comparison of monthly capital expenditure for local government between 2009/10 and 2010/11.

**Figure 1: Municipal monthly capital expenditure**



40. The following trends emerge:

- a. The year-on-year comparison between the 2009/10 and 2010/11 financial years reveals that, although much the same spending pattern is exhibited by local government, the month-on-month capital expenditure for 2010/11 is lower across the board. This serves as a clear graphical representation of the overall decline in municipalities' 2010/11 capital expenditure;
- b. Generally, spending gets off to a very slow start in the first quarter of the financial year (especially July and August). This indicates that municipalities have not completed the project design, planning and procurement preparation necessary to begin immediate implementation of the capital budget at the beginning of the new financial year. It also reflects a failure on the part of municipalities to use section 16(3) of the MFMA that allows a municipal council to approve multi-year capital budgets; and
- c. This slow start to spending sets municipalities up for having to play "catch up" during the remainder of the financial year. The need to make up for lost time is exacerbated by the dip in capital spending that occurs in the third quarter due to the traditional construction holiday during the December holiday season.

41. Although there is no set standard for the rate at which municipalities should spend their capital budgets, it is expected that spending should commence at a brisk pace from the start of the

municipal financial year. There are recognised breaks in South Africa's construction activity, mainly due to the extended holiday seasons at Easter and Christmas – coinciding with the 2nd and 3rd quarters of the municipal financial year. Progress on capital projects will slow during these periods. It is therefore critical that municipalities plan and budget accordingly and spend timeously to compensate for these unavoidable productivity losses.

42. Although the possibility exists that a municipality may need to make large payments at financial year-end due to the completion of big projects, it is unlikely that this adequately explains all the transactions underpinning the spike in spending observed in 46 per cent of municipalities for 2010/11. Therefore, National Treasury regards this spike in spending as an indicator of a lack of adequate expenditure planning by a municipality, and also an indicator of risk in the effectual use of capital budgets.
43. In order to provide a quantitative benchmark against which to measure deviations in fourth quarter capital expenditure, this analysis uses the average of actual expenditure of the first three quarters of the financial year compared to the spending in the final quarter.
44. 6 of the 8 metropolitan municipalities reported a fourth quarter increase in capital expenditure above 100 per cent when compared to their quarterly average in the preceding three quarters. Most notable is the City of Johannesburg, having reported an increase of 254.4 per cent, as measured against the average capital expenditure for the preceding three quarters. **See Annexure C.**
45. Looking at all municipalities, 131 municipalities reported an increase in capital expenditure in excess of 50 per cent in the fourth quarter (as compared to average capital expenditure in the preceding three quarters). Municipalities that had particularly high spikes in the fourth quarter are Midvaal (1979.2 per cent), Ditsobotla (1085.7 per cent), Kareeberg (843.7 per cent), Namakwa (837.5 per cent) and eDumbe (673.4 per cent). The average "June Spike" for all municipalities in this group is 218.9 per cent. **See Annexure C.**

## **REVENUE AND EXPENDITURE TRENDS: METROPOLITAN MUNICIPALITIES**

46. One of the aims of the Municipal Budget and Reporting Regulations is to impress upon municipalities the need for realistic, credible expenditure projections in the financial year (monthly and quarterly) and over the MTREF. This is achieved, in part, through the Budget Schedules – particularly Schedule C, which explicitly requires municipalities to provide annual and monthly expenditure projections. Monitoring the credibility of these projections and the subsequent budget implementation will, however, require closer attention.
47. As previously mentioned, one of the top risks to the viability and sustainability of municipalities is the misalignment between operational expenditure plans and realistically collectable revenues. In order to ensure an operating surplus and adequate liquidity, municipalities will need to align their spending plans to expected revenues.
48. Evaluation of municipal collections performance is an important tool in assessing the factors that underpin expenditure underperformance.

49. The following analysis outlines the revenue and expenditure trends observed for the 8 metropolitan municipalities in two parts: capital expenditure trends and total revenue and expenditure trends.

## Revenue and expenditure trends for the 8 metropolitan municipalities

### Buffalo City

Figure 2: Monthly capital expenditure

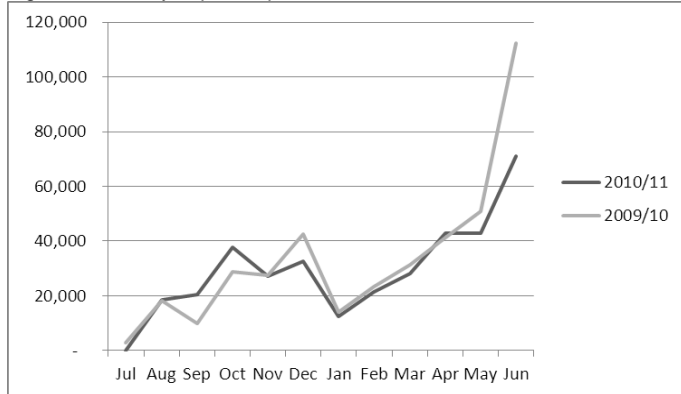
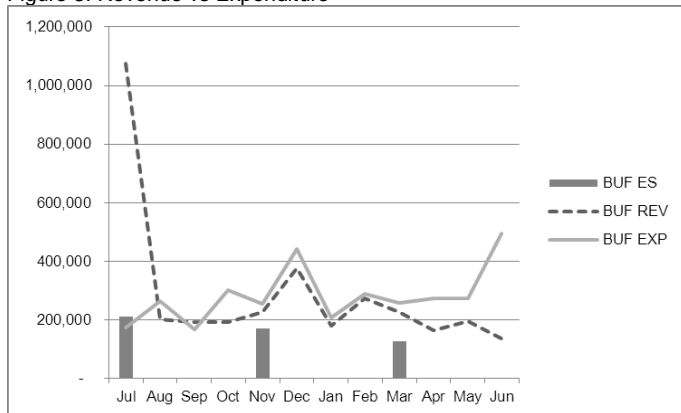


Figure 3: Revenue vs Expenditure



Buffalo City's capital expenditure trend displays (Figure 2) the characteristic hockey stick effect typical of municipalities that experience a fourth quarter spike. In line with the total municipal trend, spending is lower when compared to performance in 2009/10. The municipality reported the poorest capital expenditure performance of all metros – R367 million or 49 per cent of the adjusted budget (i.e. underspending of 51 per cent).

Figure 3 clearly illustrates that the municipality operates at a marginal deficit for much of the year. It is interesting that this trend is not ameliorated by the three equitable share payments. The credibility of the revenue figure reported in June 2010/11 is questionable, when viewed against the revenue performance for the rest of the year.

The marked divergence between expenditure and revenue in the last quarter is cause for concern due to the likely negative effect on the municipality's liquidity position at the end of the financial year.

## Nelson Mandela Bay

Figure 4: Monthly capital expenditure

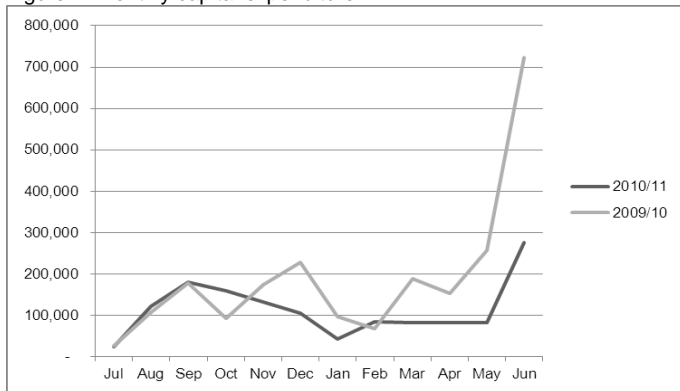


Figure 5: Revenue vs Expenditure

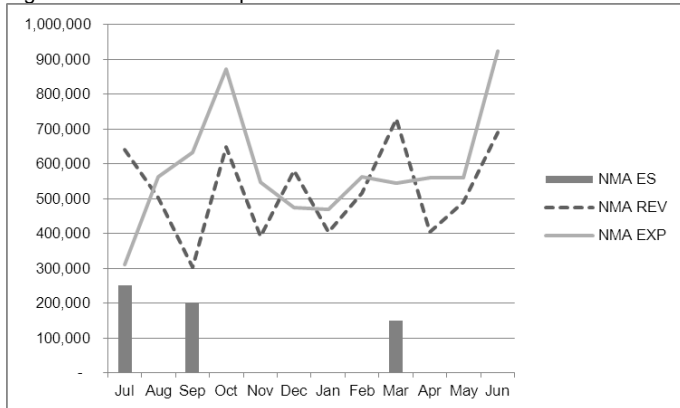


Figure 4 indicates that Nelson Mandela Bay has significantly reduced capital expenditure from R2.9 billion in 2009/10 to R1.3 billion in 2010/11. Nelson Mandela Bay was granted an advance payment on their equitable share in September (payment was originally scheduled for November). The downward adjustment of their draft budget was one of the conditions of the advance, due to the fact that the planned capital budget was not funded and not sustainable.

Coupled with this overall budget reduction, sedate spending in 2010/11 has resulted in underspending of 14.3 per cent or R231.9 million on their capital budget.

Despite operational spending performance of 93.3 per cent, the actual trend of total expenditure is erratic and characterised by periods where expenditure exceeds revenue. The only instances where this is not the case appear to be the result of slow spending at the beginning of the first quarter or temporary spikes in revenue due to equitable share payments. Nelson Mandela Bay reported capital expenditure of 85.7 per cent for the fourth quarter ended 30 June 2011.



## Mangaung

Figure 6: Monthly capital expenditure

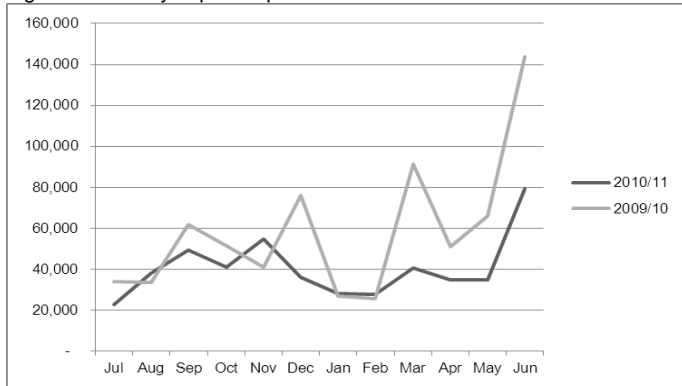
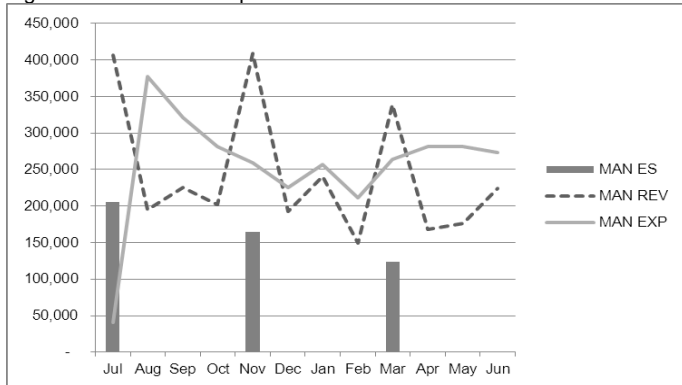


Figure 6 shows a significant change in capital expenditure patterns between the 2009/10 and 2010/11 financial years. As opposed to the erratic spending evident in 2009/10, the 2010/11 curve demonstrates a more subdued approach to capital spending, resulting in underspending of 43.3 per cent and a less severe “June Spike” by year-end.

Figure 7: Revenue vs Expenditure



The total expenditure trend for 2010/11 is erratic with a visibly slow start to spending in the first month. Rapid acceleration in spending is observed in August, levelling off sharply for the remainder of the year. The municipality’s operating expenditure consistently outstrips revenue, resulting in an operating deficit for much of the year.

Mangaung displays clear reliance on equitable share transfers, as the only visible increases in operating revenue are observed in tandem with the three annual tranches. These are the only months in the year where the municipality displays temporary operating surpluses.

## Ekurhuleni

Figure 8: Monthly capital expenditure

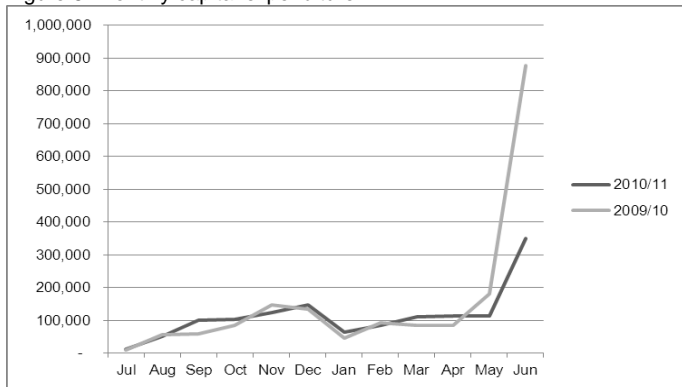
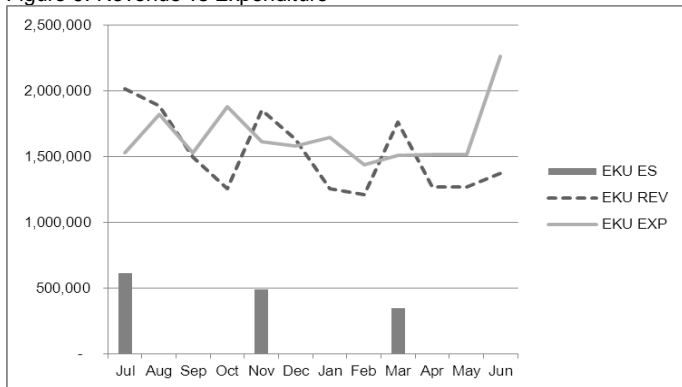


Figure 9: Revenue vs Expenditure



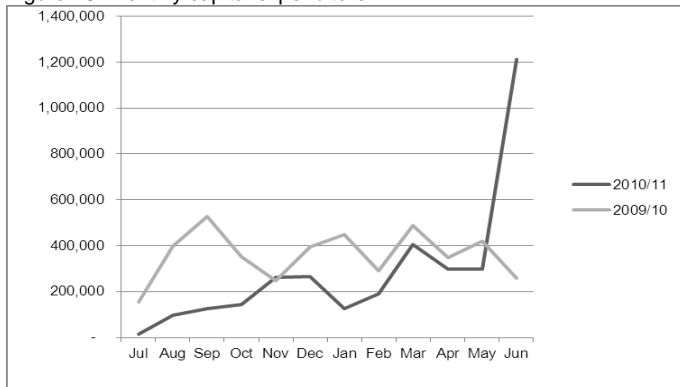
Ekurhuleni's capital expenditure trends for 2009/10 and 2010/11 are similar. The municipality reported capital expenditure of just 67.3 per cent for the fourth quarter ended 30 June 2011. The trend is characterised by low capital spending throughout the year with a very rapid increase in the fourth quarter. The most prominent difference between the two financial years is the reduced 'June Spike' observed in the fourth quarter of 2010/11.

Although the total expenditure trend is fairly stable, it does exhibit a sudden rapid increase in spending in the fourth quarter, the reasons for which need to be explored.

The revenue/expenditure comparison reveals a municipality with a persistent deficit. As is the case with Mangaung, temporary operating surpluses are only observed when revenue increases as a result of equitable share payments.

## City of Johannesburg

Figure 10: Monthly capital expenditure



The City of Johannesburg displays the most divergence in y-o-y capital expenditure trends. Starting from a lower base in 2010/11, and spending at slower pace in the first three quarters, necessitating the rapid acceleration observed in the fourth quarter. The City reported good overall capital expenditure of 93.4 per cent along with the largest 'June Spike' of any metro, at 254.4 per cent, as compared to average capital expenditure in the preceding three quarters.

Figure 11: Revenue vs Expenditure

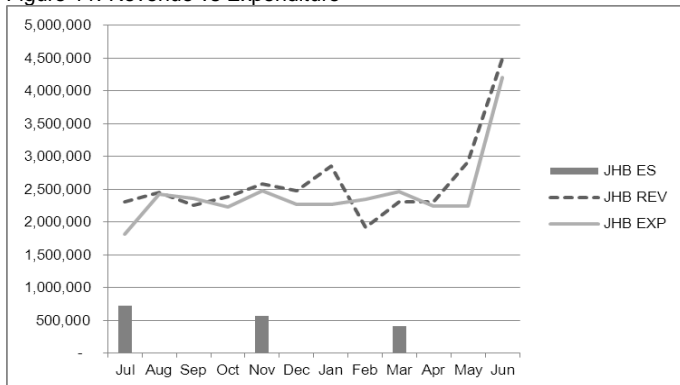
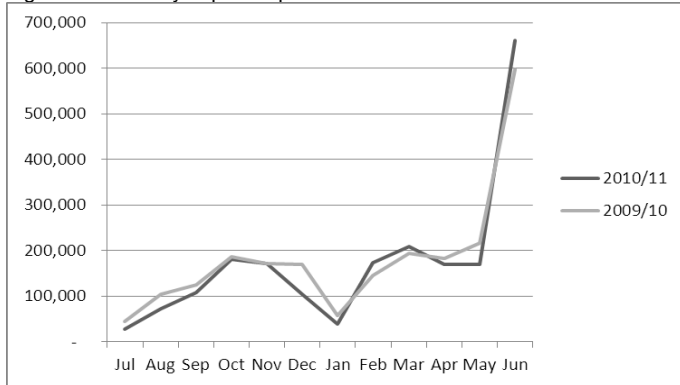


Figure 11 depicts a smoother trend line for total expenditure, as compared to the capital expenditure curve. The level and fluctuation of revenue are generally in line with expenditure and the City displays a marginal surplus overall. However, the credibility of the revenue figure reported in June 2010/11 is questionable, when compared to the revenue performance for the rest of the year.

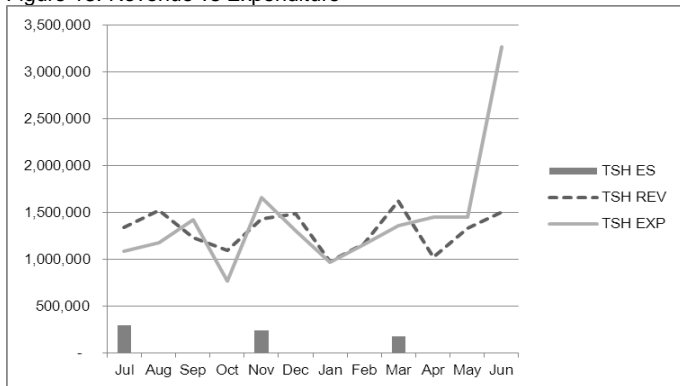
## City of Tshwane

Figure 12: Monthly capital expenditure



The City of Tshwane's monthly capital expenditure trends show very little deviation between spending patterns in 2009/10 and 2010/11. The City reported capital expenditure of 89.2 per cent for the fourth quarter ended 30 June 2011. Capital expenditure gets off to a very slow start, with large fluctuations in the first three quarters. Expenditure accelerates rapidly in the fourth quarter, specifically from May 2011. The municipality spent 34.4 per cent of their 2010/11 adjusted capital budget in the last two months of the financial year.

Figure 13: Revenue vs Expenditure



Total expenditure and revenue trends for 2010/11 are characterised by mild monthly fluctuations in the first three quarters. Rapid acceleration in spending is evident in the fourth quarter. As operational expenditure remains relatively constant over this period, it is likely that this spike in overall expenditure is driven by the rapid increase in capital expenditure. There is a notable gap between expenditure and revenue at year-end. Again, temporary operating surpluses are only observed when revenue increases as a result of the three annual equitable share payments.

**eThekwini**

Figure 14: Monthly capital expenditure

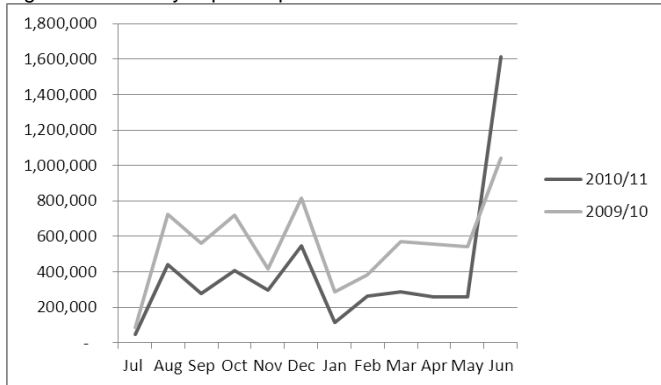
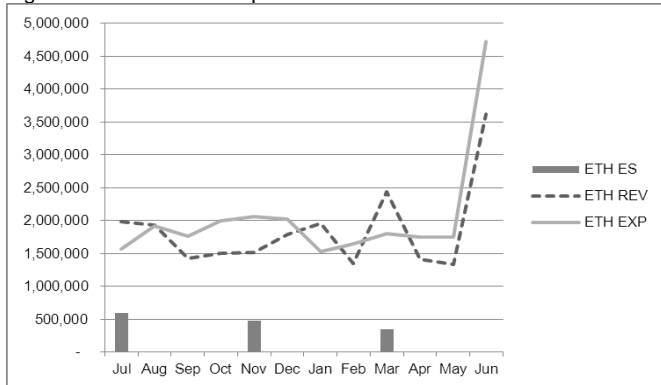


Figure 15: Revenue vs Expenditure

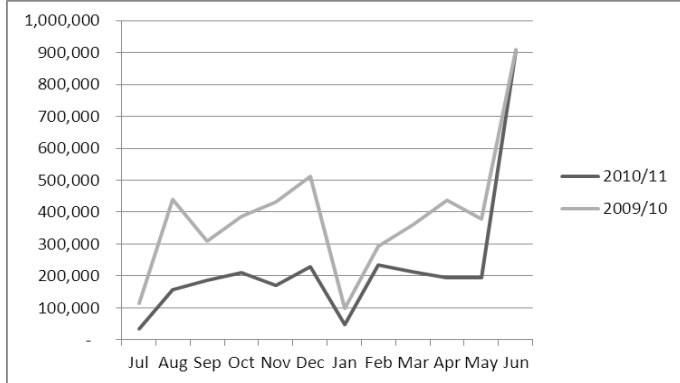


Although monthly capital expenditure patterns for eThekwini are similar for 2009/10 and 2010/11, two clear differences are observed: firstly, the general level of spending is lower in 2010/11 and second, the fourth quarter surge in capital expenditure is much larger than in 2009/10. The municipality reported overall capital expenditure of 95.4 per cent. 43 per cent of the adjusted capital budget was spent in the fourth quarter.

A flattened trend is observed for total expenditure in 2010/11 for the first three quarters. The steep increase in the fourth quarter appears driven by the capital expenditure component. There seems to be only a weak correlation between the equitable share payments in July and March and increases in revenue. This is in all probability due to the size of the equitable share allocation, relative to the quantum of own revenue generated by the municipality. Interestingly, the revenue curve remains constant, following the November tranche. However, June's revenue is about R2 billion higher than in May, which requires explanation.

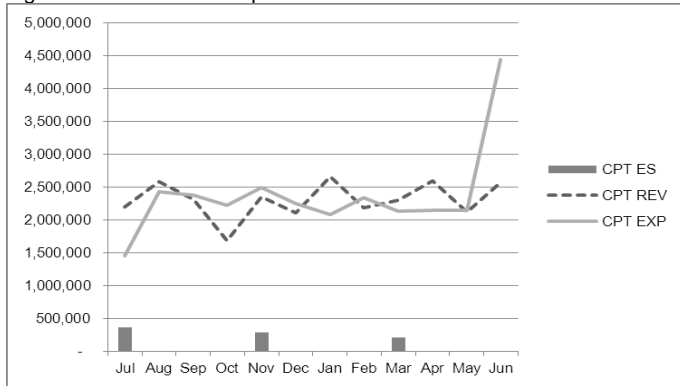
## City of Cape Town

Figure 16: Monthly capital expenditure



Monthly capital expenditure patterns for the City of Cape Town are similar for 2009/10 and 2010/11. The general level of spending is lower in 2010/11 and this has necessitated a more rapid increase in capital expenditure, than was observed in 2009/10. Despite this acceleration, the City underspent by 28.5 per cent in 2010/11.

Figure 17: Revenue vs Expenditure



The flattened total expenditure trend observed in eThekweni is also evident here for the first three quarters, followed by a steep increase in the fourth quarter, likely reflecting the impact of the capital expenditure pattern. When evaluating the correlation between revenue and the equitable share payments, The City of Cape Town has the least responsive revenue curve of all the municipalities. This serves as an indication that sound revenue management is applied in the implementation of budgeted expenditure. It also indicates that the equitable share makes up a proportionally smaller share of the City's total revenue.

## Annexure B

## Over/Underspending of Adjusted Capital Budgets 2010/11

		Main Capital Appropriation	Adjusted Capital Budget	Year to date: Capital Expenditure 30 June 2011	(Over)	Under	(Over)/Under as % of adjusted capital budget
R thousands	Code						
<b>Eastern Cape</b>							
A Nelson Mandela Bay	NMA	2 183 123	1 626 634	1 394 721	-	231 913	14.3%
B Camdeboo	EC101	47 967	47 967	7 443	-	40 523	84.5%
B Blue Crane Route	EC102	17 835	17 835	17 517	-	317	1.8%
B Ikwezi	EC103	14 647	14 647	18 087	(3 440)	-	(23.5%)
B Makana	EC104	60 912	60 912	30 382	-	30 530	50.1%
B Ndlambe	EC105	12 174	12 174	33 865	(21 691)	-	(178.2%)
B Sundays River Valley	EC106	14 458	14 458	11 868	-	2 590	17.9%
B Baviaans	EC107	8 929	8 929	9 444	(515)	-	(5.8%)
B Kouga	EC108	39 868	39 868	25 085	-	14 783	37.1%
B Kou-Kamma	EC109	-	-	-	-	-	-
C Cacadu	DC10	6 176	6 176	2 127	-	4 049	65.6%
B Mbhashe	EC121	41 327	41 327	35 694	-	5 633	13.6%
B Mnquma	EC122	45 059	54 150	17 374	-	36 776	67.9%
B Great Kei	EC123	12 172	12 172	12 544	(372)	-	(3.1%)
B Amahlathi	EC124	7 733	7 733	15 435	(7 702)	-	(99.6%)
B Buffalo City	EC125	480 112	750 576	367 739	-	382 837	51.0%
B Ngqushwa	EC126	24 261	24 261	15 132	-	9 129	37.6%
B Nkonkobe	EC127	24 760	24 760	14 757	-	10 003	40.4%
B Nxuba	EC128	9 629	9 629	4 538	-	5 091	52.9%
C Amathole	DC12	324 136	324 136	291 983	-	32 154	9.9%
B Inxuba Yethemba	EC131	-	-	-	-	-	-
B Tsolwana	EC132	12 707	12 707	792	-	11 915	93.8%
B Inkwanca	EC133	7 539	7 539	2 755	-	4 784	63.5%
B Lukhanji	EC134	43 286	43 286	11 141	-	32 144	74.3%
B Intsika Yethu	EC135	22 796	22 796	24 812	(2 016)	-	(8.8%)
B Emalahleni (Ec)	EC136	27 850	27 850	19 047	-	8 803	31.6%
B Engcobo	EC137	84 202	84 202	28 428	-	55 774	66.2%
B Sakhisizwe	EC138	18 521	18 521	5 491	-	13 030	70.4%
C Chris Hani	DC13	288 560	288 560	3 942	-	284 618	98.6%
B Elundini	EC141	29 754	80 871	48 569	-	32 302	39.9%
B Senqu	EC142	60 624	60 624	55 493	-	5 131	8.5%
B Maletswai	EC143	27 190	27 190	21 648	-	5 542	20.4%
B Gariep	EC144	22 088	22 088	18 455	-	3 633	16.4%
C Joe Gqabi	DC14	166 991	166 991	69 050	-	97 941	58.7%
B Mbizana	EC151	-	-	32 318	(32 318)	-	-
B Ntabankulu	EC152	25 470	25 470	9 423	-	16 047	63.0%
B Ngquza Hills	EC153	64 543	64 543	35 210	-	29 333	45.4%
B Port St Johns	EC154	27 458	27 458	22 889	-	4 569	16.6%
B Nyandeni	EC155	34 015	34 015	25 332	-	8 683	25.5%
B Mhlontlo	EC156	-	-	41 313	(41 313)	-	-
B King Sabata Dalindyebo	EC157	292 565	292 565	52 717	-	239 848	82.0%
C O .R. Tambo	DC15	617 108	617 108	255 378	-	361 730	58.6%
B Matatiele	EC441	121 930	120 504	56 769	-	63 734	52.9%
B Umzimvubu	EC442	70 476	70 476	81 452	(10 976)	-	(15.6%)
C Alfred Nzo	DC44	201 635	201 635	201 435	-	201	0.1%

Over and underspending of municipalities as at 30 June 2011

		Main Capital Appropriation	Adjusted Capital Budget	Year to date: Capital Expenditure 30 June 2011	(Over)	Under	(Over)/Under as % of adjusted capital budget	
R thousands	Code							
<b>Free State</b>								
B	Letsemeng	FS161	19 494	20 154	16 394	-	3 760	18.7%
B	Kopanong	FS162	33 222	33 222	29 348	-	3 874	11.7%
B	Mohokare	FS163	56 986	38 616	18 736	-	19 880	51.5%
C	Xhariep	DC16	2 055	2 534	1 931	-	604	23.8%
B	Naledi (Fs)	FS171	12 744	12 744	16 524	(3 780)	-	(29.7%)
B	Mangaung	FS172	373 256	789 711	447 906	-	341 805	43.3%
B	Mantsopa	FS173	39 532	39 532	31 392	-	8 140	20.6%
C	Motheo	DC17	150	927	869	-	58	6.3%
B	Masilonyana	FS181	37 061	29 061	33 929	(4 868)	-	(16.8%)
B	Tokologo	FS182	14 845	14 845	55 855	(41 010)	-	(276.3%)
B	Tswelopele	FS183	21 291	20 799	14 016	-	6 783	32.6%
B	Matjhabeng	FS184	159 604	159 604	144 519	-	15 085	9.5%
B	Nala	FS185	61 766	61 766	27 385	-	34 381	55.7%
C	Lejweleputswa	DC18	16 240	20 306	8 951	-	11 355	55.9%
B	Setseto	FS191	92 719	92 719	19 922	-	72 797	78.5%
B	Dihlabeng	FS192	95 767	76 176	73 359	-	2 816	3.7%
B	Nketoana	FS193	32 612	-	19 505	(19 505)	-	-
B	Maluti-a-Phofung	FS194	266 440	286 578	249 594	-	36 983	12.9%
B	Phumelela	FS195	60 468	60 468	30 247	-	30 221	50.0%
C	Thabo Mofutsanyana	DC19	19 177	11 907	6 079	-	5 828	48.9%
B	Moqhaka	FS201	126 267	126 267	15 872	-	110 395	87.4%
B	Ngwathe	FS203	67 664	67 664	16 579	-	51 086	75.5%
B	Metsimaholo	FS204	344 317	133 026	56 470	-	76 556	57.5%
B	Mafube	FS205	25 712	25 712	23 635	-	2 077	8.1%
C	Fezile Dabi	DC20	6 290	5 370	3 501	-	1 869	34.8%
<b>Gauteng</b>								
A	Ekurhuleni Metro	EKU	2 160 091	2 230 533	1 502 254	-	728 279	32.7%
A	City Of Johannesburg	JHB	3 058 761	3 812 517	3 560 772	-	251 745	6.6%
A	City Of Tshwane	TSH	3 194 975	2 424 280	2 161 384	-	262 897	10.8%
B	Emfuleni	GT421	337 148	337 148	173 060	-	164 088	48.7%
B	Midvaal	GT422	40 235	189 981	180 597	-	9 384	4.9%
B	Lesedi	GT423	70 890	70 890	58 656	-	12 235	17.3%
C	Sedibeng	DC42	-	-	23 891	(23 891)	-	-
B	Nokeng Tsa Taemane	GT461	16 915	16 915	17 505	(590)	-	(3.5%)
B	Kungwini	GT462	61 068	61 068	24 149	-	36 919	60.5%
C	Metsweding	DC46	260	260	54	-	206	79.1%
B	Mogale City	GT481	214 330	200 044	124 693	-	75 351	37.7%
B	Randfontein	GT482	103 156	103 156	57 575	-	45 581	44.2%
B	Westonaria	GT483	-	-	64 629	(64 629)	-	-
B	Merafong City	GT484	-	-	65 606	(65 606)	-	-
C	West Rand	DC48	29 828	17 190	6 629	-	10 561	61.4%
<b>Kwazulu-Natal</b>								
A	eThekweni	ETH	5 370 572	5 125 772	4 890 693	-	235 079	4.6%
B	Vulamehlo	KZN211	12 147	12 147	11 192	-	955	7.9%
B	Umdoni	KZN212	264 355	274 610	171 841	-	102 770	37.4%
B	Umzumbe	KZN213	33 660	55 239	37 229	-	18 009	32.6%
B	uMuziwabantu	KZN214	42 278	53 547	26 133	-	27 414	51.2%
B	Ezinqoleni	KZN215	9 605	17 541	7 504	-	10 038	57.2%
B	Hibiscus Coast	KZN216	243 522	209 754	78 502	-	131 253	62.6%



Over and underspending of municipalities as at 30 June 2011

		Main Capital Appropriation	Adjusted Capital Budget	Year to date: Capital Expenditure 30 June 2011	(Over)	Under	(Over)/Under as % of adjusted capital budget	
R thousands	Code							
C	Ugu	DC21	399 514	315 703	199 239	-	116 464	36.9%
B	uMshwathi	KZN221	24 230	35 905	12 891	-	23 013	64.1%
B	uMngeni	KZN222	26 837	32 337	17 471	-	14 866	46.0%
B	Mpofana	KZN223	9 579	6 929	5 073	-	1 857	26.8%
B	Impendle	KZN224	7 007	10 711	8 397	-	2 314	21.6%
B	Msunduzi	KZN225	295 937	295 937	68 995	-	226 942	76.7%
B	Mkhambathini	KZN226	11 048	11 048	9 384	-	1 664	15.1%
B	Richmond	KZN227	24 736	26 604	22 030	-	4 574	17.2%
C	uMgungundlovu	DC22	96 055	104 182	43 220	-	60 962	58.5%
B	Emnambithi/Ladysmith	KZN232	68 359	133 377	74 854	-	58 523	43.9%
B	Indaka	KZN233	13 944	13 940	16 516	(2 576)	-	(18.5%)
B	Umtshezi	KZN234	34 659	42 012	32 385	-	9 627	22.9%
B	Okhahlamba	KZN235	21 246	33 336	6 348	-	26 988	81.0%
B	Imbabazane	KZN236	17 932	20 420	13 598	-	6 823	33.4%
C	Uthukela	DC23	148 976	149 316	102 920	-	46 396	31.1%
B	Endumeni	KZN241	22 060	23 171	14 891	-	8 280	35.7%
B	Nquthu	KZN242	17 500	26 500	11 833	-	14 667	55.3%
B	Msinga	KZN244	21 377	21 377	41 426	(20 049)	-	(93.8%)
B	Umvoti	KZN245	34 450	31 529	23 579	-	7 950	25.2%
C	Umzinyathi	DC24	187 077	186 298	133 114	-	53 184	28.5%
B	Newcastle	KZN252	229 804	200 370	138 683	-	61 687	30.8%
B	eMadlangeni	KZN253	9	11 111	1 033	-	10 078	90.7%
B	Dannhauser	KZN254	20 038	19 851	4 669	-	15 182	76.5%
C	Amajuba	DC25	62 373	159 260	3 474	-	155 786	97.8%
B	eDumbe	KZN261	17 528	17 587	10 004	-	7 582	43.1%
B	uPhongolo	KZN262	23 868	13 539	7 708	-	5 831	43.1%
B	Abaqulusi	KZN263	39 003	39 730	18 440	-	21 290	53.6%
B	Nongoma	KZN265	38 710	51 885	34 373	-	17 512	33.8%
B	Ulundi	KZN266	29 249	29 250	28 900	-	350	1.2%
C	Zululand	DC26	223 812	237 538	170 522	-	67 016	28.2%
B	Umhlabuyalingana	KZN271	25 388	41 464	7 160	-	34 304	82.7%
B	Jozini	KZN272	33 294	36 834	39 607	(2 773)	-	(7.5%)
B	The Big 5 False Bay	KZN273	9 464	9 447	14 832	(5 385)	-	(57.0%)
B	Hlabisa	KZN274	4 535	7 223	14 878	(7 655)	-	(106.0%)
B	Mtubatuba	KZN275	21 336	26 686	12 149	-	14 538	54.5%
C	Umkhanyakude	DC27	188 848	157 005	47 446	-	109 559	69.8%
B	Mfolozi	KZN281	15 135	14 135	10 311	-	3 824	27.1%
B	uMhlathuze	KZN282	234 827	169 441	79 950	-	89 491	52.8%
B	Ntambanana	KZN283	5 832	8 457	6 713	-	1 744	20.6%
B	uMlalazi	KZN284	52 642	35 434	19 640	-	15 794	44.6%
B	Mthonjaneni	KZN285	15 663	25 773	19 080	-	6 693	26.0%
B	Nkandla	KZN286	14 872	14 872	18 142	(3 270)	-	(22.0%)
C	uThungulu	DC28	148 646	232 576	93 440	-	139 136	59.8%
B	Mandeni	KZN291	78 353	75 573	49 296	-	26 277	34.8%
B	KwaDukuza	KZN292	276 072	185 270	80 580	-	104 690	56.5%
B	Ndwedwe	KZN293	42 314	37 153	37 089	-	64	0.2%
B	Maphumulo	KZN294	20 343	22 086	14 994	-	7 093	32.1%
C	iLembe	DC29	258 946	262 933	135 021	-	127 913	48.6%
B	Ingwe	KZN431	30 894	34 633	37 575	(2 942)	-	(8.5%)
B	Kwa Sani	KZN432	15 197	12 683	12 057	-	626	4.9%

Over and underspending of municipalities as at 30 June 2011

		Main Capital Appropriation	Adjusted Capital Budget	Year to date: Capital Expenditure 30 June 2011	(Over)	Under	(Over)/Under as % of adjusted capital budget	
R thousands	Code							
B	Greater Kokstad	KZN433	100 355	70 688	47 237	-	23 451	33.2%
B	Ubuhlebezwe	KZN434	24 015	32 543	27 391	-	5 152	15.8%
B	Umzimkhulu	KZN435	31 679	47 266	26 479	-	20 787	44.0%
C	Sisonke	DC43	228 316	228 041	167 878	-	60 163	26.4%
<b>Limpopo</b>								
B	Greater Giyani	LIM331	68 326	56 364	34 910	-	21 454	38.1%
B	Greater Letaba	LIM332	71 181	47 579	35 742	-	11 837	24.9%
B	Greater Tzaneen	LIM333	124 553	124 553	84 835	-	39 718	31.9%
B	Ba-Phalaborwa	LIM334	80 496	57 855	25 900	-	31 955	55.2%
B	Maruleng	LIM335	25 415	27 102	17 478	-	9 624	35.5%
C	Mopani	DC33	372 578	468 056	354 764	-	113 293	24.2%
B	Musina	LIM341	17 310	17 310	13 959	-	3 352	19.4%
B	Mutale	LIM342	13	13	13 721	(13 707)	-	(101906.6%)
B	Thulamela	LIM343	101 244	101 244	82 280	-	18 964	18.7%
B	Makhado	LIM344	165 519	165 519	97 179	-	68 340	41.3%
C	Vhembe	DC34	-	-	386 785	(386 785)	-	-
B	Blouberg	LIM351	32 025	32 025	26 041	-	5 984	18.7%
B	Aganang	LIM352	40 052	40 052	26 808	-	13 244	33.1%
B	Molemole	LIM353	14 722	14 722	10 672	-	4 050	27.5%
B	Polokwane	LIM354	839 490	609 734	288 536	-	321 198	52.7%
B	Lepelle-Nkumpi	LIM355	107 385	107 385	38 116	-	69 269	64.5%
C	Capricorn	DC35	246 239	246 239	122 132	-	124 107	50.4%
B	Thabazimbi	LIM361	49 039	49 039	1 818	-	47 221	96.3%
B	Lephalale	LIM362	96 251	96 251	114 020	(17 769)	-	(18.5%)
B	Mookgopong	LIM364	25 863	25 863	7 115	-	18 748	72.5%
B	Modimolle	LIM365	40 539	40 539	24 522	-	16 017	39.5%
B	Bela Bela	LIM366	25 403	25 403	15 287	-	10 116	39.8%
B	Mogalakwena	LIM367	171 151	171 151	191 599	(20 448)	-	(11.9%)
C	Waterberg	DC36	20 481	20 481	4 832	-	15 650	76.4%
B	Ephraim Mogale	LIM471	20 076	20 076	11 482	-	8 594	42.8%
B	Elias Motsoaledi	LIM472	81 077	81 077	74 717	-	6 360	7.8%
B	Makhuduthamaga	LIM473	76 017	76 017	48 602	-	27 415	36.1%
B	Fetakgomo	LIM474	13 051	17 175	13 768	-	3 407	19.8%
B	Greater Tubatse	LIM475	-	50 421	34 759	-	15 662	31.1%
C	Sekhukhune	DC47	371 796	371 796	67 588	-	304 208	81.8%
<b>Mpumalanga</b>								
B	Albert Luthuli	MP301	22 419	22 419	59 795	(37 376)	-	(166.7%)
B	Msukaligwa	MP302	50 466	50 466	18 420	-	32 046	63.5%
B	Mkhondo	MP303	55 597	55 597	12 746	-	42 851	77.1%
B	Pixley Ka Seme (MP)	MP304	45 925	45 925	26 965	-	18 960	41.3%
B	Lekwa	MP305	68 021	68 021	26 488	-	41 533	61.1%
B	Dipaleseng	MP306	-	-	6 222	(6 222)	-	-
B	Govan Mbeki	MP307	130 230	148 226	109 200	-	39 026	26.3%
C	Gert Sibande	DC30	87 000	109 442	117 835	(8 393)	-	(7.7%)
B	Victor Khanye	MP311	38 203	38 203	17 904	-	20 299	53.1%
B	Emalaheni (Mp)	MP312	230 704	230 704	100 061	-	130 643	56.6%
B	Steve Tshwete	MP313	288 428	437 553	229 897	-	207 656	47.5%
B	Emakhazeni	MP314	14 417	14 417	7 713	-	6 704	46.5%
B	Thembezi Hani	MP315	75 239	75 239	69 880	-	5 359	7.1%

Over and underspending of municipalities as at 30 June 2011

			<b>Main Capital Appropriation</b>	<b>Adjusted Capital Budget</b>	<b>Year to date: Capital Expenditure 30 June 2011</b>	<b>(Over)</b>	<b>Under</b>	<b>(Over)/Under as % of adjusted capital budget</b>
<b>R thousands</b>	<b>Code</b>							
B Dr J.S. Moroka	MP316	168 000	169 350	148 031	-	21 319	12.6%	
C Nkangala	DC31	20 128	27 835	4 292	-	23 543	84.6%	
B Thaba Chweu	MP321	21 083	21 083	10 593	-	10 490	49.8%	
B Mbombela	MP322	700 290	700 290	393 760	-	306 530	43.8%	
B Umjindi	MP323	42	42	25 212	(25 169)	-	(59413.7%)	
B Nkomazi	MP324	176 675	176 675	84 840	-	91 835	52.0%	
B Bushbuckridge	MP325	439 071	441 381	305 879	-	135 501	30.7%	
C Ehlanzeni	DC32	40 047	40 047	50 563	(10 516)	-	(26.3%)	
<b>North West</b>								
B Moretele	NW371	87 500	87 500	48 421	-	39 079	44.7%	
B Madibeng	NW372	172 031	172 031	49 553	-	122 478	71.2%	
B Rustenburg	NW373	387 566	387 566	185 376	-	202 190	52.2%	
B Kgetlengrivier	NW374	19 929	19 929	16 508	-	3 421	17.2%	
B Moses Kotane	NW375	115 634	135 179	34 776	-	100 403	74.3%	
C Bojanala Platinum	DC37	161 712	7 094	2 621	-	4 473	63.1%	
B Ratlou	NW381	-	-	10 227	(10 227)	-	-	
B Tswaing	NW382	20 968	20 968	5 390	-	15 578	74.3%	
B Mafikeng	NW383	39 380	39 380	21 660	-	17 720	45.0%	
B Ditsobotla	NW384	62 585	62 585	37 045	-	25 540	40.8%	
B Ramotshere Moiloa	NW385	32 351	32 351	10 230	-	22 121	68.4%	
C Ngaka Modiri Molema	DC38	218 834	218 834	211 922	-	6 912	3.2%	
B Kagisano	NW391	38 327	38 327	2 136	-	36 191	94.4%	
B Naledi (Nw)	NW392	87 935	87 935	8 767	-	79 169	90.0%	
B Mamusa	NW393	425	425	3 267	(2 842)	-	(668.7%)	
B Greater Taung	NW394	55 330	55 330	14 902	-	40 428	73.1%	
B Molopo	NW395	11 569	11 569	321	-	11 248	97.2%	
B Lekwa-Teemane	NW396	19 915	19 915	11 227	-	8 688	43.6%	
C Dr Ruth Segomotsi Mompoti	DC39	184 573	184 573	42 553	-	142 020	76.9%	
B Ventersdorp	NW401	26 271	28 888	19 591	-	9 297	32.2%	
B Tlokwe	NW402	122 464	111 972	86 116	-	25 856	23.1%	
B City Of Matlosana	NW403	324 146	314 317	168 115	-	146 201	46.5%	
B Maquassi Hills	NW404	33 757	33 757	59 321	(25 564)	-	(75.7%)	
C Dr Kenneth Kaunda	DC40	71 819	90 029	25 736	-	64 293	71.4%	
<b>Northern Cape</b>								
B Joe Morolong	NC451	43 776	43 776	34 883	-	8 893	20.3%	
B Ga-Segonyana	NC452	35 593	44 139	55 956	(11 817)	-	(26.8%)	
B Gamagara	NC453	47 562	59 125	34 052	-	25 073	42.4%	
C John Taolo Gaetsewe	DC45	5 400	5 400	4 484	-	916	17.0%	
B Richtersveld	NC061	5 914	5 914	2 654	-	3 260	55.1%	
B Nama Khoi	NC062	18 226	18 226	15 326	-	2 900	15.9%	
B Kamiesberg	NC064	-	-	7 828	(7 828)	-	-	
B Hantam	NC065	18 925	8 489	4 936	-	3 553	41.9%	
B Karoo Hoogland	NC066	-	-	12 478	(12 478)	-	-	
B Khai-Ma	NC067	12 138	12 138	11 282	-	856	7.1%	
C Namakwa	DC6	1 837	1 837	1 195	-	642	35.0%	
B Ubuntu	NC071	8 995	8 995	2 970	-	6 025	67.0%	
B Umsobomvu	NC072	44 527	22 930	16 241	-	6 688	29.2%	
B Emthanjeni	NC073	26 459	26 459	14 093	-	12 366	46.7%	
B Kareeberg	NC074	6 622	17 101	8 808	-	8 293	48.5%	
B Renosterberg	NC075	9 203	9 203	5 807	-	3 396	36.9%	

Over and underspending of municipalities as at 30 June 2011

		Main Capital Appropriation	Adjusted Capital Budget	Year to date: Capital Expenditure 30 June 2011	(Over)	Under	(Over)/Under as % of adjusted capital budget	
R thousands	Code							
B	Thembelihle	NC076	12 180	16 170	14 105	-	2 065	12.8%
B	Siyathemba	NC077	7 156	7 325	16 609	(9 284)	-	(126.8%)
B	Siyancuma	NC078	-	-	17 144	(17 144)	-	-
C	Pixley Ka Seme (Nc)	DC7	780	780	1 931	(1 151)	-	(147.6%)
B	Mier	NC081	6 420	6 420	1 835	-	4 585	71.4%
B	!Kai! Garib	NC082	87 753	87 753	109 037	(21 284)	-	(24.3%)
B	//Khara Hais	NC083	53 814	53 814	21 706	-	32 108	59.7%
B	!Kheis	NC084	-	-	7 216	(7 216)	-	-
B	Tsantsabane	NC085	50 502	50 502	33 999	-	16 503	32.7%
B	Kgatelopele	NC086	22 883	22 883	6 127	-	16 756	73.2%
C	Siyanda	DC8	30	30	16 809	(16 779)	-	(55571.8%)
B	Sol Plaatje	NC091	304 673	119 469	92 744	-	26 725	22.4%
B	Dikgatlong	NC092	43 700	32 450	(259)	-	32 709	100.8%
B	Magareng	NC093	17 178	45 490	31 128	-	14 362	31.6%
B	Phokwane	NC094	34 580	34 580	23 283	-	11 297	32.7%
C	Frances Baard	DC9	2 988	2 988	4 222	(1 235)	-	(41.3%)
<b>Western Cape</b>								
A	Cape Town	CPT	3 607 364	3 995 477	2 857 695	-	1 137 782	28.5%
B	Matzikama	WC011	57 772	57 772	38 149	-	19 623	34.0%
B	Cederberg	WC012	40 183	69 748	49 812	-	19 937	28.6%
B	Bergrivier	WC013	33 943	42 646	33 870	-	8 776	20.6%
B	Saldanha Bay	WC014	170 723	170 723	103 144	-	67 579	39.6%
B	Swartland	WC015	86 603	90 226	71 152	-	19 074	21.1%
C	West Coast	DC1	61 935	61 935	55 985	-	5 951	9.6%
B	Witzenberg	WC022	72 356	76 663	61 218	-	15 445	20.1%
B	Drakenstein	WC023	286 877	254 887	234 410	-	20 477	8.0%
B	Stellenbosch	WC024	215 564	144 689	109 882	-	34 807	24.1%
B	Breede Valley	WC025	122 879	147 122	136 142	-	10 980	7.5%
B	Langeberg	WC026	61 001	78 256	58 187	-	20 070	25.6%
C	Cape Winelands DM	DC2	19 412	11 811	10 273	-	1 538	13.0%
B	Theewaterskloof	WC031	83 052	82 043	64 993	-	17 050	20.8%
B	Overstrand	WC032	161 809	166 705	142 683	-	24 023	14.4%
B	Cape Agulhas	WC033	32 012	31 410	28 565	-	2 845	9.1%
B	Swellendam	WC034	84 993	86 171	49 388	-	36 784	42.7%
C	Overberg	DC3	13 662	13 662	485	-	13 177	96.5%
B	Kannaland	WC041	21 488	21 488	8 736	-	12 752	59.3%
B	Hessequa	WC042	56 890	56 501	31 682	-	24 819	43.9%
B	Mossel Bay	WC043	233 346	260 538	251 341	-	9 197	3.5%
B	George	WC044	175 181	150 517	123 753	-	26 764	17.8%
B	Oudtshoorn	WC045	70 865	81 893	43 597	-	38 296	46.8%
B	Bitou	WC047	113 401	108 672	92 304	-	16 368	15.1%
B	Knysna	WC048	68 288	57 733	49 214	-	8 519	14.8%
C	Eden	DC4	41 226	28 805	20 685	-	8 120	28.2%
B	Laiingsburg	WC051	13 616	13 616	7 401	-	6 216	45.6%
B	Prince Albert	WC052	13 346	13 346	4 857	-	8 489	63.6%
B	Beaufort West	WC053	50 148	55 786	45 417	-	10 369	18.6%
C	Central Karoo	DC5	9 628	9 628	5 678	-	3 951	41.0%

## Annexure C

## June Spikes in 2010/11 capital expenditure of municipalities

## June Spike - Metros

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Nelson Mandela Bay	NMA	2 183 123	1 626 634	311 890	459 053	47.18%
Ekurhuleni Metro	EKU	2 160 091	2 230 533	267 428	699 969	161.74%
City Of Johannesburg	JHB	3 058 761	3 812 517	544 059	1 928 595	254.48%
City Of Tshwane	TSH	3 194 975	2 424 280	361 604	1 076 571	197.72%
eThekweni	ETH	5 370 572	5 125 772	895 893	2 203 014	145.90%
Cape Town	CPT	3 607 364	3 995 477	494 378	1 374 560	178.04%
Buffalo City	BUF	480 112	750 576	66 126	169 362	156.12%
Mangaung	MAN	373 256	789 711	97 681	154 862	58.54%

## June Spike - Top Ten

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Midvaal	GT422	40 235	189 981	7 591	157 826	1979.24%
Ditsobotla	NW384	62 585	62 585	2 493	29 565	1085.73%
Kareeberg	NC074	6 622	17 101	708	6 683	843.73%
Namakwa	DC6	1 837	1 837	97	905	837.51%
eDumbe	KZN261	17 528	17 587	930	7 213	675.37%
Greater Giyani	LIM331	68 326	56 364	3 525	24 335	590.38%
Umsobomvu	NC072	44 527	22 930	1 655	11 276	581.19%
Naledi (Fs)	FS171	12 744	12 744	1 689	11 457	578.33%
Bojanala Platinum	DC37	161 712	7 094	288	1 756	508.84%
Siyathemba	NC077	7 156	7 325	1 862	11 025	492.26%

## June Spike: Detail

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Nelson Mandela Bay	NMA	2 183 123	1 626 634	311 890	459 053	47.18%
Ekurhuleni Metro	EKU	2 160 091	2 230 533	267 428	699 969	161.74%
City Of Johannesburg	JHB	3 058 761	3 812 517	544 059	1 928 595	254.48%
City Of Tshwane	TSH	3 194 975	2 424 280	361 604	1 076 571	197.72%
eThekweni	ETH	5 370 572	5 125 772	895 893	2 203 014	145.90%
Cape Town	CPT	3 607 364	3 995 477	494 378	1 374 560	178.04%
Buffalo City	BUF	480 112	750 576	66 126	169 362	156.12%
Mangaung	MAN	373 256	789 711	97 681	154 862	58.54%
Camdeboo	EC101	47 967	47 967	1 603	2 635	64.41%
Blue Crane Route	EC102	17 835	17 835	2 668	9 512	256.50%
Ikwezi	EC103	14 647	14 647	4 566	4 388	-3.92%
Makana	EC104	60 912	60 912	4 040	18 261	351.97%
Ndlambe	EC105	12 174	12 174	8 018	9 811	22.37%
Sundays River Valley	EC106	14 458	14 458	1 998	5 875	194.07%
Baviaans	EC107	8 929	8 929	3 100	144	-95.37%
Kouga	EC108	39 868	39 868	6 713	4 945	-26.34%
Kou-Kamma	EC109	-	-	-	-	0.00%
Mbhashe	EC121	41 327	41 327	11 119	2 338	-78.97%
Mnquma	EC122	45 059	54 150	3 373	7 254	115.04%
Great Kei	EC123	12 172	12 172	3 634	1 642	-54.81%
Amahlathi	EC124	7 733	7 733	3 660	4 456	21.77%
Ngqushwa	EC126	24 261	24 261	3 385	4 978	47.06%
Nkonkobe	EC127	24 760	24 760	4 763	469	-90.15%
Nxuba	EC128	9 629	9 629	1 472	122	-91.75%
Inxuba Yethemba	EC131	-	-	-	-	0.00%
Tsolwana	EC132	12 707	12 707	218	138	-36.64%
Inkwanca	EC133	7 539	7 539	643	827	28.57%
Lukhanji	EC134	43 286	43 286	3 548	497	-85.99%
Intsika Yethu	EC135	22 796	22 796	6 854	4 249	-38.01%
Emalahleni (Ec)	EC136	27 850	27 850	5 461	2 664	-51.22%
Engcobo	EC137	84 202	84 202	8 723	2 259	-74.10%
Sakhisizwe	EC138	18 521	18 521	923	2 722	194.94%
Elundini	EC141	29 754	80 871	11 126	15 192	36.54%
Senqu	EC142	60 624	60 624	15 268	9 689	-36.54%
Maletswai	EC143	27 190	27 190	4 896	6 959	42.13%
Gariep	EC144	22 088	22 088	5 099	3 159	-38.05%
Mbizana	EC151	-	-	5 723	15 148	164.68%
Ntabankulu	EC152	25 470	25 470	2 018	3 369	66.95%
Ngquza Hills	EC153	64 543	64 543	6 735	15 004	122.76%
Port St Johns	EC154	27 458	27 458	6 455	3 526	-45.38%
Nyandeni	EC155	34 015	34 015	6 973	4 413	-36.71%
Mhlontlo	EC156	-	-	12 593	3 534	-71.94%
King Sabata Dalindyebo	EC157	292 565	292 565	17 136	1 310	-92.36%
Matatiele	EC441	121 930	120 504	15 180	11 228	-26.04%
Umzimvubu	EC442	70 476	70 476	18 992	24 475	28.87%
Letsemeng	FS161	19 494	20 154	2 968	7 490	152.38%
Kopanong	FS162	33 222	33 222	8 004	5 335	-33.35%
Mohokare	FS163	56 986	38 616	5 003	3 728	-25.48%

## June Spike: Detail

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Naledi (Fs)	FS171	12 744	12 744	1 689	11 457	578.33%
Mantsopa	FS173	39 532	39 532	6 081	13 148	116.19%
Masilonyana	FS181	37 061	29 061	9 436	5 621	-40.43%
Tokologo	FS182	14 845	14 845	15 275	10 030	-34.34%
Tswelopele	FS183	21 291	20 799	4 326	1 037	-76.03%
Matjhabeng	FS184	159 604	159 604	29 745	55 285	85.87%
Nala	FS185	61 766	61 766	7 128	6 003	-15.78%
Setsoto	FS191	92 719	92 719	6 641	-	-100.00%
Dihlabeng	FS192	95 767	76 176	16 053	25 199	56.97%
Nketoana	FS193	32 612	-	6 327	524	-91.72%
Maluti-a-Phofung	FS194	266 440	286 578	55 548	82 952	49.33%
Phumelela	FS195	60 468	60 468	9 448	1 903	-79.86%
Moqhaka	FS201	126 267	126 267	5 291	-	-100.00%
Ngwathe	FS203	67 664	67 664	3 270	6 768	106.95%
Metsimaholo	FS204	344 317	133 026	9 169	28 964	215.89%
Mafube	FS205	25 712	25 712	7 554	972	-87.13%
Emfuleni	GT421	337 148	337 148	44 290	40 188	-9.26%
Midvaal	GT422	40 235	189 981	7 591	157 826	1979.24%
Lesedi	GT423	70 890	70 890	13 402	18 451	37.68%
Nokeng Tsa Taemane	GT461	16 915	16 915	3 940	5 684	44.24%
Kungwini	GT462	61 068	61 068	7 370	2 038	-72.35%
Mogale City	GT481	214 330	200 044	24 037	52 580	118.74%
Randfontein	GT482	103 156	103 156	11 414	23 332	104.41%
Westonaria	GT483	-	-	18 084	10 378	-42.61%
Merafong City	GT484	-	-	8 111	41 274	408.89%
Vulamehlo	KZN211	12 147	12 147	3 140	1 771	-43.60%
Umdoni	KZN212	264 355	274 610	51 876	16 212	-68.75%
Umzumbe	KZN213	33 660	55 239	8 653	11 271	30.26%
uMuziwabantu	KZN214	42 278	53 547	8 276	1 305	-84.24%
Ezinqoleni	KZN215	9 605	17 541	1 259	3 727	196.08%
Hibiscus Coast	KZN216	243 522	209 754	15 975	30 576	91.39%
uMshwathi	KZN221	24 230	35 905	1 823	7 421	307.00%
uMngeni	KZN222	26 837	32 337	3 652	6 516	78.45%
Mpofana	KZN223	9 579	6 929	841	2 549	203.03%
Impendle	KZN224	7 007	10 711	1 754	3 134	78.61%
Msunduzi	KZN225	295 937	295 937	10 949	36 147	230.13%
Mkhambathini	KZN226	11 048	11 048	1 502	4 876	224.56%
Richmond	KZN227	24 736	26 604	5 867	4 430	-24.49%
Emnambithi/Ladysmith	KZN232	68 359	133 377	16 551	25 201	52.27%
Indaka	KZN233	13 944	13 940	5 376	388	-92.79%
Umtshezi	KZN234	34 659	42 012	6 914	11 643	68.40%
Okhahlamba	KZN235	21 246	33 336	789	3 982	404.79%
Imbabazane	KZN236	17 932	20 420	4 362	511	-88.27%
Endumeni	KZN241	22 060	23 171	2 898	6 198	113.91%
Nquthu	KZN242	17 500	26 500	1 457	7 464	412.44%
Msinga	KZN244	21 377	21 377	10 363	10 336	-0.26%
Umvoti	KZN245	34 450	31 529	4 037	11 467	184.03%
Newcastle	KZN252	229 804	200 370	18 334	83 681	356.43%
eMadlangeni	KZN253	9	11 111	344	-	-100.00%

## June Spike: Detail

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Dannhauser	KZN254	20 038	19 851	1 519	113	-92.59%
eDumbe	KZN261	17 528	17 587	930	7 213	675.37%
uPhongolo	KZN262	23 868	13 539	1 622	2 841	75.13%
Abaqulusi	KZN263	39 003	39 730	4 219	5 784	37.11%
Nongoma	KZN265	38 710	51 885	8 050	10 223	26.99%
Ulundi	KZN266	29 249	29 250	7 594	6 118	-19.43%
Umhlabuyalingana	KZN271	25 388	41 464	2 277	328	-85.59%
Jozini	KZN272	33 294	36 834	10 990	6 638	-39.60%
The Big 5 False Bay	KZN273	9 464	9 447	2 595	7 047	171.60%
Hlabisa	KZN274	4 535	7 223	4 528	1 294	-71.43%
Mtubatuba	KZN275	21 336	26 686	2 065	5 953	188.21%
Mfolozi	KZN281	15 135	14 135	2 619	2 455	-6.26%
uMhlathuze	KZN282	234 827	169 441	12 043	43 821	263.87%
Ntambanana	KZN283	5 832	8 457	1 851	1 161	-37.29%
uMlalazi	KZN284	52 642	35 434	5 132	4 244	-17.30%
Mthonjaneni	KZN285	15 663	25 773	4 546	5 442	19.70%
Nkandla	KZN286	14 872	14 872	3 336	8 133	143.77%
Mandeni	KZN291	78 353	75 573	10 123	18 927	86.97%
KwaDukuza	KZN292	276 072	185 270	16 003	32 570	103.52%
Ndwedwe	KZN293	42 314	37 153	7 551	14 437	91.21%
Maphumulo	KZN294	20 343	22 086	3 138	5 580	77.80%
Ingwe	KZN431	30 894	34 633	11 059	4 399	-60.22%
Kwa Sani	KZN432	15 197	12 683	3 592	1 280	-64.38%
Greater Kokstad	KZN433	100 355	70 688	9 081	19 993	120.16%
Ubuhlebezwe	KZN434	24 015	32 543	5 915	9 646	63.08%
Umzimkhulu	KZN435	31 679	47 266	6 213	7 839	26.17%
Greater Giyani	LIM331	68 326	56 364	3 525	24 335	590.38%
Greater Letaba	LIM332	71 181	47 579	5 879	18 106	208.00%
Greater Tzaneen	LIM333	124 553	124 553	17 158	33 360	94.42%
Ba-Phalaborwa	LIM334	80 496	57 855	3 676	14 871	304.49%
Maruleng	LIM335	25 415	27 102	4 121	5 115	24.12%
Musina	LIM341	17 310	17 310	4 052	1 803	-55.51%
Mutale	LIM342	13	13	3 167	4 219	33.19%
Thulamela	LIM343	101 244	101 244	15 770	34 971	121.76%
Makhado	LIM344	165 519	165 519	20 914	34 437	64.66%
Blouberg	LIM351	32 025	32 025	6 432	6 744	4.85%
Aganang	LIM352	40 052	40 052	6 711	6 677	-0.50%
Molemole	LIM353	14 722	14 722	3 309	745	-77.48%
Polokwane	LIM354	839 490	609 734	70 435	77 232	9.65%
Lepelle-Nkumpi	LIM355	107 385	107 385	6 935	17 310	149.59%
Thabazimbi	LIM361	49 039	49 039	469	411	-12.35%
Lephalale	LIM362	96 251	96 251	24 887	39 358	58.15%
Mookgopong	LIM364	25 863	25 863	2 372	-	-100.00%
Modimolle	LIM365	40 539	40 539	6 070	6 312	3.98%
Bela Bela	LIM366	25 403	25 403	3 329	5 301	59.27%
Mogalakwena	LIM367	171 151	171 151	46 720	51 438	10.10%
Ephraim Mogale	LIM471	20 076	20 076	3 295	1 598	-51.50%
Elias Motsoaledi	LIM472	81 077	81 077	16 474	25 296	53.56%
Makhuduthamaga	LIM473	76 017	76 017	8 922	21 836	144.74%



## June Spike: Detail

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Fetakgomo	LIM474	13 051	17 175	3 511	3 236	-7.84%
Greater Tubatse	LIM475	-	50 421	9 391	6 588	-29.85%
Albert Luthuli	MP301	22 419	22 419	16 533	10 195	-38.34%
Msukaligwa	MP302	50 466	50 466	4 812	3 985	-17.19%
Mkhondo	MP303	55 597	55 597	2 223	6 076	173.31%
Pixley Ka Seme (MP)	MP304	45 925	45 925	7 931	3 174	-59.98%
Lekwa	MP305	68 021	68 021	6 562	6 802	3.66%
Dipaleseng	MP306	-	-	2 074	-	-100.00%
Govan Mbeki	MP307	130 230	148 226	24 385	36 045	47.82%
Victor Khanye	MP311	38 203	38 203	5 968	-	-100.00%
Emalahleni (Mp)	MP312	230 704	230 704	21 299	36 165	69.80%
Steve Tshwete	MP313	288 428	437 553	56 856	59 330	4.35%
Emakhazeni	MP314	14 417	14 417	1 328	3 728	180.69%
Thembisile Hani	MP315	75 239	75 239	22 739	1 664	-92.68%
Dr J.S. Moroka	MP316	168 000	169 350	35 278	42 198	19.62%
Thaba Chweu	MP321	21 083	21 083	3 396	406	-88.05%
Mbombela	MP322	700 290	700 290	89 875	124 136	38.12%
Umjindi	MP323	42	42	8 404	-	-100.00%
Nkomazi	MP324	176 675	176 675	20 219	24 183	19.61%
Bushbuckridge	MP325	439 071	441 381	43 523	175 309	302.79%
Moretele	NW371	87 500	87 500	11 642	13 494	15.90%
Madibeng	NW372	172 031	172 031	6 187	30 991	400.89%
Rustenburg	NW373	387 566	387 566	38 634	69 474	79.83%
Kgetlengrivier	NW374	19 929	19 929	2 278	9 674	324.69%
Moses Kotane	NW375	115 634	135 179	6 849	14 229	107.76%
Ratlou	NW381	-	-	2 190	3 656	66.94%
Tswaing	NW382	20 968	20 968	638	3 475	444.32%
Mafikeng	NW383	39 380	39 380	5 919	3 904	-34.03%
Ditsobotla	NW384	62 585	62 585	2 493	29 565	1085.73%
Ramotshere Moiloa	NW385	32 351	32 351	2 262	3 443	52.19%
Kagisano	NW391	38 327	38 327	712	-	-100.00%
Naledi (Nw)	NW392	87 935	87 935	1 422	4 499	216.31%
Mamusa	NW393	425	425	1 089	-	-100.00%
Greater Taung	NW394	55 330	55 330	2 828	6 417	126.87%
Molopo	NW395	11 569	11 569	107	-	-100.00%
Lekwa-Teemane	NW396	19 915	19 915	2 664	3 237	21.53%
Ventersdorp	NW401	26 271	28 888	5 672	2 574	-54.62%
Tlokwe	NW402	122 464	111 972	18 649	30 167	61.76%
City Of Matlosana	NW403	324 146	314 317	40 743	45 886	12.62%
Maquassi Hills	NW404	33 757	33 757	14 871	14 707	-1.11%
Joe Morolong	NC451	43 776	43 776	11 234	1 182	-89.48%
Ga-Segonyana	NC452	35 593	44 139	10 197	25 367	148.77%
Gamagara	NC453	47 562	59 125	9 802	4 647	-52.59%
Richtersveld	NC061	5 914	5 914	307	1 732	463.61%
Nama Khoi	NC062	18 226	18 226	2 830	6 837	141.63%
Kamiesberg	NC064	-	-	1 477	3 396	129.92%
Hantam	NC065	18 925	8 489	1 080	1 695	56.85%
Karoo Hoogland	NC066	-	-	3 257	2 706	-16.92%
Khai-Ma	NC067	12 138	12 138	2 263	4 493	98.58%

## June Spike: Detail

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Ubuntu	NC071	8 995	8 995	976	41	-95.82%
Umsobomvu	NC072	44 527	22 930	1 655	11 276	581.19%
Emthanjeni	NC073	26 459	26 459	2 624	6 220	137.00%
Kareeberg	NC074	6 622	17 101	708	6 683	843.73%
Renosterberg	NC075	9 203	9 203	1 691	734	-56.62%
Thembelihle	NC076	12 180	16 170	3 698	3 010	-18.63%
Siyathemba	NC077	7 156	7 325	1 862	11 025	492.26%
Siyancuma	NC078	-	-	5 715	-	-100.00%
Mier	NC081	6 420	6 420	274	1 014	270.79%
!Kai! Garib	NC082	87 753	87 753	36 346	-	-100.00%
//Khara Hais	NC083	53 814	53 814	5 096	6 417	25.92%
!Kheis	NC084	-	-	1 878	1 580	-15.88%
Tsantsabane	NC085	50 502	50 502	7 384	11 848	60.45%
Kgatelopele	NC086	22 883	22 883	1 984	176	-91.15%
Sol Plaatje	NC091	304 673	119 469	18 864	36 151	91.64%
Dikgatlong	NC092	43 700	32 450	-	(259)	0.00%
Magareng	NC093	17 178	45 490	6 527	11 547	76.92%
Phokwane	NC094	34 580	34 580	6 607	3 462	-47.59%
Matzikama	WC011	57 772	57 772	10 929	5 362	-50.93%
Cederberg	WC012	40 183	69 748	6 347	30 770	384.77%
Bergrivier	WC013	33 943	42 646	6 557	14 198	116.52%
Saldanha Bay	WC014	170 723	170 723	14 421	59 881	315.24%
Swartland	WC015	86 603	90 226	13 967	29 252	109.44%
Witzenberg	WC022	72 356	76 663	11 542	26 592	130.40%
Drakenstein	WC023	286 877	254 887	34 544	130 778	278.58%
Stellenbosch	WC024	215 564	144 689	14 881	65 240	338.42%
Breede Valley	WC025	122 879	147 122	35 471	29 730	-16.19%
Langeberg	WC026	61 001	78 256	12 825	19 711	53.69%
Theewaterskloof	WC031	83 052	82 043	16 341	15 971	-2.26%
Overstrand	WC032	161 809	166 705	20 511	81 149	295.63%
Cape Agulhas	WC033	32 012	31 410	7 135	7 160	0.34%
Swellendam	WC034	84 993	86 171	7 149	27 940	290.83%
Kannaland	WC041	21 488	21 488	1 222	5 069	314.69%
Hessequa	WC042	56 890	56 501	6 402	12 474	94.84%
Mossel Bay	WC043	233 346	260 538	69 666	42 343	-39.22%
George	WC044	175 181	150 517	28 638	37 839	32.13%
Oudtshoorn	WC045	70 865	81 893	6 691	23 525	251.61%
Bitou	WC047	113 401	108 672	17 722	39 137	120.83%
Knysna	WC048	68 288	57 733	9 238	21 499	132.72%
Laingsburg	WC051	13 616	13 616	1 797	2 008	11.74%
Prince Albert	WC052	13 346	13 346	966	1 957	102.56%
Beaufort West	WC053	50 148	55 786	12 456	8 049	-35.38%
Cacadu	DC10	6 176	6 176	406	908	123.66%
Amathole	DC12	324 136	324 136	69 191	84 411	22.00%
Chris Hani	DC13	288 560	288 560	1 147	501	-56.36%
Joe Gqabi	DC14	166 991	166 991	17 162	17 565	2.35%
O .R. Tambo	DC15	617 108	617 108	83 797	3 987	-95.24%
Alfred Nzo	DC44	201 635	201 635	58 570	25 724	-56.08%
Xhariep	DC16	2 055	2 534	285	1 077	278.49%

## June Spike: Detail

R thousands	Code	Original Budget	Adjusted Budget	Q1, Q2, Q3 - Average	Quarter 4 - Actual	June Spike
Motheo	DC17	150	927	250	119	-52.58%
Lejweleputswa	DC18	16 240	20 306	1 737	3 739	115.21%
Thabo Mofutsanyana	DC19	19 177	11 907	1 524	1 508	-1.03%
Fezile Dabi	DC20	6 290	5 370	685	1 445	110.87%
Sedibeng	DC42	-	-	5 272	8 075	53.16%
Metsweding	DC46	260	260	18	-	-100.00%
West Rand	DC48	29 828	17 190	1 005	3 614	259.56%
Ugu	DC21	399 514	315 703	48 691	53 165	9.19%
uMgungundlovu	DC22	96 055	104 182	10 458	11 846	13.27%
Uthukela	DC23	148 976	149 316	20 685	40 866	97.56%
Umzinyathi	DC24	187 077	186 298	28 171	48 599	72.51%
Amajuba	DC25	62 373	159 260	612	1 639	167.79%
Zululand	DC26	223 812	237 538	34 087	68 261	100.26%
Umkhanyakude	DC27	188 848	157 005	10 352	16 389	58.31%
uThungulu	DC28	148 646	232 576	21 951	27 588	25.68%
iLembe	DC29	258 946	262 933	25 857	57 448	122.17%
Sisonke	DC43	228 316	228 041	35 184	62 327	77.15%
Mopani	DC33	372 578	468 056	92 005	78 748	-14.41%
Vhembe	DC34	-	-	91 873	111 167	21.00%
Capricorn	DC35	246 239	246 239	30 717	29 980	-2.40%
Waterberg	DC36	20 481	20 481	667	2 832	324.70%
Sekhukhune	DC47	371 796	371 796	60 451	(113 765)	-288.19%
Gert Sibande	DC30	87 000	109 442	36 662	7 848	-78.59%
Nkangala	DC31	20 128	27 835	1 325	318	-75.97%
Ehlanzeni	DC32	40 047	40 047	13 529	9 975	-26.27%
Bojanala Platinum	DC37	161 712	7 094	288	1 756	508.84%
Ngaka Modiri Molema	DC38	218 834	218 834	53 172	52 407	-1.44%
Dr Ruth Segomotsi Mompati	DC39	184 573	184 573	13 931	759	-94.55%
Dr Kenneth Kaunda	DC40	71 819	90 029	4 020	13 675	240.16%
John Taolo Gaetsewe	DC45	5 400	5 400	1 038	1 370	32.00%
Namakwa	DC6	1 837	1 837	97	905	837.51%
Pixley Ka Seme (Nc)	DC7	780	780	497	441	-11.24%
Siyanda	DC8	30	30	3 987	4 847	21.57%
Frances Baard	DC9	2 988	2 988	639	2 305	260.56%
West Coast	DC1	61 935	61 935	7 303	34 074	366.55%
Cape Winelands DM	DC2	19 412	11 811	1 757	5 002	184.65%
Overberg	DC3	13 662	13 662	137	73	-46.93%
Eden	DC4	41 226	28 805	3 549	10 036	182.76%
Central Karoo	DC5	9 628	9 628	1 746	440	-74.80%